To: CREA Executive Committee

From: Mike McArthur, Director

RE: December Executive Committee Report

Date: December 11, 2020

Hopefully, we are all becoming Zoom pros and can make all the links work. Sonja and I have been test driving our CREA Zoom Pro account under <[admin@community-renewables.org](mailto:admin@community-renewables.org)>.

We are: <[mwm@community-renewables.org](mailto:mwm@community-renewables.org)> and <[sonja.carey@community-renewables.org](mailto:sonja.carey@community-renewables.org)>

And **mwm: 541-980-2089 Sonja: 541-490-4149**

**For December 11, 2 -5 PM:**

Join Zoom Meeting

<https://zoom.us/j/93507620361?pwd=M3JLU0UwNjEzTEpVMWY3bk8xTXJTdz09>

**Meeting ID: 935 0762 0361**

**Passcode: 991725**

**Transition -** Brian Skeahan has been and I trust, will continue to be, a font of knowledge about the energy industry and issues important to CREA. I appreciate the time he has spent with me going over the history and details of the work. As it appears, Brian will still be involved in some projects in the energy field. It is my hope that he will continue to stay connected to CREA.

It is great to have Sonja Carey rejoin CREA as our Executive Assistant. She has hit the ground running on December 1 and has been a big help in setting up our communications including email addresses and the Zoom account. She has updated our website and will continue to improve our web presence. We are discussing a more complete communication plan and will be looking for feedback from the board.

**Business Meeting / Open Agenda** – MCEDD has been very responsive and helpful in getting financials out to us and handling billing. We now have a CREA credit card through Columbia Bank with a $500 limit. While the expense side of our ledger looks close to budget, the income side indicates that we aren’t current on memberships. I understand that invoices for the 2020-2021 fiscal year have not gone out yet. Sonja and and I are prioritizing that work for next week. I have also begun communicating with some counties who haven’t been members recently but may be interested to expand our membership. We did add the Port of Arlington (thanks to Port Commissioner Shaffer). We hope to attract other special districts and cities in the future.

**2021 Legislative Concept Discussion** – The legislature held interim committee meetings earlier this week. There were a number of committee bills that were approved for drafting as proposed legislation. We will be reviewing those Legislative Concepts and consulting with AOC as to which bills will be of interest to CREA. I monitored the Senate Environment and Natural Resources Committee Monday and heard presentations from Director Janine Benner; Senior Policy Analyst, Rebecca Smith and UO Assistant Professor of Law, Greg Dotson. The Energy Department shared some interesting background materials on the energy sources and amount of renewables in the mix. Links to those materials are attached separately (They are on the legislative website, also.) Professor Dotson spoke of an educational webinar on energy taking place on January 6th, which we will cover and share details for those that want to follow.

**Solar Payment in-lieu of Taxes (PILoT) Modifications** - A number of our board and members participated in a Zoom conference Wednesday, hosted by AOC. At that session, it was announced that consensus had been reached (not sure who all was being referred to as agreeing) but it seemed that the county commissioner/judges who were present and the solar industry representatives and developers were on board with the $5,500 per/MW figure. The Legislative Counsel (LC) we have seen showed an amendment to add the phrase “not less than.” The term would remain 20 years. We will have a discussion of the CREA position on this proposed legislation on the agenda for Friday.

**Goal 13 / Land Use -** I continue to hear that there are frustrations with the siting process for solar in particular. My understanding is that any major overhaul of Goal 13 would have a fairly significant price tag as Department of Land Use and Conservation (DLCD) would have to staff up and bring on consultants to get this additional work done. We will continue to look for more targeted tweaks to the process that might be easier to accommodate.

J**ake Stephens / New Sun Legislative Concepts -** We have spoken with Jake Stephens and understand that he is working on some legislative proposals to implement his new approach as outlined:

* + Gradual increased RPS, to as much as 95 percent, over time
  + Allow PPAs into IOU rate base, in some manner
  + PURPA reform comparable to legislation we have previously supported
  + A land use & permitting component
  + Provision to allow solar development in return for voluntary retirement of water rights in specially designated areas
  + Tax credits to offset second wheel costs associated with integration to consumer owned electric systems
  + Establish some type of ODFW mitigation fund from project revenues
  + Use of project revenues to enhance OPUC staffing
  + Support capacity resources including batteries and pumped storage. Of particular interest is to allow a small but specified amount of new gas turbine construction to meet capacity / reliability needs.

We will hopefully hear from Jake Friday and get an update on this proposal.

**AOC Discussions –** We are getting acquainted with new Association of Oregon Counties (AOC) staff, and it appears that our primary contact will be Mallorie Roberts, Transportation and Community Development. We may also have issues that involve Tyler Janzen, Governance and Revenue and Lauren Smith, Natural Resources. Amanda Dalton is on contract with AOC and will be working on the Solar PILoT, it appears. I’m hoping we can get an update on legislative business from AOC Legislative Director, Rob Bovett on Friday.

**Hydrogen Project –** We hope to have David Brown of Obsidian Renewables provide some information on his work. He has provided some good background materials for that presentation that were sent earlier.

**OPUC -** I had an introductory call with Chair Meagan Decker arranged at the request of Robin Freeman, PUC Government Affairs. Given her background at Renewable Northwest, it wasn’t surprising that Chair Decker was sympathetic to CREA’s effort to facilitate small scale renewables. However, she seemed to lament that the time and resources involved in that effort were taking away from larger issues that the Oregon Public Utilities Commission (OPUC) has to deal with, and also that the OPUC was very limited by its jurisdiction and staffing. I have requested similar sessions with the other commissioners. We have a report on other work on this front from Counsel, Greg Adams, which I will summarize at our meeting.

C**ommunity Energy Planning -** I have had a number of conversations with folks and organizations who may also have an interest in this project. These include Oregon Consensus, Oregon Kitchen Table, Rural Development Initiatives, Community Oregon and AOC. I’m working with Eric Schmidt, of news and TV fame on a possible set of video programs which could be used as background instructional videos. The Department of Energy (DOE) has as part of its mission, to provide education on energy issues. I’m speaking with Director Benner next week about this topic. I believe DOE previously did much more of this type of work. The Pacific Northwest Economic Region organization also has an energy education program that is worth studying.

**Department of Revenue -** I think there may be significant issues with the central assessment process for energy facilities including re-powering of wind generators. We had a helpful overview of that work from Department of Revenue (DOR) representatives at our annual meeting, but I think that was just a starting place. I think the discussion around the Solar PILoT would be better informed if we knew more about the valuation and the interplay with tax districts.