

Clean Energy Planning Engagement Series for Oregon Tribal Nations

April 2024 Meeting Notes

April 26, 2024, 9:00 – 11:00 am, Pacific Time

These notes were synthesized and summarized by E Source, Pacific Power’s meeting facilitation partner.

Executive Summary

There were 16 individuals in attendance at the Clean Energy Planning Engagement Series for the Oregon Tribal Nations meeting on April 26, 2024. The meeting was hosted in a virtual setting with attendees joining via the ZOOM platform.

The following is a summary of the content and feedback received during the 2-hour public meeting.

AGENDA
Check In & Closing the Loop
Regulation Updates
Community Benefit Indicators
Community-Based Renewable Energy
Next Steps

Attendee	Organization
Attendees	
Andrew Croy	
Eli Duncan-Gilmour	Clean Energy Innovator Fellow, Energy Liaison, Affiliated Tribes of Northwest Indians, Department of Energy
Ellsworth Lang	Klamath Tribes (Klamath Modoc-Yahooskin)
Mike Lofting	Warm Springs Power and Enterprise
Judy Farm	Tribal One / Coquille Indian Tribe
Brian Boswell	Umpqua Indian Utility Cooperative
Presenters	
Christina Medina	Manager, Stakeholder Policy & Engagement, Pacific Power
Kimberly Alejandro	Equity Advisory Analyst, Pacific Power
Laura James	Program Manager, Pacific Power
Lee Elder	Load Forecasting Manager, Pacific Power
Matt McVee	Regulatory Policy & Operations Vice President, Pacific Power
Tracy Moreland	Tribal Liaison Representative, Pacific Power
Jeffrey Daigle	Facilitator, E Source

Morgan Westberry	Facilitator, E Source
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Pacific Power Affiliated Attendees

Jeffrey Daigle	E Source, Facilitation Team
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Tag Galvin-Darnieder	E Source, Facilitation Team
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Zanya Morgan	E Source, Facilitation Team
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Meeting Notes

Opening

Pacific Power's Christina Medina welcomed participants to the April Clean Energy Planning Tribal Nations Engagement. Pacific Power is seeking to offer a space for meaningful dialogue and an opportunity to help offer lens on the work that is happening at the utility, as well as anywhere consultation can help to influence that work. Morgan Westberry, from the E Source facilitation team, then opened the meeting by welcoming everyone and letting the group know that people are welcome to come and go throughout the session. The information presented in the meeting will be posted online as a resource. More feedback and questions can also be sent to the engagement team offline.

Closing the Loop

Morgan Westberry recapped the last meeting, including:

- An overview of the structure and commitments of the Tribal Nations space for 2024, including participation compensation, travel reimbursement, biennial report requirements and topic opportunities for discussion
- Revisiting the 3 components of Community Based Renewable Energy
 - Renewable energy resources
 - Connects to the grid
 - Benefits of the community
- Introducing the Community Based Renewable Energy (CBRE) Pilot approach

Check In

E Source's Morgan Westberry facilitated the check in question: *What is one thing you are most looking forward to this year?*

- Facilitating the addition of renewable energy to reservations or former reservations, taking advantage of the programs centered around renewable energy for Tribal communities
- Delivering biennial report – an opportunity for Pacific Power to show what engagement looks like and to share conversations held in the space to amplify and memorialize the voices heard
- Continuing to see tribes take the lead in creating a sustainable future with green energy
- Spending time with family outside of work,
- Rate case development, preparing for second CEP and analyzing the progress from the first CEP

Storytelling | Recent Successes

Pacific Power's Tribal Liaison, Tracy Moreland shared recent successes within the Tribal communities. On April 1st, Pacific Power representatives visited Cow Creek Band of Umpqua in Roseburg, Oregon to facilitate a conversation understanding where priorities are regarding transportation electrification and funding needs.

Brian Boswell, Director of Umpqua Indian Utility Cooperative, described the meeting as successful in adequately grasping the difficulties experienced in trying to secure energy grants and projects in Tribal communities. Tribes recognize the opportunities available but are consistently finding that lack of capacity in time, financial resources, and staffing is a prevalent issue when trying to facilitate new energy projects. Due to these constraints, the tribe has become more reluctant to take on new projects

In working with Pacific Power, Umpqua Indian Utility Cooperative is advocating for programs in more rural areas as the focus the company caters to. Nonetheless, the level of detail and compassion Pacific Power brings to the conversation is appreciated.

Ms. Moreland acknowledged the work required to fulfill grant compliance requirements and recognizes receiving grant funding is only the tip of the iceberg so while it is a celebratory moment, it is the beginning of a journey.

Meeting Discussion:

Klamath Tribes shared difficulties navigating the number of calls received from vendors at the truck stop to try and set up appointments, but the aggressive sales tactics have been overwhelming, and the tribe would like to partner with Pacific Power to receive education and training about transportation electrification and charging stations.

Morgan Westberry encouraged other parties on the line to voice any difficulties or concerns to see how Pacific Power may be of assistance.

Regulation Updates

Pacific Power's Matt McVee, Regulatory Policy & Operations Vice President, explained rate case updates and the rate making process in Oregon to the group the rate making process in Oregon. In Oregon, utilities are required to go before the governor appointed commission to set rates. The goal of the commission is to determine if the utility's rates and investments are prudent, and the rates are just and reasonable. In addition to state regulation, all utilities are also subject to federal transmission regulation by the Federal Energy Regulatory Commission.

Mr. McVee defines rate case as a formal process conducted by utility regulators to determine if the utility's proposed base rates are just and reasonable. Base rates include the operational costs, investments, and the cost of capital. However, all investments must be used and useful, those not in service are not recoverable. For a utility to start the application process, they must be able to demonstrate that revenues do not meet the increasing expenses and recovery of investments. The rate case then sets the revenue requirement using the formula:

Expenses

+ (Rate Base x Cost of Capital)

Revenue Requirements

Expenses include salaries and insurance while rate base covers poles, wires, and generation resources.

Initially, the goal of this formula was to incentivize utilities to rebuild and electrify the country using modern technology. Once the utility receives the annual revenue requirement from the commission, a process of cost allocation begins – a cost of service study. Cost of service study recognizes the rate change may be different for each type of customer; residential, industrial, or agricultural, and studies how much it costs to serve each type of customer.

Rate case filings are a 5-step process spanning approximately 10 months.

1. Rate case application submitted
2. Public utility commissions conduct investigation on filed application
 - a. Intervene parties conduct discovery and file testimony
3. Evidentiary hearings
4. Public comment hearing
5. Final order and public notification

Pacific Power filed a general rate case and a Transition Adjustment Mechanism update with the Oregon Public Utility Commission. The combined rate actions would result in a 16.9% rate adjustment, or \$304 million. On average, a residential customer with typical energy use would see an increase of about \$29.47 a month. Before 2022, Pacific Power has been continuously decreasing rates, but with recent technologies and the facilitation of state programs, an increase has become inevitable due to associated costs and taxes. 2023 is the first time Pacific Power had an increase across the board.

The Transition Adjustment Mechanism filing accounts for the increasing costs of power and natural gas; however, Pacific Power anticipates the cost of natural gas leveling out in the coming years thus predicting an \$18 million decrease in the cost of power for 2025.

The General Rate Case filing accounts for standard rate case issues such as investments and costs of operations of new transmission lines and 2 wind projects, 1 acquired and repowered and the other previously owned and repowered. Another major component of the filing is the cost of wildfire insurance. Mr. McVee shared that Pacific Power paid an insurance premium of \$30 million in 2022, however, in 2023 the premium increased to \$120 million. Wildfires have become an emerging risk due to more frequent and severe events.

Mr. McVee acknowledges the impact of a nearly \$30 monthly increased and highlighted resources to help offset the cost:

- Oregon Bill Discount program
 - Income qualifying residential customers can get a discount on monthly bills through the Oregon Low-Income Discount (LID) program
- Oregon Energy Fund
 - Pacific Power partners with Oregon Energy Fund, a nonprofit agency, to offer energy assistance to residents with donated funds
- State energy assistance
 - Low Income Energy Assistance Program (LIHEAP) provides low-income households assistance with home energy costs
 - Oregon Energy Assistance Program (OEAP) also provides energy assistance funding
- Low-income weatherization program

- Local agencies provide free weatherization services to income qualifying homeowners and renters living in single-family homes, mobile homes, or apartments. These services allow savings on energy costs while making the home more comfortable and energy efficient

Meeting Discussion:

- Umpqua Indian Utility Cooperative questioned if Pacific Power has any projections on future rate cases and the cost of implementing projects associated with the mandate to be non-emitting by 2045?
 - Matt McVee assured that Pacific Power is actively looking into future rate cases and has added more wind resources and transmission. 2021 saw a rate decrease due to repowering wind resources and adding transmission to offset costs using requalification for PTCs. However, it is difficult to forecast costs until the company gets to procurement due to specific state requirements and incentives. For example, in Oregon 10% of the cost of energy must come from small scale projects, this cost must be paid out by customers living in Oregon and cannot be shared across multiple states.
 - Umpqua Indian Utility Cooperative asked if Pacific Power could share how close the company is to carbon free?
 - Matt McVee replied as of today Pacific Power is not near the 80% required by 2030, more so around 40%. Originally, trending was around the mid to low 70s by 2030 but with recent changes such as the state energy policy, the removal of federal policy, and the EPA's ozone transport rule, an updated economic analysis is required to determine if system operations can continue on a least cost basis to ensure rates are as low as possible.
 - Umpqua Indian Utility Cooperative questioned if wind projects more beneficial than big solar projects? What does the future of renewables look like for the company?
 - Matt McVee shared that Pacific Power is looking into solar, but battery storage is the highest priority now as states move away from fossil fuel-based resources and decrease dispatchable resources. Solar energy is important in charging batteries but overall, tends to be very jagged due to the reliance on sun and the impact of cloud cover. For example, in California wildfires can prohibit solar generation due to smoke in the air. These factors must be considered by Pacific Power when researching dispatchable capacity and broad transmission. Additionally, Pacific Power is open to exploring other resources such as hydrogen and advanced nuclear power using molten salt. Nonetheless, Mr. McVee sees Pacific Power as more than capable of meeting the 2045 emissions goal.
- Warm Springs Power and Enterprise asked to see the utility breakdown, considering what renewable requirements are costing consumers, what to date, and total cost and effect on consumer rates. It is believed that when people see what is causing their rates to go up, political pressure may change. Solar and wind are in the 30-40% category in generation factor, but they still require batteries to store generation and to be able to use it for demand on system. Natural gas CCGT plants are being overlooked even though these plants can react more quickly to load changes when there is an event. It is important to remember the political motivation behind legislation, the pressure is on the United States to mediate greenhouse gases, but the funding is going to the suppliers in China. When customers look at their bills, they do not see a breakdown

of what is impacting rate changes? It will be helpful to be transparent about the costs that are impacting increased rates.

- Mr. McVee added that the issue of the modern technology to replace gas is a liability issue as Pacific Power is adding resources as a system not for compliance. Wind resources, for example, have no associated fuel cost during production. To date, there is nothing in rates that is specific to compliance.
- Warm Springs acknowledged that while fuel may be free, construction costs for wind resources are more and must be subsidized through grants, carbon credits and add-ons to bills. Even if there is not a direct fuel cost, there is an associated cost that must be considered. Pacific Power must be mindful of sharing the message in its entirety and not tidbits. Environmental concerns and aesthetics must also be addressed. Utilities get a guaranteed rate of return on all capital expenditures within the system which in turn means more capital projects
- Mr. McVee agreed with the importance of making a full assessment considering the larger picture, but pointed out that there is no guaranteed rate of return. This is a common misconception in the industry. Instead, there is an opportunity of return which is a set amount of return for the capital but because Pacific Power sets rates prospectively then charge according to where those rates go. The return on equity set by the commission is 9.5%, but the company has not gotten close to that number in Oregon in a decade. The reality is Pacific Power does not get anything guaranteed. Federal subsidies such as tax credits do bring down the costs for customers, but state requirements are more rigid although the public can try to add influence.
- Warm Springs added that grants cost everyone across federal and state programs, but it impacts customers the most as it causes a bill increase and is also paid out through state and federal taxes. This is the whole picture that is not being shown. Overall, renewable energy is favorable is better for the environment and more favorable than fossil fuels depending on how the materials are acquired. The downside is that wind resources are not recyclable.
- Mr. McVee agreed that life cycle analysis is a very critical component that has not been discussed enough. The typical answer is adding lithium-based batteries for storage, but the finite resource aspect is not being considered.
- Morgan Westberry suggested that in the policy and legislation development phase, information about life cycle costs and potential impacts can be shared and, in an effort, to be proactive the group can be informed on pending legislation and potential impacts.
- Warm Spring reiterated the importance of rate impacts on each customer's bill.
- Mr. McVee shared appreciation for this feedback as the conversation surrounding what goes on a customer's bill has been challenging and difficult for the industry to agree on but it is important to be transparent.
- Affiliated Tribes of Northwest Indians chimed in, in favor of decarbonization and a succession plan for companies moving towards wind, solar, or pump storage that acknowledges the future when resources are being decommissioned and licenses expire. Are our children or grandchildren going to be responsible for cleaning up the mess if the responsible parties that signed the agreements are not around? For example, the dams and dam removals had been the ratepayer's economic responsibility for so long. At the tribal level, the pump storage for Swan Lake Hydro is an example

of this. Although, it may be advantageous in the area of installation, it is not advantageous for the tribes and ruins several cultural resources. In the future, it will be easier for tribes to look at a succession plan that can be followed. Speaking on behalf of the tribes in Oregon, the people are not happy with the utilities right now due to being opposed to several projects in talks or underway including the Goldendale project. While Pacific Power may not be the face for some projects, the company still has a hand in purchase agreements and construction.

- Mr. McVee agreed and understood the sentiments the tribes are feeling. The difficulty in discussion currently comes from the idea that the solution to non-emitting will be simple. There are cost caps built in that Pacific Power has not yet figured out how to calculate in Oregon. Mr. McVee advocated for varying voices from different communities at the table, questioning *is this a good policy? Is this something we should be looking at?* The bottom line is there is no simple solution and public policy making is hard, and society has moved away from good, thoughtful, public policymaking and in the past has ignored entire communities and their histories and traditions.
- Umpqua Indian Utility Cooperative examined the correlation between moving towards electronic vehicle and travel centers as the need for fleet vehicle charging stations increases, citing the need for more power. How is Pacific Power addressing current laws that are moving towards getting rid of diesel laws? It is an elephant in the room that no one is addressing.
- Mr. McVee assured the group that Pacific Power is addressing it; however, the discussions are happening amongst separate groups. Pacific Power appreciates the exchange of information and suggests the conversations broaden as a lot of the same questions have been asked internally such as *do EVs have increased risks? Would it be a load forecasting nightmare for utilities?* Mr. McVee recognizes there is an additional investment that comes with adding to the current load.
- Umpqua Indian Utility Cooperative searched online the total number of truck stops in Oregon, about 3200, questioning hypothetically if each truck stop installed 50 chargers – *how does that look in the future? Could truck stops potentially operate as their own utility stations because of the loads they will have to bear? How are the cost shares allocated?*
- Mr. McVee emphasized that rates are socialized within the state, so resources brought on are spread across all customers. Any further breakdown depends on the cost of service, but the goal is to keep the rates as low as possible by collecting less for resources that are older and adding newer resources to match the depreciation of the older resources. Mr. McVee acknowledges that changes are happening very quickly within the industry and there are a lot of demands, some of which are not well thought out.

Morgan Westberry invited Lee Elder, Load Forecasting Manager, to provide further discussion insight.

- Lee Elder shared that planning for charging stations for large trucks and semi-trucks at travel centers seems preliminary at this stage, thus being excluded from load forecasting although it has come up in conversations. However, the percentage of households acquiring EVs has increased over the years and that data has been included in load forecasting.
- Mr. McVee encouraged the group to share the same feedback with the Oregon commission as it has been very insightful.

- Andrew Croy questioned *if the power mix is changing in response to the policy that the Northwest has set up? Or is it that utilities are trying to meet more load because there is more population in the Northwest? Is the change more driven by the Clean Energy Policy or is it driven by the fact that there is more demand?*
 - Mr. McVee responded that numerous factors go into development such as increased load, load in different areas, general vs spotty increase. Load growth used to be dependent upon population and usage, but more modern technology must account for EVs, data centers, steel mills. Crypto mining, etc. General decarbonation allowed utilities to add federal subsidies and take those on as least cost resources for customers, coupled with state energy policy which accelerated decarbonization. In previous resource plans, utilities were anticipating being close to 0% carbon emissions by 2050 accounting for recent technologies. This process has been sped up due to new resource policies in the Northwest. Furthermore, large customers are coming on and demanding green energy immediately, which then requires an analysis of how to ensure those costs of modern technology are not being spread to all customers across the board.

Community Benefit Indicators (CBIs)

Morgan Westberry introduced Laura James, Program Manager, to introduce the concept of Community Benefit Indicators to the group. CBIs are a component of the Clean Energy Plan as a part of House Bill 2021, which directed utilities to transition to 100% clean energy by 2040 and achieve equitable distribution of the costs and benefits of the transition. Pacific Power received guidance from the Public Utility Commission of Oregon for CBI (Community Benefit Indicators) development, highlighting 2 key points utilities should observe.

- Utilities should engage stakeholders to identify appropriate CBIs for their service area
- Utilities should adopt at least one CBI for each of the following topic areas
 - Resilience (System and Community)
 - Health and Community Well-being
 - Environmental Impacts
 - Energy Equity (Distributional and Intergenerational Equity)
 - Economic Impacts

External input has been an integral portion of crafting CBIs. Pacific Power is developing metrics by staff, with input from OPUC staff, tribal communities, other interested parties through OPUC workshops, and the Community Benefits and Impacts Advisory Group (CBIAG). A key aspect of the CBI framework is that it is intended to be adapted overtime, it is a living document with room for improvement.

The current CBI framework is as follows:

CBI Topic Area	CBIs (Outcomes)	Metrics
1) Resilience	a) Improve Resiliency of Vulnerable Communities During Energy Outages	SAIDI, SAIFI, CAIDI at area level including major events
	b) Reduce Frequency and Duration of Energy Outages	Energy Not Served (ENS) for IRP portfolios are included as an output from portfolio development
2) Community Health & Well-being	a) Decrease Residential Disconnections	Number of residential disconnections by census tract
3) Environment	a) Increase Energy from Non-emitting Resources and Reduce CO2e Emissions	Oregon GHG emissions (from Oregon-allocated resources)
		Oregon allocated renewables
4) Energy Equity	a) Decrease Proportion of Households Experiencing High Energy Burden	Average Energy burden by census tract, for low-income customers, bill assistance participants, Tribal members and for all customers
	b) Increase Efficiency of Housing and Small Businesses in Disadvantaged Areas*	TBD
5) Economic	a) Increase Community-Focused Efforts and Investments	Headcount of DSM program delivery staff & grants
		Public charging stations
		Pre-apprenticeship / educational program participation
	b) Reduce Barriers for Disadvantaged Communities for Company Program Participation*	Energy supply resource development - workforce and spend
		TBD

Structuring a long term, large scale public initiative like the Clean Energy Plan follows a 5-step cycle that begins with

- 1) Identifying equity issues – specific needs or problems to be addressed
- 2) Define CBIs and metrics – the outcome that will indicate the need was met and the metrics to assess progress
- 3) Take actions – identify and implement actions the utility can take to address needs
- 4) Monitor trends – Track established metrics and capture lessons learned from actions
- 5) Refine and improve – use lessons learned and metrics trends to reassess barriers and necessary actions

Ms. James shared the goal intended for today’s meeting as it relates to CBIs, to incorporate tribal perspectives by identifying specific equity issues that the Tribal communities want the Clean Energy Plan and the CBI framework to address.

Meeting Close & Next Steps

Christina Medina thanked the group for such rich dialogue today and reiterated that we are tracking the feedback in a living document that is posted online to ensure we are capturing the dialogue. Ms. Medina acknowledges questions about resource planning and assures the next meeting will capture the segment we missed today.

Upcoming Meetings

Next month’s Tribal Engagement meeting will be on May 31st, 2024, 9am – 11am via [Zoom](#).

IRP Public Input Meeting – May 2, 2024, Online

[Public Input Process \(pacificorp.com\)](#)

CBIAG – May 16, 2024, Online

[CBIAG Zoom Registration](#)

Oregon Clean Energy Plan Engagement Series

May 21, 2024, Online

[CEP Zoom Registration](#)

Resources

Pacific Power's Christina Medina shared a slide of resource links and closed the meeting.

- Email comments to: TribalRelations@PacifiCorp.com
- For more information: [Oregon Clean Energy Plan Updated Engagement Strategy](#)
- <https://www.pacificorp.com/energy/oregon-community-benefits-and-impacts.html>