Oregon Department of **ENERGY**

Oregon Energy Strategy

Draft Policy Recommendations

August 14, 2025

50 YEARS of SERVICE
OREGON DEPARTMENT OF ENERGY

2025 marks ODOE's 50th year serving Oregon!

In 1975, the Oregon Legislature created the Oregon Department of Energy following the oil crisis of the early 1970s.

The statute creating the agency noted that continued growth and demand for non-renewable energy poses a serious and immediate – and future – problem. It also declared a goal that ODOE promote the efficient use of energy resources and develop permanent energy resources – a goal that continues today as ODOE works to develop a new state energy strategy and Oregon prepares for new electricity needs and load growth.

https://www.oregon.gov/energy/About-Us/Pages/50-years.aspx

OREGON DEPARTMENT OF ENERGY

Leading Oregon to a safe, equitable, clean, and sustainable energy future.

Our Mission

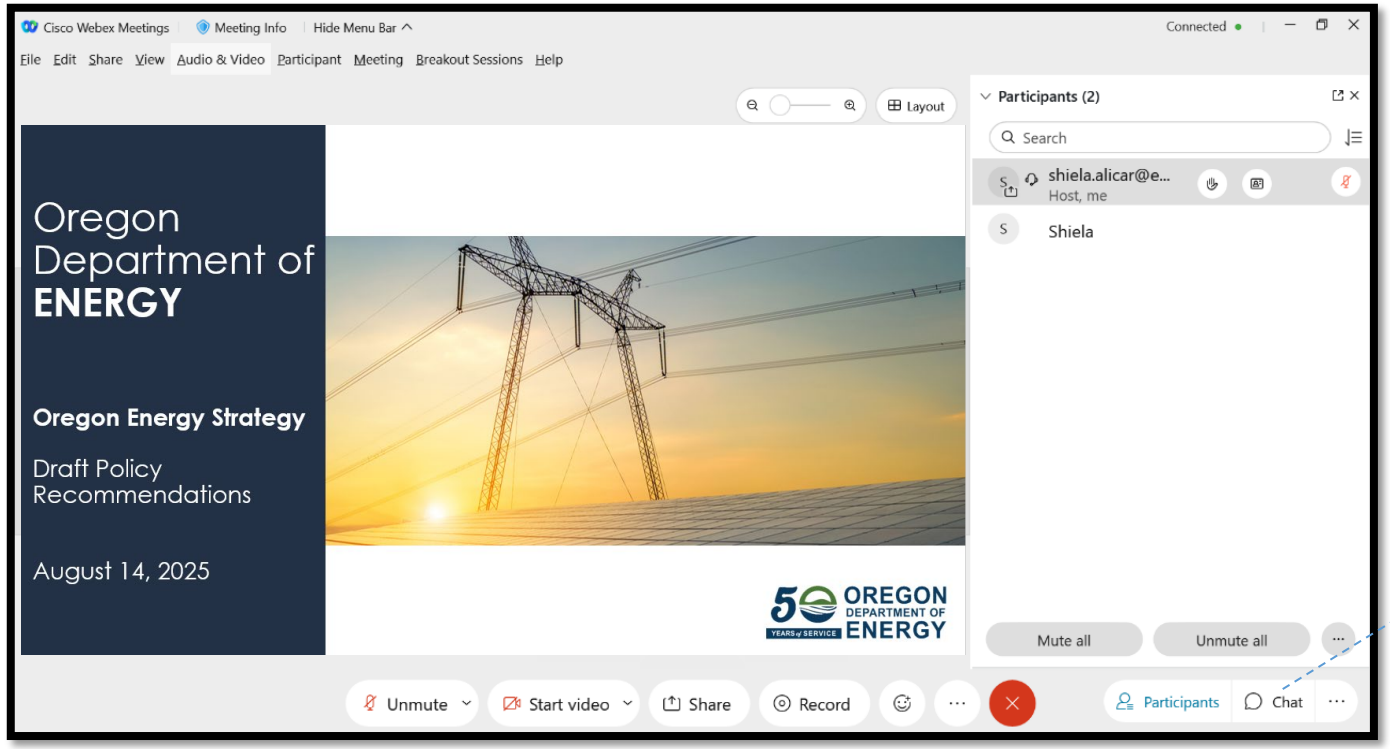
The Oregon Department of Energy helps Oregonians make informed decisions and maintain a resilient and affordable energy system. We advance solutions to shape an equitable clean energy transition, protect the environment and public health, and responsibly balance energy needs and impacts for current and future generations.

What We Do

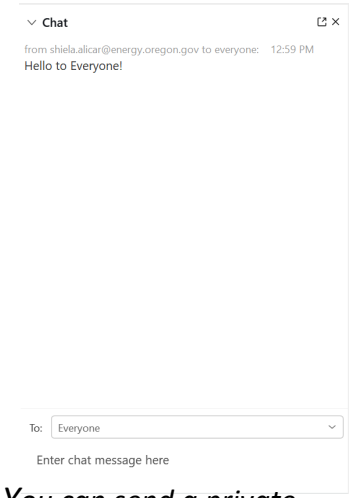
On behalf of Oregonians across the state, the Oregon Department of Energy achieves its mission by providing:

- A Central Repository of Energy Data, Information, and Analysis
- A Venue for Problem-Solving Oregon's Energy Challenges
- Energy Education and Technical Assistance
- Regulation and Oversight
- Energy Programs and Activities

USING WEBEX

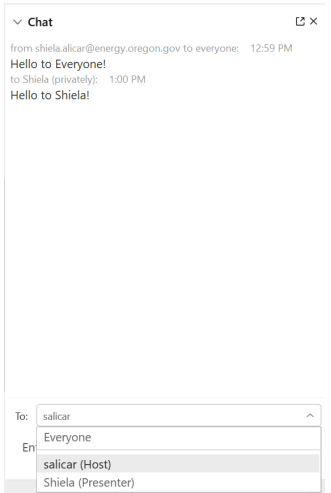


Chat



You can chat to Everyone in the meeting.

You can send a private message to the Host or Presenter (or all Panelists when there is a Panel).



Can’t use the chat? Email questions to Energy.Strategy@energy.oregon.gov

AGENDA

TIME	TOPIC	PRESENTER
10 a.m.	Welcome and Introduction	Edith Bayer, ODOE
10:10 a.m.	Overview of Draft	Edith Bayer, ODOE
10:55 a.m.	Clarifying Questions	Edith Bayer and ODOE team
11:10 a.m.	Jobs Modeling Results	Phil Jordan, BW Research
11:45 a.m.	Jobs Clarifying Questions	Phil Jordan and BW/ODOE team
11:55 a.m.	Next Steps	Edith Bayer, ODOE

Introduction and Background

Why an Energy Strategy?

2022 Biennial Energy Report:

- Reviewed 20 technical studies from around the country
- Concluded that the state would benefit from a State Energy Strategy

An Energy Strategy can help:

- Align policy development, regulation, investment, and technical assistance
- Identify pathways to meet the state's policy goals, considering different technologies, approaches, and tradeoffs
- Maintain affordability, reliability
- Strengthen the economy
- Prioritize equity
- Maximize benefits and minimize harms

LEGISLATIVE GUIDANCE – HB 3630

Develop a comprehensive state energy strategy that:

- Identifies pathways to achieve the state's energy policy objectives
- Recommends legislation or changes to policy
- Is developed through robust engagement

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TIMELINE


May 2024 to January 2025
Modeling Pathways to understand options and tradeoffs
February-May 2025
Policy discussions building on insights from modeling
May-August 2025
Drafting policy recommendations for public input
August-September 2025
Public written comments
August-October 2025
Drafting report
November 1, 2025
Final report

PERSPECTIVES

Tribal Engagement	• Government-to-Government, ensuring Tribal perspectives inform Energy Strategy • Members of the Nine Federally Recognized Indian Tribes in Oregon • Ongoing
Advisory Group	• Advise ODOE throughout the process and help inform decisions • Representatives of diverse perspectives and lived experiences across Oregon • Meets once a month
Working Groups	• Focused on informing policy recommendations • Subject matter experts able to engage in identification of gaps and needs • Meet over ~ 3 months in early 2025
Interagency Steering Group	• State Agency Coordination • ODOE, DLCD, ODOT, PUC, DEQ, DSL, Business OR, Governor's office; other agencies • Meets once a month
Listening and Information Sessions	• Public forums, where anyone can and is encouraged to join • Collecting broad views from across the state

DEVELOPING THE ENERGY STRATEGY

INPUTS

Analysis

- Energy Strategy Modeling
- Energy Wallet
- Air Quality Modeling
- Geospatial Maps
- Jobs Study

Expertise

- Tribes
- Interagency Steering Group
- Advisory Group
- Working Groups
- Public Comments

Draft policy recommendations for public comment

FINAL REPORT

- Statewide strategy and pathways to achieving energy policy objectives
- Legislative and policy recommendations
- Description of engagement process and how different perspectives informed state energy strategy

TECHNICAL ANALYSIS INFORMED THE PATHWAYS

Energy Pathways Modeling Results

Model calculates energy needed to power Oregon's economy and the least-cost way to provide that energy under clean electricity and emissions goals.

Air Quality

Model calculates how changes in air quality affect health outcomes and estimates economic value of those benefits

Energy Wallet

Shows changes in energy spending for different sample households, impact of timing of investing in efficient, electric technologies

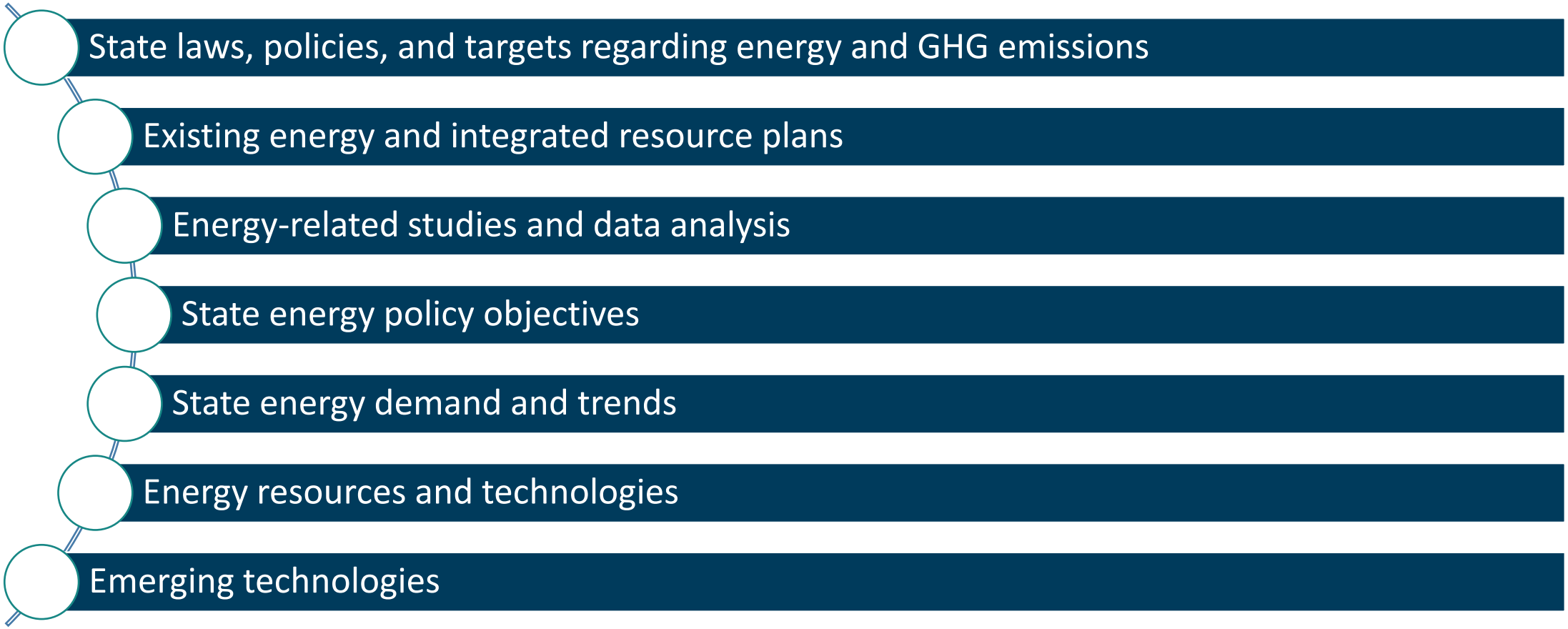
Jobs Analysis

Evaluates the effects of the pathways analysis on direct, indirect, and induced energy sector employment

Geospatial Mapping

Maps explore community-level energy inequities and relationship to socioeconomic disparities – to help interpret energy modeling results, energy wallet analysis, air quality modeling, and employment effects

MODELING CONSIDERED



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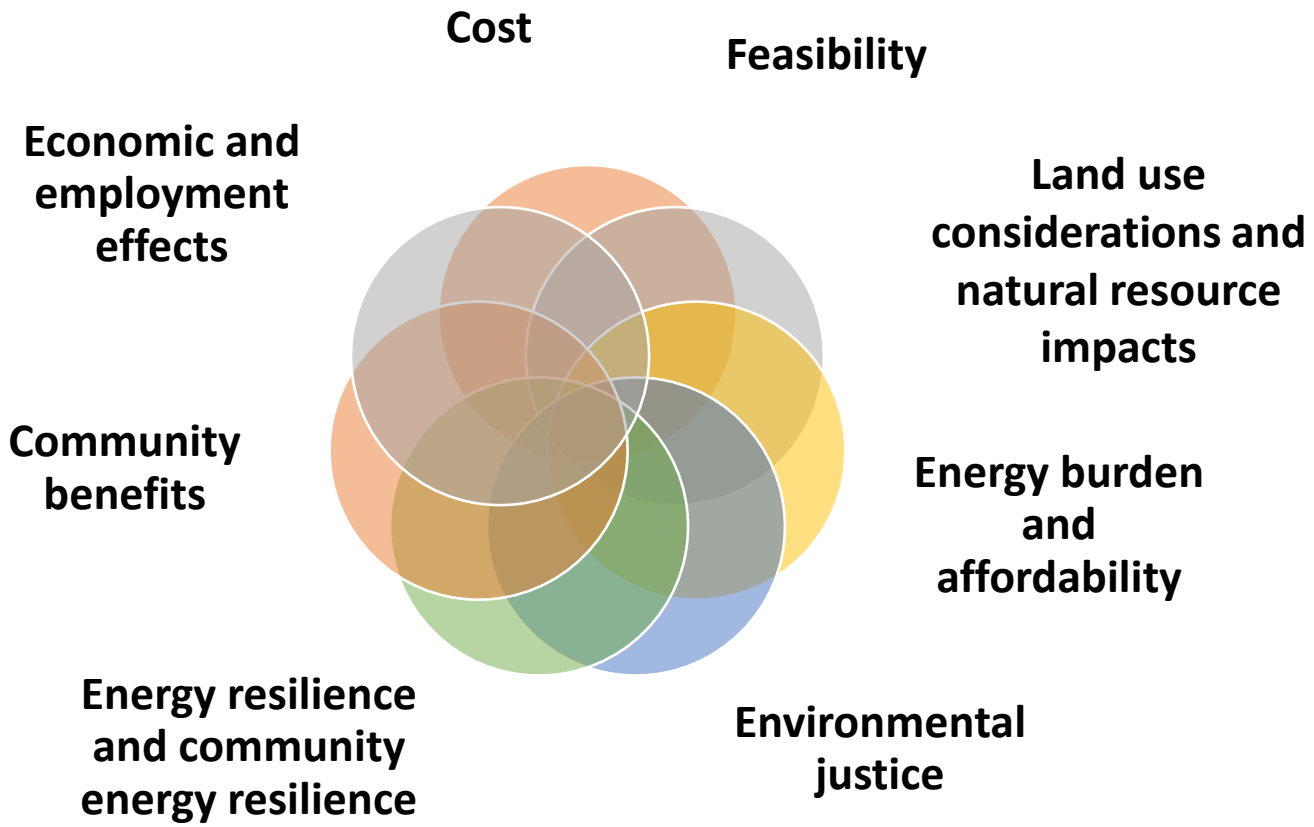
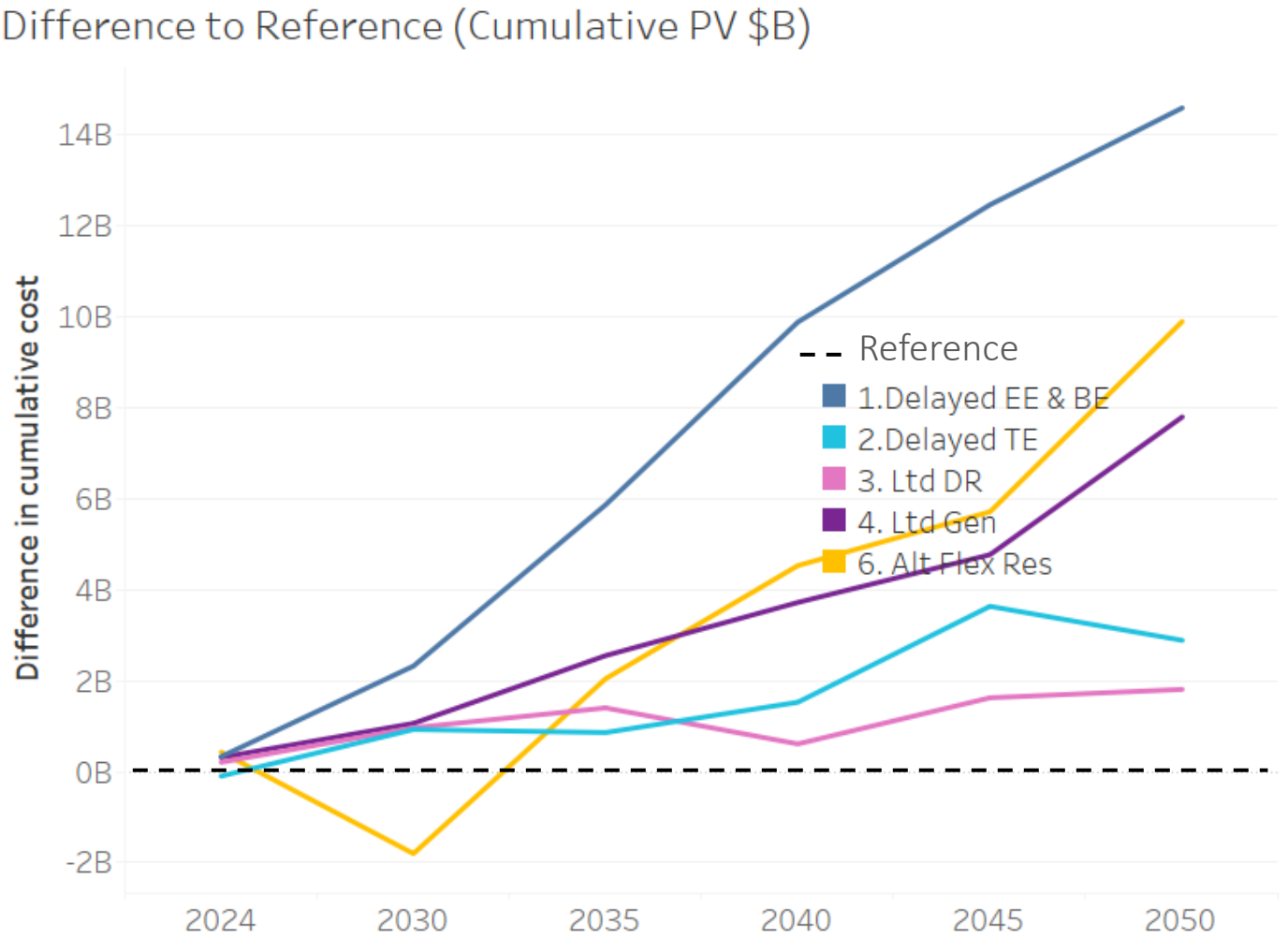
OTHER KEY CONSIDERATIONS



LEAST-COST PATHWAY

- The Reference Scenario from the model was the least-cost pathway to meet our energy and climate objectives.
- Other pathways modeled cost more.



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COSTS OF INACTION

- There is a cost if we do not meet our energy and climate policy objectives.
- Increasing frequency and intensity of heatwaves, wildfires, droughts, flooding, and other events imposes costs on Oregon's economy and every Oregonian.
- Governments, utilities, industry, businesses, communities, and households will have increasing costs to mitigate and adapt to these events.

"The average Oregonian could lose roughly $12,000 in personal income per year due to changes in the climate…"

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Draft Strategy and Pathways

OVERVIEW OF DRAFT: SIX SECTIONS

Introduction	• Background, process to-date, context and challenges
Five Pathways to Guide Oregon	• Introduces five pathways that together represent the direction for Oregon's Energy Strategy
Policies to Deploy the Pathways	• Describes policies that advance the pathways and are meant to guide actions and decisions over time
Nine Federally Recognized Tribes: Feedback and Themes	• Reflects key themes that ODOE has heard that are informing the energy strategy
An Equity and Justice Framework for Decision-making and Program Implementation	• Guides how legislators, agencies, and implementers can create just and equitable outcomes
Legislative and Policy Actions	• Describes near-term actions to advanced Oregon's energy strategy, organized by sector (transportation, buildings, clean electricity, industrial, low-carbon fuels, and cross-cutting)

FIVE PATHWAYS TO GUIDE OREGON

1. Energy Efficiency: Advance energy efficiency across buildings, industry, and transportation sectors, including by expanding access to and appeal of multimodal transportation options, to deliver the benefits of a more efficient energy system.

2. Electrification: Increase electrification of end uses across the economy, including in transportation, buildings, and industry, while incorporating measures to safeguard reliability and support affordability.

3. Clean Electricity: Invest in clean electricity infrastructure to maintain reliability and promote load flexibility to reduce system costs.

4. Low-Carbon Fuels: Advance the use of low-carbon fuels in the hardest-to-electrify end uses to achieve GHG emissions reductions while maintaining industry competitiveness and a reliable electricity grid.

5. Resilience: Strengthen resilience across all levels of the energy system, including utilities, communities, and customers, enhancing Oregon's ability to adapt to climate change and mitigate other risks.

Implementation of each pathway must consider burdens and benefits to environmental justice communities and apply an equity lens to prevent further disproportionate impacts to historically and currently marginalized communities.

Pathways
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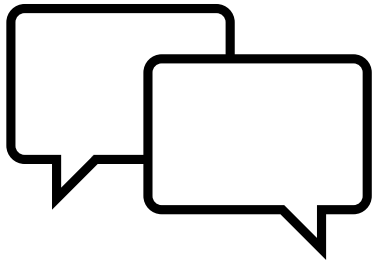


Consider responding to these questions in the comment portal!

- Do the five pathways adequately reflect the direction needed to advance Oregon's energy policy objectives? If not, why not? Is anything missing?

POLICY TO DEPLOY THE PATHWAYS
Energy Efficiency

1. Energy Efficiency. Advance energy efficiency across buildings, industry, and transportation sectors, including by expanding access to and appeal of multimodal transportation options, to deliver the benefits of a more efficient energy system.

Policies:

1a. Deliver energy efficiency and conservation improvements in existing and new residential and small commercial buildings to align with state decarbonization goals. Prioritize programs to serve low- and moderate- income and energy burdened households. *(Buildings efficiency)*

1b. Evaluate and promote opportunities to improve energy efficiency in large commercial and industrial sectors. *(Large commercial and industrial efficiency)*

1c. Prioritize policies and increase support for programs that expand access to multimodal transportation options – including public transit, biking, and walking infrastructure – and promote development patterns that make it easier and more appealing for people to live, work, and access services without relying on a personal vehicle. (*Expand access to and appeal of multimodal transportation options)*

POLICY TO DEPLOY THE PATHWAYS
Electrification

2. Electrification. Increase electrification of end uses across the economy, including in transportation, buildings, and industry, while incorporating measures to safeguard reliability and support affordability.

Policies:

2a. Advance and expand efforts to electrify transportation, with a focus on removing barriers to ensure the state meets its zero-emission vehicle goals. *(Electrify transportation)*

2b. Facilitate and accelerate the interconnection of EV charging infrastructure and related distribution system upgrades to enable faster deployment, lower costs and complexity, and improve grid readiness. *(Distribution system readiness for EVs)*

2c. Promote strategic electrification across the residential, commercial, and industrial sectors by aligning policies and investment to deliver affordable, reliable, and clean energy. *(Strategic electrification)*

POLICY TO DEPLOY THE PATHWAYS
Clean Electricity

3. Clean Electricity. Invest in clean electricity infrastructure to maintain reliability and promote load flexibility to reduce system costs.

Policies:

3a. Facilitate energy infrastructure enhancement and expansion while avoiding, minimizing, and mitigating negative impacts on natural and working lands. *(Utility-scale and distributed energy resources)*

3b. Enable consumers to support grid needs by shifting the timing of electricity consumption for flexible loads like EVs or water heaters. *(Load flexibility)*

3c. Consult and engage with Tribes to understand their concerns around energy development and to identify opportunities where state policies, funding, and programs can support tribal priorities while minimizing the effects of development on environmental and cultural resources. *(Tribal consultation and engagement)*

3d. Collaborate with neighboring states and regional entities to address Oregon's needs as part of a regional grid. *(Regional engagement)*

POLICY TO DEPLOY THE PATHWAYS
Low-Carbon Fuels

4. Low-Carbon Fuels. Advance the use of low-carbon fuels in the hardest-to-electrify end uses to achieve GHG emissions reductions while maintaining industry competitiveness and a reliable electricity grid.

Policies:

4a. Foster development and expansion of low-carbon fuels and fuel infrastructure in Oregon to serve the hardest-to-electrify sectors in Oregon as a strategic resource, while mitigating environmental and community impacts. (*Low-carbon fuels and fuel infrastructure)*

4b. Support low-carbon fuel adoption in the hardest-to-electrify sectors including aviation, rail, marine transport, long-haul trucking, agriculture and off-road equipment, high-heat industrial processes and resources that support electric system reliability. *(Low-carbon fuels adoption)*

4c. Support a managed fuels transition that minimizes stranded assets as end-uses electrify, identifies opportunities to leverage existing infrastructure and expertise to support clean fuel alternatives, and encourages technological innovation to advance new opportunities. *(Managed fuels transition)*

POLICY TO DEPLOY THE PATHWAYS
Resilience

5. Resilience. Strengthen resilience across all levels of the energy system, including utilities, communities, and customers, enhancing Oregon's ability to adapt to climate change and mitigate other risks.

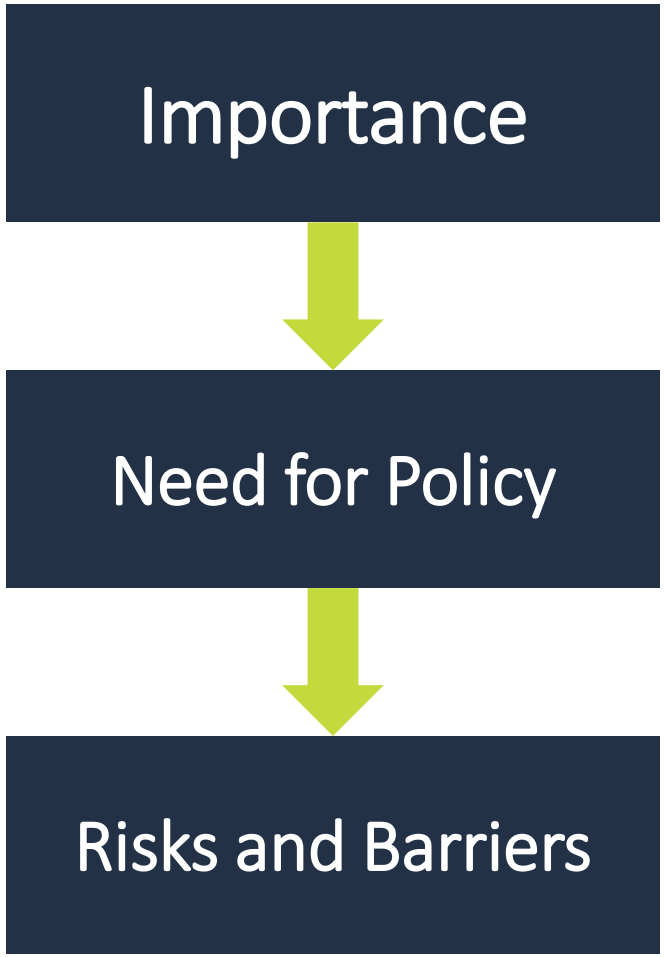
Policies:

5a. Evaluate cross-fuel interdependencies and vulnerabilities to better ensure long-term reliability of the electric grid. This specifically includes strengthening coordination of electricity and natural gas system planning and exploring other cross-fuel areas requiring strategic coordination. (Cross-fuels planning)

5b. Fund resilience measures across the energy system, including at utility scale and in homes, businesses, and communities through a combination of ratepayer and taxpayer dollars, particularly where climate adaptation measures can also help advance climate mitigation. (*Resilience measures)*

5c. Maintain emergency response capabilities, including the adaptability and readiness of vehicles, supply of fuels, and fuel storage needs during the energy transition. *(Emergency response capabilities)*

POLICY TO DEPLOY THE PATHWAYS



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Policies
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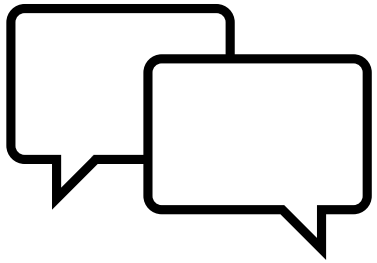

Consider responding to these questions in the comment portal!

- Do the policies provide sufficient direction to inform near- and long- term decisions, and to balance the many considerations involved in advancing clean, reliable, and affordable energy? If not, why not? Is anything missing?

Nine Federally Recognized Tribes: Feedback and Themes

- Energy independence and sovereignty
- Affordable energy options
- Access to decision making
- Stabilization of funding cycles
- Consultation, cultural, and natural resources values

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An Equity and Justice Framework
for Decision-making and Program Implementation

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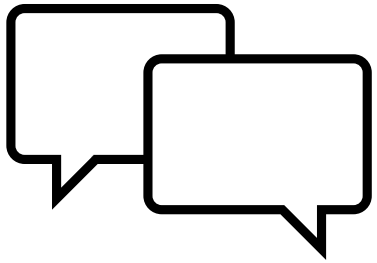
EQUITY AND JUSTICE FRAMEWORK

APPROACHES	POTENTIAL METRICS
1. Provide equitable access to decision-making processes	• Percentage of participants with economic, health, pollution burden or other energy-burden factors such as climate vulnerability score. • Percentage of feedback provided by environmental justice participants incorporated into policies and proposals. • Post-process survey on accessibility and transparency.
2. Ensure equitable access to infrastructure development processes	• Reduced frequency and duration of power outages in environmental justice and medically vulnerable communities. • Increased weatherization and other conservation investment in environmental justice communities. • Number of heat pumps, distributed energy resources, and other clean energy technologies deployed to the benefit of environmental justice communities.
3. Invest in long-term incentive programs for environmental justice communities	• Number of energy funding/assistance programs created specifically for or serving majority energy- and transportation-burdened households within environmental justice communities. • Percentage of program participants who are part of an environmental justice community. • Percentage of program participants served versus eligible populations.

EQUITY AND JUSTICE FRAMEWORK

APPROACHES	POTENTIAL METRICS
4. Promote Holistic Workforce Development in Environmental Justice Communities	• Number of energy-related college, vocational, and apprenticeship programs offering energy-related training opportunities and incentives to environmental justice communities. • Percentage of individuals enrolled who identify as environmental justice community members. • Percent of environmental justice community-owned business in a specified energy-related industry dependent on the program or policy.
5. Develop Partnerships and Resources in Environmental Justice Communities	• Number of people participating in processes and/or programs from environmental justice communities. • Number of materials developed that are culturally specific and relevant and percentage of program materials available in multiple languages. • Number of partner environmental justice organizations/trusted community organizations participating in or distributing program materials. • Percentage of meetings hosted with interpretation and translation services.
6. Consider The Effects of Energy Policies on Natural and Working Lands, Cultural Resources, and the Broader Environment	• Improved outdoor air quality particularly in areas with disproportionately poor air quality. • Improved indoor air quality particularly in areas with disproportionately poor air quality. • Increased investment for wildfire risk management.

Equity and Justice Framework
WE WANT TO KNOW:



Consider responding to these questions in the comment portal!

- Does the Equity and Justice Framework provide clear guidance for decision makers and include the key considerations needed to advance equity and justice in implementation of the energy strategy? If not, what would you add?
- How well does the draft strategy, including the pathways, policies, and actions, address and incorporate equity and justice considerations? Would the recommendations improve, worsen, or make no change to existing disparities? Is there anything that you would add to improve equitable outcomes?

Legislative and Policy Actions

EXAMPLE OF POLICY ACTION
Transportation

Transportation Action 1

Establish a dedicated, sustainable, and long-term state revenue source to support the rapid deployment of zero emission vehicle charging and fueling infrastructure across the state.

Pathways: 2 (Electrification), 4 (Low-Carbon Fuels)

- Policies: 2a *(Electrify Transportation)*
- Equity and Justice Approaches: 1 *(decision-making)*; 3 *(incentive programs)*

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EXAMPLE OF POLICY ACTION
Transportation

Transportation Action 2

Establish a Climate-Aligned Transportation Funding Task Force to review Oregon's transportation funding mechanisms for alignment with the state's energy and climate policy priorities and make recommendations.

Pathways: 1 (Energy Efficiency), 2 (Electrification)

- Policies: 1c *(Expand access to and appeal of multimodal transportation options)*; 2a *(Electrify Transportation)*
- Equity and Justice Approach: 1 *(decision-making)*

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EXAMPLE OF POLICY ACTION
Buildings

Buildings Action 1

Advance strategic electrification in buildings in conjunction with other measures that support state decarbonization and resilience goals reliably, affordably, and equitably. Direct the Oregon Department of Energy to develop a building decarbonization roadmap with recommendations to advance strategic electrification and other decarbonization measures, and as necessary, to provide data and analysis on building decarbonization to inform policies and programs.

Pathways: All

- Policies: 1a *(Buildings efficiency);* 2c *(Strategic electrification);* 3b *(Utility-scale and distributed energy resources);* 3c *(Load flexibility);* 4c *(Managed fuels transition)*; 5a *(Cross-fuels planning);* 5b *(Resilience measures)*
- Equity and Justice Approaches: 1 (decision-making); 3 (incentive programs)

EXAMPLE OF POLICY ACTION
Buildings

Buildings Action 3

Prioritize measures in energy efficiency incentive programs that relieve pressure on the power system. In the near term, maintain – and where possible accelerate – building weatherization, replacement of less efficient electric heating with efficient electric heat pumps, and expand demand flexibility.

Pathways: 1 (Energy Efficiency); 2 (Electrification); 3 (Clean Electricity)

- Policies: 1a (Buildings efficiency); 2c (Strategic electrification); 3b (Utility-scale and distributed energy resources); 3c (Load flexibility)
- Equity and Justice Actions: 3 *(incentive programs);* 4 *(workforce)*

EXAMPLE OF POLICY ACTION
Clean Electricity

Clean Electricity Action 1

Establish a state transmission entity with the authority to (1) identify and designate transmission corridors; (2) pursue partial siting and permitting approvals for future projects in those corridors; and (3) provide direct financial support through state bonds for projects that are determined to benefit the public interest.

Pathways: 3 (Clean Electricity); 5 (Resilience)

- Policies: 3a *(Tribal and regional engagement);* 3b *(Utility-scale and distributed energy resources)*; 5b *(Resilience measures)*
- Equity and Justice Approaches: 1 *(decision-making)*; 2 *(infrastructure development)*; 3 *(incentive programs);* 5 *(partnerships and resources)*; 6 *(natural and working lands, cultural resources, broader environment)*

EXAMPLE OF POLICY ACTION
Clean Electricity

Clean Electricity Action 2

Direct the Oregon Department of Energy to conduct a study on barriers preventing construction and interconnection of permitted projects and recommend actions to overcome barriers.

Pathways: 3 (Clean Electricity)

- Policies: 3b *(Utility-scale and distributed energy resources)*
- Equity and Justice Approaches: 1 *(Decision-making)*; 2 *(Infrastructure development)*; 6 *(natural and working lands, cultural resources, broader environment)*

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EXAMPLE OF POLICY ACTION
Clean Electricity

Clean Electricity Action 3

Report on developments in emerging technologies, including long-duration storage, enhanced geothermal, floating offshore wind, and small modular nuclear reactors, to identify the role they can play in meeting the state's electricity needs and opportunities for pilot programs in the near-term.

Pathways: 3 (Clean Electricity)

- Policies: 3b *(Utility-scale and distributed energy resources)*
- Equity and Justice Approaches: 1 *(Decision-making)*; 2 *(infrastructure development)*; 6 *(natural and working lands, cultural resources, broader environment)*

EXAMPLE OF POLICY ACTION
Industrial

Industrial Action 1

Identify and evaluate short and long term decarbonization options for the emissions-intensive, trade-exposed large industrial entities in Oregon that are obligated to reduce their greenhouse gas emissions under the Climate Protection Program.

Pathways: 1 (Energy Efficiency), 2 (Electrification), 4 (Low-Carbon Fuels)

- Policies: 1b *(Large commercial and industrial efficiency)*, 2 *(Strategic electrification)*, 4b *(Low-carbon fuels adoption)*, 4c *(Managed fuels transition)*
- Equity and Justice Approaches: 3 *(decision-making)*; 4 *(workforce)*

EXAMPLE OF POLICY ACTION
Low Carbon Fuels

Low Carbon Fuels Action 1

Direct the Oregon Department of Energy, Oregon Department of Land Conservation and Development, and Business Oregon to create criteria to identify sites with the greatest opportunity for low-carbon-intensity fuel production development in Oregon by assessing existing brownfields and industrial sites across the state, and publishing recommendations on how to improve engagement with local communities.

Pathways: 4 (Low-carbon fuels)

- Policy: 4a *(Low-carbon fuels and fuel infrastructure)*
- Equity and Justice Approaches: 1 *(decision-making)*; 5 *(partnerships and resources)*; 6 *(natural and working lands, cultural resources, broader environment)*

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EXAMPLE OF POLICY ACTION
Low Carbon Fuels

Low Carbon Fuels Action 2

Direct the Oregon Department of Energy to develop a low-carbon fuels roadmap that evaluates current policy support mechanisms for low-carbon fuels, identifies gaps and opportunities, and recommends additional support mechanisms that align with regional and national frameworks for low-carbon fuels in transportation and in commercial and industrial sectors.

Pathways: 4 (Low-carbon fuels)

- Policy: 4a *(Low-carbon fuels and fuel infrastructure)*, 4b *(Low-carbon fuels adoption)*, 4c *(Managed fuels transition)*
- Equity and Justice Approaches: 1 *(decision-making)*; 2 *(infrastructure development)*; 6 *(natural and working lands, cultural resources, broader environment)*

EXAMPLE OF POLICY ACTION
Cross-Cutting

Cross-Cutting Action 2

Establish and identify a source of funding for a revolving loan fund to provide a stable source of low-cost and no-cost loans to support the energy transition and resilience.

Pathways: All

- Equity and Justice Approaches: 1 *(decision-making)*; 3 *(incentive programs)*; 5 *(partnerships and resources)*

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EXAMPLE OF POLICY ACTION
Cross-Cutting

Cross-Cutting Action 6

Direct the Oregon Department of Energy to facilitate the sharing of data and joint planning to enhance energy resilience and reliability.

Pathways: 5 (Resilience)

- Policies: 5a *(Cross-fuels planning)*, 5b *(Resilience measures)*
- Equity and Justice Approaches: 5 *(partnerships and resources)*

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Actions
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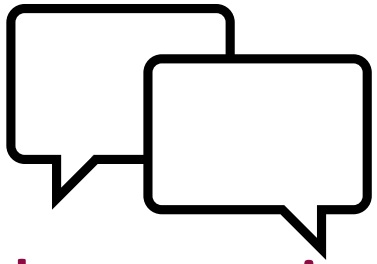

Consider responding to these questions in the comment portal!

- Do the actions address a critical near-term barrier to achieving one of the five pathways and related policies?
- Does the draft capture the benefits and risks of the action, accounting for both energy and non-energy considerations? If not, what would you add?
- Do the draft actions provide clear guidance for decision makers to advance clean, reliable, and affordable energy? If not, why not? Is anything missing?
- Based on the questions and considerations above, should any actions be prioritized for earlier implementation? If so, which ones and why?

Across the Draft
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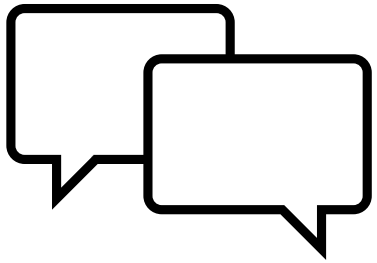


Consider responding to these questions in the comment portal!

- How well does the draft reflect the input from engagement throughout the project?
- Do you have any final suggestions, questions, or feedback you'd like to share?

LINKS

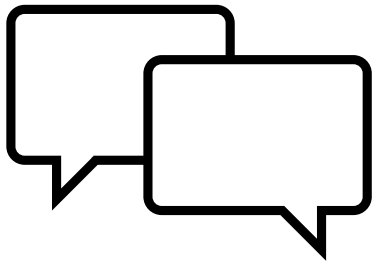
Review the draft:

- Draft Oregon Energy Strategy
- Summary of Draft Oregon Energy Strategy

Supporting materials:

- Technical Modeling Report
- Complementary Analysis: Technical Report
- Phase 2 Comments Compilation
- Phase 1 Material
  - Key model findings
  - CRD Phase 1
  - Modeling Assumptions
  - Working Group meetings and notes

OPPORTUNITIES FOR PUBLIC COMMENT



Submit comments on this Draft Oregon Energy Strategy by September 22 through ODOE's online comment portal:

https://odoe.powerappsportals.us/en-US/energy-strategy/

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Thank You!
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