

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Kyle Diesner		2. Telephone No. 503.823.4166	3. Bureau/Office/Dept. Planning and Sustainability
4a. To be filed (date): March 14, 2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: March 6, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

*Authorize the Director of the Bureau of Planning and Sustainability to enter into a grant agreement with Tangerine Power Corporation for a total of \$100,000 for the development of community-supported solar electric systems in Portland with grant funds from the US Department of Energy (Ordinance)

2) Purpose of the Proposed Legislation:

The City of Portland and Portland Public Schools are public-sector entities that own roof space and have policies that support renewable energy development but do not have the tax liability to receive federal tax credits and other benefits associated with development of solar electric systems. The City is seeking to enter into a grant agreement with Tangerine Power Corporation to design a replicable program model for the development of community-supported solar energy systems in Portland. This collaboration brings together public entities and private partners that can take advantage of the tax benefits of solar system ownership. Portland Bureau of Planning and Sustainability (BPS) has appropriated \$100,000 in federally awarded funds to contribute to certain aspects of program design. Elements of program design that will be covered in the grant agreement include program management, construction management, development of financing agreements and marketing.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> City-wide/Regional | <input checked="" type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input checked="" type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input checked="" type="checkbox"/> Southwest | <input checked="" type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input checked="" type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.
 No.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

This is a subgrant of \$100,000 in U.S. Department of Energy grant funds to Tangerine Power Corporation. There is no direct cost to the City. The City will transfer funds from USDOE that have been appropriated by BPS to SAP Code Object PN0060004.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*
No.
- Will positions be created or eliminated in *future years* as a result of this legislation?
No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Funding for this project has been appropriated in FY 11-12.

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section – REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ **YES:** Please proceed to Question #9.

☐ **NO:** Please, explain why below; and proceed to Question #10.

The grantee Tangerine Power Corporation was selected through an open competitive RFP process - Request for Proposals for Private-Sector Partnerships to Finance Community-Supported Solar Electric Systems on Public Facilities. Tangerine Power Corporation was deemed to be the most viable candidate to successfully complete the scope of work outlined in the RFP, which was administered by the City of Portland Bureau of Planning and Sustainability (City).

Public involvement is a fundamental objective of the community-supported solar project and was one of the driving factors that compelled the City to seek out this type of collaboration. This project is intended to make solar energy more accessible to Portlanders who may not be able to install it on their own rooftops. The RFP sought to facilitate and build a strong public, private, and community partnership to develop solar electric systems on public facilities and provide benefits back to the community over time.

Of the responders, Tangerine Power Corporation's proposal best met the City's objectives. Their unique model will create a market-based fundraising mechanism for schools and other community groups in Portland. In simplest terms, the revenue generated by the solar electric systems (derived from Oregon's Volumetric Incentive Rate (VIR), which pays the system owner for the electricity generated by the systems) will ultimately be returned to community organizations that financially support construction and installation of the solar project.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

Should Council approve this item, the grant funds will go to support legal, accounting, program design and marketing costs to enhance Tangerine Power Corporation's ability to develop eight community-supported solar electric systems on City of Portland and Portland Public School facilities. There should be no negative impacts on the community from this proposal. The three primary, positive impacts will be the development of approximately 80 kW of clean renewable energy and associated solar industry jobs, a fundraising mechanism for community organizations, and a replicable program model that could be implemented in communities across Oregon and elsewhere.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

Portland Public Schools is a project partner and site host for six of the eight sites. Portland Public Schools has been involved in the project from the beginning and participated in the evaluation of the RFP responses.

Tangerine Power Corporation was selected as the grantee due to their deep financial background, experience with solar electric development and strong community partnerships. Tangerine Power has partnered with Northeast Coalition of Neighborhoods (NECN). As one of seven district coalitions, NECN works to advance neighborhood livability through highly inclusive civic engagement. Through involvement with this community-supported solar project, NECN is seeking to extend the benefits of solar energy to everyone in their neighborhood.

As the scope of the project is not limited to northeast Portland, Tangerine Power Corporation also brings other community partners to the project, including, Portland Neighborhood Network, Carbon Concierge and Earth Energy Cooperative at Cascadia Commons.

c) How did public involvement shape the outcome of this Council item?

The City's BPS staff spent a substantial amount of time working with external partners, businesses and community organizations leading up to the development of the RFP. Through the competitive RFP process, further public involvement took place as the responders worked together to build the type of collaborative relationships the RFP was seeking. However, the majority of the project's public involvement is forthcoming. The Tangerine Power Corporation team brings strong community connections and will be working in partnership with BPS to develop a public involvement and outreach strategy. BPS has a wealth of resources for public involvement and marketing, including its work on the Fix-it-Fairs, Solarize neighborhood campaigns, the Portland Plan, and in-house marketing and communications staff who will enhance the ability to reach the community broadly.

d) Who designed and implemented the public involvement related to this Council item?

City of Portland Bureau of Planning and Sustainability

e) Primary contact for more information on this public involvement process (name, title, phone, email):

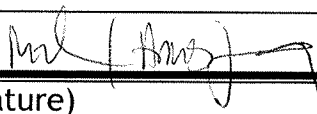
Andria Jacob, Senior Manager, Clean Energy Programs
503.823.7616
andria.jacob@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

A major component of this project and the use of grant funds will be the development of a community/public involvement strategy. Successful completion of the overall project requires strong community involvement, not just in terms of program design but more specifically over the coming years, as the success of the model depends on community participation. The ability to replicate this model will allow other community-based organizations to develop similar support for the development solar energy systems. This project creates another avenue for the City to build stronger relationships with the broader Portland community, by helping to spur the development of clean renewable energy resources and creating a mechanism for community investment and re-investment.

The project will also allow a new level of community ownership of solar electric systems. The City's existing solar programs have focused, by necessity, on higher income home owners who could afford the up-front costs associated with owning solar electric. This new model will bring benefits of solar to a much broader segment of Portland's community while returning financial benefits to community organizations that support the project.

Susan Anderson


Michael Armstrong 

BUREAU DIRECTOR (Typed name and signature)



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

MEMO

DATE: March 5, 2012
TO: Mayor Sam Adams
FROM: Susan Anderson, Director 

1. Ordinance Title:

*Authorize the Director of the Bureau of Planning and Sustainability to enter into a grant agreement with Tangerine Power Corporation for a total of \$100,000 for the development of community-supported solar electric systems in Portland with grant funds from the US Department of Energy (Ordinance)

2. Contact: Kyle Diesner, Policy Analyst, 823-4166

3. Requested Council Date: March 14, 2012

4. ☐ Consent Agenda Item ☒ Regular Agenda Item
☒ Emergency Item (explain below) ☐ Non-Emergency Item

Emergency allows work to begin under terms of the grant.

5. Purpose of Agenda Item:

The City of Portland and Portland Public Schools are public-sector entities that own roof space and have policies that support renewable energy development but do not have the tax liability to receive federal tax credits and other benefits associated with development of solar electric systems. The City seeks to enter into a grant agreement with Tangerine Power Corporation to design a replicable program model for the development of community-supported solar energy systems in Portland. This collaboration brings together public entities and private partners that can take advantage of the tax benefits of solar system ownership. The City has \$100,000 in federally awarded funds to contribute to certain aspects of program design. Elements of program design that will be covered in the grant agreement include program management, construction management, development of financing agreements and marketing.



6. History of Agenda Item/Background:

In 2007, the U.S. Department of Energy (DOE) designated Portland as one of thirteen Solar America Cities and the Office of Sustainable Development received a \$200,000 award from DOE to fund activities to further the market expansion of solar within Portland.

In 2009 that work was expanded with a second \$400,000 grant from DOE to continue its successful solar market transformation activities under the Solar America Cities: Special Projects program. Funding for the award was authorized and appropriated by the American Recovery and Reinvestment Act of 2009.

An overarching objective of the Solar America Cities: Special Projects award is to "remove barriers to neighborhood-scale energy solutions." The DOE-Portland agreement states that Portland will "develop a framework for participation and development of a community solar project."

To accomplish that objective, Bureau of Planning and Sustainability (BPS) staff spent a substantial amount of time working with external partners, businesses and community organizations leading up to the development of our RFP - Request for Proposals for Private-Sector Partnerships to Finance Community-Supported Solar Electric Systems on Public Facilities. This initial work also included legal assistance for the DOE to assess the Oregon's legal landscape and associated limitations to developing a community solar project.

Through this work with our community partners, DOE legal contractors and financial experts, we determined that the only way to accomplish our objective was to utilize both Oregon's Volumetric Incentive Rate (VIR), which pays the system owner for the electricity generated by the systems, and the Federal tax credits. Thus in order to be successful we needed to establish a collaboration with a private entity with Federal tax liability.

Through the open competitive RFP process responders worked together to build the type of collaborative relationships the RFP was seeking. The grantee, Tangerine Power Corporation was deemed to be the most viable candidate to successfully complete the scope of work outlined in the RFP.

Of the responders, Tangerine Power Corporation's proposal best met the City's objectives. Their unique model will create a market-based fundraising mechanism for schools and other community groups in Portland. In simplest terms, the revenue generated by the solar electric systems and paid to the system owner through the VIR will ultimately be returned to community organizations that financially support construction and installation of the solar project.

7. Legal Issues:

The Grant is solely funded and approved by US DOE. In the event that the project is unable to proceed the funds would not be paid to the grantee and the funding would be returned to US DOE. Selection of the contractor involved a competitive bidding process.

What individuals or groups are or would be supportive or opposed to this action?

BPS believes that this project would be supported broadly by Portland environmental and social advocates. The project is specifically supported by Portland Public Schools, Energy Trust of Oregon, Oregon Solar Industries Association and the Northeast Coalition of Neighborhoods.



Tangerine Power Corporation was selected as the grantee due to their expertise and background in financing solar energy systems, experience with solar project development and strong community partnerships. Tangerine Power has partnered with Northeast Coalition of Neighborhoods (NECN), Portland Neighborhood Network, Carbon Concierge and Earth Energy Cooperative at Cascadia Commons. Tangerine Power Corporation's legal and accounting partners are Lane Powell and TriLibrium respectively.

8. How does this relate to current City policies?

Since 1990, the City has had a stated Energy Policy to "support environmentally acceptable, sustainable energy sources, especially renewable resources such as solar." The project also supports the 2009 Portland- Multnomah County Climate Action Plan which calls for 10 percent of all energy used within Multnomah County to be produced from on-site renewable sources and clean district energy systems by 2030.

The City of Portland's adoption of Public Involvement Principles in 2010 stated that "Portland City government works best when community members and government work as partners." This project attempts to put this vision into action. Community involvement is a fundamental premise of the community-supported solar project. Increasing community ownership and participation in solar energy development was one of the driving factors behind this project. BPS seeks to build a strong public, private, and community partnership to develop solar electric systems on public facilities and provide benefits back to the community over time.

Ordinance 184880 creating the Office of Equity and Human Rights, in 2011, addresses the need for the City to eliminate disparities based on a variety of factors including socio-economic status and that benefits of growth and change are equitably shared across our communities. The City of Portland's existing solar programs have focused, by necessity, on higher income home owners that could afford the up-front costs associated with owning solar electric. This project seeks to further the City's equity objectives by directly bringing the benefits of solar to a broader segment of Portland's community. This new proposed model will allow more Portlanders the opportunity to benefit from solar energy and directly return financial benefits to community organizations that support the project.

