

## IMPACT STATEMENT

**Legislation title:** \* Authorize grant agreement with Earth Advantage in the amount of \$21,000 to implement Portland's Home Energy Score program (Ordinance)

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**Purpose of proposed legislation and background information:** The City and County Climate Action Plan includes Action 1B, Residential Energy Performance Ratings: Require energy performance ratings for all homes so that owners, tenants and prospective buyers can make informed decisions about energy costs and carbon emissions. City Council originally adopted this action in the 2009 Climate Action Plan and reaffirmed commitment to it with the Climate Action Plan update in June 2015.

Ratings, labels and scores are a regular part of how we communicate information. We consult miles-per-gallon ratings on cars, nutrition labels on food, and Energy Guide labels on appliances to make informed consumer decisions. However, consumer labeling for homes is inconsistent and unavailable in most real estate markets. Of Portland's 160,000 single-family homes, less than two percent have an energy score.

In 2009, the Oregon Legislature established a voluntary framework for home energy scoring. In 2013, additional legislation created licensing and training for certified professionals who can assess homes and produce scores. In 2015, these contractors delivered about 600 home energy scores to homeowners in Portland, mostly through programs offered by Energy Trust of Oregon and Enhabit (formerly Clean Energy Works). The average cost of a home energy score is \$150 to \$250.

Voluntary efforts to date have been a step in the right direction, but are not sufficient to achieve the 2015 Climate Action Plan goal to reduce carbon emissions 80 percent by 2050. To accelerate energy efficiency and renewable energy activities in the residential sector, the City of Portland established the Home Energy Score program (Ordinance No. 188143) in December 2016. This program requires disclosure of energy performance ratings for residential single family buildings that are listed for sale on or after January 1, 2018.

The Home Energy Score program requires that Home Energy Performance Reports include a U.S. Department of Energy (DOE) Home Energy Score. As a condition of using this score, DOE requires the City to work with a local partner to implement its program. Accordingly, the Bureau of Planning and Sustainability issued a Request for Interest (RFI) in March 2017, seeking private-sector partners to support implementation of the Home Energy Score program.

Through a competitive process, BPS selected Earth Advantage to fulfill this role. Earth Advantage and its project partners will offer BPS a full range of Home Energy Score program support services to help BPS with the launch and delivery of the Home Energy Score program.

Services will include pilot scoring and report generation in the start-up phase; Home Energy Assessor outreach, recruitment, training and onboarding; quality assurance; compliance reporting; training for brokers, appraisers, lenders, and homebuilders; and coordination of project partners and stakeholders.

**Financial and budgetary impacts:**

Earth Advantage will provide services to BPS in 2017 primarily through a mix of market-based scoring fees, market-based training fees, and third-party funding sources. This grant agreement fills an identified gap of \$21,000 to ensure that Earth Advantage can provide a complete offering of services, including full assessor and homebuilder training, quality assurance, and on-call technical support during the start-up phase of the program in 2017. Market-based scoring fees are expected to cover Earth Advantage's program services in 2018.

**Community impacts and community involvement:**

Home energy scores are a market-based solution for conveying previously unknown but critical information to both buyers and sellers of homes. Buyers and sellers benefit from clear and transparent information about energy use and energy costs associated with a home.

By significantly expanding the market demand for Home Energy Assessors, this program offers exciting opportunities for workforce and business development for under-represented communities.

In evaluating responses to the RFI for private-sector partners to assist with Home Energy Score program implementation, the City assigned significant weight to equity considerations. Earth Advantage highlighted its experience advancing opportunities for historically disadvantaged and under-represented communities in their response to the RFI. In a recent workforce training for BPS, Earth Advantage conducted outreach and onboarding of diverse and historically under-represented populations through relationships with Oregon Tradeswomen, Constructing Hope, Metropolitan Contractors Improvement Partnership, Portland Youth Builders, NAMC-Oregon, NW College of Construction, PCC, Helmets to Hardhats, Hacienda CDC, and VOZ. The outreach produced a large and diverse pool of interested candidates for the workforce training.

In collaboration with BPS staff, Earth Advantage proposes to use similar outreach channels to share information about workforce and entrepreneurial opportunities created by the Home Energy Score program. Earth Advantage is also interested in collaborating with BPS staff to offer U.S. DOE Home Energy Score simulation training support via Spanish language services if possible.

**Budgetary Impact Worksheet****Does this action change appropriations?****YES:** Please complete the information below.☒ **NO:** Skip this section

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