

IMPACT STATEMENT

Legislation title: Amend a Grant Agreement with Earth Advantage to add \$200,000 to continue work on the Home Energy Score Program (Ordinance; amend Grant Agreement No. 32001607)
Contact name: Wendy Koelfgen
Contact phone: 503-823-5771

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.

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.

As a condition of using Home Energy Score software and protocols, US DOE requires the designation of a Home Energy Score Partner. BPS assumed the Partner role in early 2017. In March 2017, BPS issued a Request for Interest (RFI), seeking private sector partners to support implementation of the Home Energy Score program.

Through a competitive process, BPS selected Earth Advantage to fulfill certain functions and roles required of the DOE Partner. Earth Advantage and its project partners have provided BPS a full range of Home Energy Score program support services to help with the launch and delivery of the Home Energy Score program. Services 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.

This amendment is being proposed to

- Extend the grant agreement to the full-term of the original agreement without need for additional action by the City
- Set a not-to-exceed amount on the full-term of the contract
- Approve annual budget allocations for this Grant Agreement through the annual Bureau of Planning and Sustainability budget approval.

Earth Advantage has spent the last year developing systems and capacities which make them uniquely valuable to the ongoing success of the program. The impact of this amendment will be to relieve the City of unnecessary administrative burden associated with the ongoing management of this Grant Agreement.

This is the first Grant Agreement amendment and does not require the modification of any City policies.

Financial and budgetary impacts:

Earth Advantage provided 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 amendment allows BPS to fill funding gaps as necessary and available to ensure that Earth Advantage can provide a complete offering of services, including assessor training, escalated quality assurance issue resolution, and on-call technical support. Market-based scoring fees are expected to cover Earth Advantage's basic quality assurance offering.

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.

During Home Energy Score policy development, numerous stakeholders were involved and consulted, including Community Energy Project, NAYA, Proud Ground, Rose CDC, Habitat for Humanity, Elders in Action, Hacienda CDC and AARP. Stakeholder engagement resulted in changes to the proposed policy that reduced burden to low-income home sellers.

Earth Advantage conducted assessor outreach to diverse and historically under-represented populations through relevant organizations including 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. During assessor trainings, Earth Advantage conducted optional surveys to determine the diversity of the Home Energy Assessor workforce. Out of 92 responding assessors, 10 were female and 20 reported a non-Caucasian ethnicity. 13 of 92 responding assessors indicated that either they or their parents immigrated to the United States.

Budgetary Impact Worksheet

Does this action change appropriations?

- ☐ YES: Please complete the information below.
☒ NO: Skip this section