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190670

Emergency Ordinance

***Authorize the Director of the Bureau of Planning and Sustainability to execute the Portland Clean Energy Community Benefits Fund Heat Response, Equipment Purchasing Partner grant for a total allocation not to exceed \$10,020,289 (repeal Ordinance No. 190618)**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Planning and Sustainability (BPS) shapes Portland's future and advances climate protection for a more prosperous, healthy, equitable and resilient city now and for future generations.
2. In November 2018, Portland voters created the Portland Clean Energy Community Benefits Fund (PCEF) program, which invests in community-originated climate action solutions that advance racial and social justice (Ballot Measure 26-201). City Council codified non-taxation elements of the PCEF program in Portland City Code (PCC) 7.07.
3. The PCEF program is projected to generate \$44 to \$61 million annually in new revenue to provide grants to qualified nonprofit organizations for projects that reduce carbon emissions, advance resiliency and promote equity for all Portlanders, with a focus on low-income communities and communities of color.
4. A nine-member PCEF Committee makes funding recommendations to Council and measures and evaluates the effectiveness of the PCEF program.
5. Over several days in June 2021, over 100 Oregonians lost their lives to extreme temperatures associated with climate change, with over 60 lives lost in Multnomah County. This heat wave was one of the deadliest documented natural disasters in Multnomah County's history.
6. In August and September of 2021, PCEF staff conducted outreach to dozens of housing providers, community organizations, tenant advocates and technical and government partners to identify

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Planning and Sustainability](#)

Prepared by

Sam Baraso

Date Prepared

December 27, 2022

Requested Agenda Type

Consent

potential approaches to address future extreme heat events caused by climate change that disproportionately impact low-income communities and communities of color. A clear and consistent message during those discussions was support for the PCEF program to ameliorate the impact of future extreme heat events by funding energy efficiency programs and, in particular, a program to purchase and distribute efficient, portable heat pump/cooling units.

7. On October 6, 2021, PCEF staff presented a heat pump/cooling purchase and distribution program to the PCEF Committee. The PCEF Committee approved the concept and directed PCEF staff to develop two Request for Proposals (RFPs), focused on two distinct roles needed to implement a Heat Response Program:
 1. A single Equipment Purchasing Partner (EPP) to coordinate the centralized purchase of 15,000 portable heat pump/cooling units, coordinate equipment delivery to contracted community distribution partners, and provide logistics and technical assistance.
 2. A number of nonprofit Community Distribution Partners (CDP) to distribute and install portable heat pump/cooling equipment, provide information about how to use the devices, and potentially install basic weatherization kits.
8. During the October 6, 2021 meeting, the PCEF Committee expressed concern about the potential for increased summertime energy use and greenhouse gas (GHG) emissions associated with the distribution of heat pump/cooling equipment. Staff noted potential long-term GHG reduction associated with wintertime heating, decarbonization of the grid and increased weatherization, and agreed that a GHG mitigation pathway for near-term emissions would be appropriate. PCEF staff will work with the PCEF Committee to solicit grant proposals in the Spring 2022 RFP cycle to sequester GHGs associated with the Heat Response Program, based on current emissions factors.
9. Funding for the Heat Response Program is allocated under the energy efficiency program priority under PCC 7.07.060(1) because the Heat Response Program is focused on distributing efficient heat and cooling equipment.
10. On October 13, 2021, PCEF staff released a RFP for the EPP role. On October 19, 2021, PCEF staff released a RFP for the CDP role.
11. Two applications were received for the EPP role – from Diversifying Energy and Earth Advantage – that were subsequently reviewed and scored by a three-member scoring panel based on criteria set forth in the RFP. PCEF staff recommended Earth Advantage to the PCEF Committee, despite Diversifying Energy scoring slightly higher.
12. On November 10, 2021, the PCEF Committee recommended Diversifying Energy for the EPP role. The total recommended grant funding was \$11,495,820.
13. On December 1, 2021, Council adopted Ordinance No. 190618 authorizing the BPS Director to execute a grant agreement with Diversifying Energy.

14. On December 12, 2021, a newspaper published its investigative findings that Diversifying Energy's Executive Director had a history of financial crimes and tax liens and likely misrepresented work experience on the EPP RFP application.
15. City staff then independently documented Diversifying Energy's Executive Director's history of financial crimes and tax liens and PCEF staff independently conducted reference checks and were unable to conclusively verify work experience on the EPP RFP application.
16. On December 17, 2021, Commissioner Carmen Rubio directed PCEF staff to: (a) verify Earth Advantage's ability to serve in the EPP role; and (b) draft an ordinance for Council to consider repealing its grant award to Diversifying Energy and awarding the grant to Earth Advantage instead.
17. PCEF staff conducted reference checks on Earth Advantage and key staff identified in its EPP RFP application. Those references consistently praised Earth Advantage's high degree of capability, oversight, technical skills, financial management and project management. Earth Advantage's work experience was verified. The references also spoke highly of key staff identified in the EPP RFP application.
18. After Council approves the grant proposal, PCEF staff will work with Earth Advantage to finalize a grant agreement.
19. PCEF staff will return to Council in early 2022 for funding recommendations for the Community Distribution Partner role.
20. PCEF staff are reviewing grant eligibility criteria and the review process to ensure best practices are in place to minimize risk in the PCEF program.

NOW, THEREFORE, the Council directs:

- A. Ordinance No. 190618 is repealed in its entirety.
- B. The BPS Director is authorized to execute a grant agreement with Earth Advantage for up to \$10,020,289 for the EPP role, with a grant scope as described on pages 2 and 3 of Exhibit A.
- C. Amendments to the grant agreement – including scope of work, budget and grant amount – may be executed by the BPS Director, provided those amendments do not increase the fiscal risk to the City or increase funding as authorized above.

Section 2. The Council declares an emergency exists because PCEF resources are urgently needed to respond to the ongoing climate and economic crisis impacting historically marginalized communities; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) (249.34 Kb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
January 5, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

 [Impact Statement](#) (196.39 Kb)

Agenda Items

8 Consent Agenda in [January 5, 2022 Council Agenda](#)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea