

Portland Clean Energy Community Benefits Fund (PCEF) Grants Committee Meeting

May 26, 2022, 6 p.m. to 8 p.m.

Minutes

Committee members present: Megan Horst, Jeffrey Moreland, Michael Edden Hill, Ranfis Villatoro, Robin Wang, Shanice Clarke, Maria Sipin

Committee members absent: Faith Graham

Staff present: Jay Richmond, Cady Lister, Sam Baraso, Christine Llobregat, Janet Hammer

Public attendance: Arthur Davis – Constructing Hope Pre-Apprenticeship program, Gayle Palmer – East Portland Resilience Coalition & Centennial Community Assoc., Jeni Hall – Energy Trust of Oregon, Heather Hollingsworth – Central City Concern

The first of 2 meetings focusing on the RFP2 recommended portfolio. Specified that no decisions would be made at this meeting.

Program updates

- Committee meetings will continue to happen on 1 and 3rd Thursdays through at least August 2022.
- Extending PCEF Committee Recruitment, email will distribute via PCEF listserv.
- Announcement of new Clean Energy Project Manager Kris Grube.
- Recruitment for a General Project Manager closes June 6.
- Tentative date for City Council = July 13, 2022.

RFP Cycle 2 Proposed Portfolio to Recommend for Funding

Program staff presented outcomes of grant review and scoring process including characteristics of the portfolio of grants being proposed for recommendation to City Council for funding. The proposed portfolio includes 66 grants totaling more than \$100 million in total funding. See full presentation <https://efiles.portlandoregon.gov/record/15182582>

- Grant RFP solicitation open 9/28/21-11/30/21. Additional review phase added, March-April 2022. Scoring panels April-May 2022 (Committee members, staff, community cohort).
 - Community cohort of 6 members contracted to support outreach and score applications for planning grants. A pilot that we will evaluate, how we leveraged their support.
- Received 162 applications (for \$223M in total funding). 144 advanced to scoring, where every application was scored by 2 staff members, with 300+ emails exchanged with clarifying questions with applicants). Financial review was not part of score, but helps inform how we would manage a grant or request modifications later on, and if additional review of application is needed.
 - Example of clarifying email -- staff wage budgeted at less than 180% minimum wage, given an opportunity to correct budget.
- Additional review phase added about 2.5 months to the process. Outcomes: 47 low-scoring applications didn't go to scoring panels, 15 top-scoring projects went straight to recommended portfolio, 82 middle-scoring applications went to scoring panels.
 - 15 projects advanced without scoring panels are 7 clean energy projects & 8 planning projects. Wanted to focus Committee energy on where decision-making would happen; these two funding areas made sense to take the approach of automatically advancing these projects that scored high across all criteria. Had a maximum number we could send to scoring panel for Committee and cohort member capacity.
 - Did not automatically advance any in WCD, RAGI, Innovation. The top scoring WCD projects were very large requests, and RAGI and Innovation portfolios were small enough for scoring panels to review all.

- Ranfis: recommends greater transparency about scoring process in future, building stakeholder faith in process.
- Additional vetting process for orgs 3 years old or younger, requesting 2x or greater prior annual revenue, project falls outside historic primary purpose, have remaining budget questions, or multiple of these flags. 30% of applications were flagged for additional review (43 applications). 30 of the 43 flagged are in the recommended portfolio.
 - 12 of the 43 were asked to accept modifications in order to advance. 11 accepted. Robin, Megan, and staff met to discuss what modifications would look like (down-scoping, lengthening period of performance, requiring stage gates, add in budget for org development support). The others moved forward unmodified (e.g. we asked for board info or references and response was satisfactory).
 - Megan: felt it was a good additional process.
- 4 new process elements to evaluate:
 - (1) Preliminary scoring/threshold review, (2) application modifications, (3) additional vetting process, (4) community members on scoring panels.
 - We will be evaluating these and share findings with the Committee as we approach RFP#3.
- Portfolio creation considerations
 - Staff capacity to manage – we’ve grown the team and have a recruitment open, but this is a key constraint.
 - Application score – informed by Committee-approved rubric with significant public input. Applications scored by staff, Committee, and community cohort members (planning only), then ranked within each funding area plus planning.
 - Target funding area allocation limits in our code.
 - Strength and number of applications received within each funding area. Some funding areas received fewer, some a lot.
- Proposed portfolio funding level: \$110,695,441 (substantially larger than the estimated ~\$60 million)
 - 64% reflect the priority community they intend to serve
 - 66 projects, average grant size \$1.7 million
 - Estimated lifetime metric tons CO2e reduction ~300,000, primarily in clean energy and innovation funding areas.
 - Clean energy is a large portion, funded at higher end of allocation.
 - 16 planning grants, making up a small portion of \$. Fewer demand for planning grants than RFP1.
 - Geographic representation of projects with physical improvements – map provided.
 - \$62.6 million has geographical focus. \$13.0 million is city-wide. \$3.4 million to be determined
 - Highest concentration in NE Portland. A handful of housing projects and major energy retrofits for non-profit owned buildings that make up this larger focus of \$ in NE Portland.
 - We’ve talked a lot about our focus on East Portland, and it’s not as heavily funded as N/NE. There is a factor of where organizations that can implement some of these larger projects exist, and it’s going to be a point of conversation/exploration for Committee.
 - Megan: investing in East Portland is one of PCEF’s intentions, important for us to reflect that we didn’t get the number of applications, and be attentive to that gap moving forward. Points to capacity building work, outreach to organizations based in East Portland.
 - Jeffrey: a lot of organizations that have traditionally served priority populations are still based in inner NE Portland, although a lot of the people they serve have been pushed East. We might see a transition of those organizations moving east in the next couple of years.
 - Ranfis: worth tracking this as we go through other funding cycles, try to avoid a pattern. Open question of unforeseen problem trying to fund physical improvement east of 82nd, perhaps need to look at funding outside nonprofits.

- Michael: clarification – map represents the location of the projects, not the location of the nonprofit? Yes, but there are several projects in NE that are retrofitting the nonprofit headquarters.
 - Sam: capacity building will be key, looking at different investment models in East Portland too.
 - Clean energy project characteristics: \$66,858,802, 28 projects.
 - 57% reflect priority community they intend to serve (perfect score). Avg. grant size \$2.3 million.
 - 17 projects directly serving 2350 residential units, one serving congregate housing with 240 residents across 24 sites. 3 community solar projects. 7 clean energy projects at community-based organization buildings.
 - 9 projects exclusively energy efficiency, 6 are renewable energy focused, 8 are a combination.
 - Workforce & Contractor development project characteristics: \$26,053,605, 12 projects
 - 83% reflect priority community they intend to serve (perfect score). Avg. grant size \$2.2 million.
 - 8 projects focused on workforce development, 2 focused on contractors, 2 that do both
 - Wide diversity of training/training programs. Some on pre-apprenticeship focus, 2- year renewable energy certifications, some more youth focused, etc.
 - Ranfis: do we have a sense of how many programs help folks get into a union apprenticeship program? Staff will follow up with number. These projects are specific to just WCD applications, not other buckets of funding that might have apprenticeship utilization, etc. correct? Confirmed. Seems like there is an under-told story where there are WCD elements in other buckets.
 - Regenerative Agriculture & Green Infrastructure project characteristics: \$10,958,399, 6 projects
 - 83% reflect priority community they intend to serve (perfect score) . Avg. grant size \$1.8 million.
 - Received a smaller amount of funding requests in this area.
 - Projects are primarily focused on regenerative agriculture. Tree planting is notably missing – we didn't get those proposals. Some tree planting is part of some projects, but not a focus.
 - Innovation/other project characteristics: \$5,263,492, 4 projects
 - 0% got a perfect score for reflecting the priority community they intend to serve. All applicants received some points for this criterion.
 - Avg. grant size \$1.3 million.
 - All projects include transportation focus.
 - Planning project characteristics: \$1,561,143, 16 projects
 - 31% reflect priority community they intend to serve (perfect score) . Avg. grant size \$98k.
 - Planning focus area: WCD (8 projects), Clean energy 5 projects), RA/GI (3), Other (2)
 - Of 29 planning grants from last year, at least 10 have projects in this portfolio. We'll report back on how many applied. For many, planning efforts took longer than anticipated and we've extended grants.
 - For those that applied and are not in proposed portfolio, we'll dig into that as well. For some, a 1-year planning grant might not build enough capacity, they might need more.
- Questions & Comments
 - Robin: are there projects in proposed portfolio that received a red flag in financial review, and what is the risk and mitigation strategy? Staff will report back.
 - What is the demographic breakdown across funding areas in terms of people being served? A general good representation of multi-cultural focuses, focuses on people with low-income, Black and African, Indigenous community focuses across each of funding areas. Seeing focus on disability community show up in clean energy and planning grants. Not clear if we're seeing projects in this cycle with focus on Asian and Pacific Islander communities, will need a deeper look.
 - Robin: Are there any examples of the review process not working, any gaps? The post-process audit piece is going to help answer that. Prelim review and additional review required a lot of staff and applicant time, but did help and we feel good about the suite of projects.
 - An area we need to come back to is where leverage could play a bigger role, small ask of PCEF dollars, and may serve more middle-income populations. Our design has been successful in

elevating projects where the PCEF investment will make big impact. Smaller asks as part of larger projects won't rise to the top in current design.

- Megan: next meeting, would love a re-emphasis on how we got to ~\$110 million portfolio and the funding numbers in each of the funding areas.
- Ranfis: thanks everyone for all the work to get here. Prepared to vote next meeting, has asked questions about percentage of projects that will result in entry to union programs, and evaluation phase, but should prioritize time for other questions folks have if they are critical for a vote.

Meeting Adjourned 8:00pm