

FINANCIAL IMPACT STATEMENT For Council Action Items

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

1. Name of Initiator Michael Armstrong	2. Telephone No. 503.823.6053	3. Bureau/Office/Dept. Bureau of Planning and Sustainability
4a. To be filed (date) June 9, 2010	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: June 3, 2010

1) Legislation Title:

Authorize establishment of a new non-profit organization to expand Clean Energy Works Portland under federal funding. (Resolution)

2) Purpose of the Proposed Legislation:

The purpose of this resolution is to authorize the establishment of a new non-profit organization to enable the rapid expansion of Clean Energy Works Oregon, including filing paperwork to incorporate the new organization, appointing the initial board members and advisory committee for the new organization and to initiate negotiations with the new, independent organization for funding through the U.S. Department of Energy's competitive Energy Efficiency and Conservation Block Grant award disbursement. Once established, the new organization will be fully independent of the City.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

The ordinance will not affect revenue coming to the City.

4) Expense:

What are the costs to the City as a result of this legislation? (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)

The City will incur very limited costs as a direct result of the ordinance—the filing fee to legally incorporate the new organization, for example—but we do anticipate subsequently providing a very large grant to the new organization to fulfill many of the key tasks associated with the recent \$20 million federal Energy Efficiency and Conservation Block Grant award to the City. All of the funds granted to the new organization will come from this federal grant.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?

No.

6) Will positions be created or eliminated in *future years* as a result of this legislation?

No.

7) Change in Appropriations

None.

Celia Heron, Operations Manager



APPROPRIATION UNIT HEAD (Typed name and signature)



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Bureau of

Planning and Sustainability

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1. **Resolution Title:** Authorize establishment of a new non-profit organization to expand Clean Energy Works Portland under federal funding.
2. **Contact Name, Department, & Phone Number:** Michael Armstrong, Bureau of Planning and Sustainability, 503 823-6053
3. **Requested Council Date:** June 9, 2010

Consent Agenda Item: ☐ **or** **Regular Agenda Item:** ☒

Explain why this DOES or does not require a presentation or Council discussion:

This is a significant milestone in a high-profile program that is being expanded with federal stimulus funding to achieve the simultaneous goals of reducing carbon emissions and creating local jobs. It represents a major partnership between the City, Energy Trust of Oregon, utilities, Shorebank Enterprise Cascadia, and other labor, community-based organizations, and employers. Senior officers from each of these organizations will likely be present at the Council meeting.

Emergency Item (answer below): ☐ **or** **Non- Emergency Item:** ☒

If emergency, why does this need to take effect immediately:

4. **History of Agenda Item/Background:**

Since fall 2008, Portland has been working with utilities, labor organizations, and the Energy Trust of Oregon to develop a program that will provide homeowners with easy access to low-interest financing for energy improvements to their homes. The program responds to the immediate need both to create local jobs and to respond to the rising urgency of climate change.

The Clean Energy Works Portland program is a major partnership involving the City, the Energy Trust of Oregon, Shorebank Enterprise Cascadia, NW Natural, Pacific Power, PGE, Worksystems, Inc., and Multnomah County, among others.

In its current pilot phase, Clean Energy Works Portland established a loan fund that pays for the upfront cost of installing energy-efficiency improvements to homes, with the loan repaid over time on the homeowners' utility bill. Because the home will use less energy, the savings partly or wholly cover the cost of repaying the loan. Once the loan is paid off, the homeowner keeps all of the savings, while enjoying the benefits of a more comfortable, healthier home. The local economy as a whole benefits as well, since spending dollars on anything other than energy keeps dollars recirculating in the local economy to a greater extent, supporting local jobs. Finally, the reduction in energy use results in lower carbon emissions, moving the City toward its climate-protection goals.

In April 2010 the U.S. Department of Energy awarded the City \$20 million through a competitive Energy Efficiency and Conservation Block Grant solicitation to expand the Clean Energy Works Portland pilot into a statewide program, Clean Energy Works Oregon. This expanded program will work in partnership with multiple jurisdictions, including Klamath and Lake Counties, Hood River and Astoria, as well as Clackamas County, Gresham, Hillsboro and Lake Oswego.

To provide services statewide, to achieve efficiencies of scale, and to integrate financial services and program delivery, the City would create a new, non-profit organization to carry out the new, expanded Clean Energy Works Oregon program. Currently, no organization exists that integrates all of the functions required under the new federal grant.

The new organization would initially be funded with a sub-grant from the City's \$20 million Energy Efficiency and Conservation Block Grant. The terms of this sub-grant agreement will ensure that the new non-profit organization will fulfill the City's intent to save energy, reduce carbon emissions, keep housing affordable and, create quality jobs that enable historically underserved populations and historically underutilized businesses access economic opportunity.

5. Purpose of Agenda Item:

This resolution would authorize BPS to establish a new non-profit organization to enable the rapid expansion of Clean Energy Works Oregon. BPS would file paperwork to incorporate the new organization, work with the mayor's office to appoint the initial board members and advisory committee for the new organization.

6. Legal Issues:

None known.

**7. What individuals or groups are or would be opposed to this ordinance?
Supportive?**

Opposition: None known.

Supportive: Program partners: Energy Trust of Oregon, NW Natural, Pacific Power, Portland General Electric, Shorebank Enterprise Cascadia, Worksystems, Inc., Multnomah County, Green for All.

8. How Does This Relate to Current City Policies?

Clean Energy Works Portland supports the Sustainable City Principles and the City's 2009 *Climate Action Plan*.

9. Community Participation:

The Clean Energy Works Portland program is guided by a Stakeholder Evaluation and Implementation Committee and has benefited from extensive citizen involvement throughout its pilot phase. A number of organizations have been instrumental in developing and implementing the program, including Green for All, the Energy Trust of Oregon, NW Natural, Pacific Power, Portland General Electric, Shorebank Enterprise Cascadia, and Worksystems, Inc.

10. Other Government Participation:

In addition to the organizations named above, program partners include the Portland Development Commission, Oregon Department of Energy, Multnomah County, Clackamas County, Hood River County, cities of Gresham, Lake Oswego, and Hillsboro, and the South Central Oregon Economic Development District.

11. Financial Impact:

The resolution will have only limited direct financial impact—the filing fees to incorporate the new organization, for example—but is subsequently expected to receive a very large sub-grant agreement funded by the recent \$20 million federal grant award. All of the City's costs are covered by the federal grant, and the new organization is expected to help generate financial leverage to bring at least \$100 million in additional investment in energy efficiency projects in Oregon.