

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

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

1. Name of Initiator Andria Jacob		2. Telephone No. 503.823.7616	3. Bureau/Office/Dept. Bureau of Planning and Sustainability
4a. To be filed (date) Sept 1, 2010	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		Date Submitted to FPD Budget Analyst: August 19, 2010

1) Legislation Title:

* Amend Operating Agreement with Portland General Electric and ShoreBank Enterprise Cascadia for Clean Energy Works Portland on-bill repayment and loan processing (Ordinance; amend Agreement No. 32000319)

2) Purpose of the Proposed Legislation:

Parties entered into an Operating Agreement in December 2009 to develop and implement On-Bill Repayment Service for loans issued in the Pilot Program to PGE's customers to install energy efficiency measures. Enrollment in the Pilot was slower than originally expected, so the Parties (City, PGE, SBEC) wish to extend the timelines set forth in the Original Agreement. The extension of deadlines for these implementation steps related to the Clean Energy Works program provides on-bill repayment and loan processing for the Clean Energy Works Portland program through December 30, 2010 so that Clean Energy Works Portland can complete its 500 home pilot.

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.
No.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense?
There is no direct financial impact from this Ordinance. Costs will be recovered on a reimbursement basis for establishing the program primarily with funding from Federal stimulus (Energy Efficiency and Conservation Block Grant).

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?
No positions will be created, eliminated or re-classified.



6) Will positions be created or eliminated in future years as a result of this legislation?
No.

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations

None at this time.

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

Susan Anderson, Director  Michael Armstrong 
 APPROPRIATION UNIT HEAD (Typed name and signature)



City of Portland
Bureau of

Planning and Sustainability

Sam Adams, Mayor
Susan Anderson, Director

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MEMORANDUM

To: Mayor Sam Adams

From: Susan Anderson, Director *SA/Anderson*

Date: August 19, 2010

1. **Ordinance Title:** * Amend Operating Agreement with Portland General Electric and ShoreBank Enterprise Cascadia for Clean Energy Works Portland on-bill repayment and loan processing (Ordinance; amend Agreement No. 32000319)
2. **Contact Name, Department, & Phone Number:** Andria Jacob, Bureau of Planning and Sustainability, 503.823.7616
3. **Requested Council Date:** September 1, 2010

Consent Agenda Item: XX or **Regular Agenda Item:**

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

Operating Agreement 32000319 was adopted by Portland City Council on Dec 26, 2009 and is related to a previously adopted Resolution 36713 that was presented to Council on July 8, 2009, authorizing the Clean Energy Works Portland. This is also related to Ordinance 183037 that was presented to and adopted by Council on July 29, 2009. This amendment to the original agreement carries out the programmatic goals identified in the previous resolutions and ordinances. Deadlines for minimal subscription in the program by June 30, 2010 and submission of Intake Reports by July 31, 2010, require extension to December 30, 2011 and January 31, 2011 respectively.

Emergency Item (answer below): XX or **Non-Emergency Item:**
If emergency, why does this need to take effect immediately:

PGE customers are waiting to participate in Clean Energy Works Portland until this amendment extending deadlines for implementation steps is finalized.

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 is a major partnership involving the City, the Energy Trust of Oregon, Enterprise Cascadia, NW Natural, Pacific Power, PGE, Worksystems, Inc., and Multnomah County, among others. The specific roles of each entity have been developed over the past eight months and are now being formalized into binding agreements, which will be brought to Council for consideration later this summer.

Clean Energy Works Portland establishes 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.

The U.S. Department of Energy to fund the Clean Energy Works Portland program using part of its formula allocation from the Energy Efficiency and Conservation Block Grant. That application is pending, with notification expected later this summer. At that point, the formal agreements with the partners will be finalized.

5. Purpose of Agenda Item:

To honor the City's agreement with PGE and Enterprise Cascadia as previously authorized by Council. This amendment provides for extension of implementation dates that will allow completion of the Pilot Project, which has been delayed due to slowness in enrollments in the program.

6. Legal Issues: None.

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

Opposed: Likely none.

Supportive: Organizations directly involved in Clean Energy Works Oregon agreements, including:

Energy Trust of Oregon

Enterprise Cascadia

NW Natural and Pacific Power

8 How Does This Relate to Current City Policies?

The City has adopted a goal of reducing carbon emissions by 80% by 2050 (Resolution No. 36548), and buildings account for more than 40% of local carbon emissions.

9. Community Participation:

This program was first proposed locally in the stakeholder meetings around the City's proposed High Performance Green Building Policy, and it was also identified in the technical working groups that developed the action items for the current draft Climate Action Plan.

The detailed program proposal has been developed with broad participation from partner organizations, including those identified above as supporters.

10. Other Government Participation: Multnomah County.

11. Financial Impact: There is no direct financial impact from this Ordinance. Costs will be recovered on a reimbursement basis for establishing the program primarily with funding from Federal stimulus (Energy Efficiency and Conservation Block Grant).