



Bureau of Planning and Sustainability
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MEMORANDUM

To: Mayor Sam Adams
From: Susan Anderson, Director *MA*
Date: May 27, 2011

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1. **Ordinance Title:** *Amend grant agreement with Clean Energy Works Oregon, Inc. to provide an additional \$2 million in State Energy Program (SEP) funding from the Oregon Department of Energy (Ordinance; amend Contract 32000466)
 2. **Contact Name, Department, & Phone Number:** Andria Jacob, Bureau of Planning and Sustainability, 503 823-7616.
 3. **Requested Council Date:** June 8, 2011
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Consent Agenda Item: or Regular Agenda Item:

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

This is City business necessary to accomplish programmatic objectives already unanimously supported and endorsed by Council in preceding resolutions and ordinances.

Emergency Item (answer below): or Non-Emergency Item:

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

The grant agreement is funded by American Recovery and Reinvestment Act (ARRA) funds. The terms and conditions of ARRA funds require their obligation and expenditure as quickly as possible.

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, Enterprise Cascadia, NW Natural, Pacific Power, PGE, WorkSystems, Inc., and Multnomah County, among others.

On June 9, 2010 by Ordinance 183857, Portland City Council accepted a \$20 million grant award through the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECGB). On June 30, 2010, by Ordinance 183956, City Council authorized Agreement No. 32000387 with nonprofit Clean Energy Works of Oregon (CEWO) to provide \$193,000 to



develop a business model for operation of a program for energy efficiency retrofits and job creation in Oregon. On October 1, 2010, by Ordinance No. 184118, Council authorized Agreement No. 32000466 to provide \$17,807,000 to CEWO to implement the program. CEWO's objective is to replicate the successes of the Portland pilot in the Portland metro region and statewide, linking efforts by the City, state of Oregon, other local governments, and the many other partners identified above.

Key functions of CEWO include aggregating, managing and deploying capital targeted for streamlined energy-efficiency retrofits across Oregon; developing consumer demand for retrofits; building capacity to do the work; ensuring quality control; integrating work standards and community benefits represented in the pilot community workforce agreement and interacting with secondary market buyers.

Clean Energy Works Oregon intends to deliver the following over the three-year grant period:

- 1,300 jobs created or retained
- 6,000 home energy retrofits
- 3.5 million square feet of commercial buildings retrofit
- energy savings of more than 300,000 MBTUs
- measure-life carbon dioxide reductions of 200,000 metric tons

On June 23, 2010, by Ordinance 183922, City Council accepted an award of \$2 million in American Recovery and Reinvestment Act (ARRA) State Energy Program (SEP) funds from the Oregon Department of Energy (Department).

This contract amendment provides these SEP funds to CEWO to further support and leverage the financing of energy efficiency upgrades across Oregon. CEWO will work in partnership with rural jurisdictions across the state, as well as energy efficiency program delivery partners, utilities and financial institutions to fulfill the objectives of and comply with the terms and conditions of the grant agreement.

SEP funds will be used to reduce the costs of doing energy efficiency projects for consumers and to support staffing (Energy Advisors) that provides customer service, quality control and energy education for program participants.

5. Purpose of Agenda Item:

Authorize the City to modify the grant agreement with Clean Energy Works Oregon.

6. Legal Issues: None.

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

Opposition: None known.

Supportive: Energy Trust of Oregon; local construction contractors and related service firms; training and workforce programs (IBEW, SEIU, AGC, others); investors and foundations (Umpqua, Enterprise, Meyer Memorial Trust); utilities (PGE, Pacific Power, Northwest Natural); and business associations (Oregon Restaurant Association).



8 How Does This Relate to Current City Policies?

This grant agreement supports the Portland Economic Development Strategy, the 2009 Climate Action Plan and the City's emerging objectives around social equity.

9. Community Participation:

The City is engaged with multiple community partners to deliver financing and energy retrofit services, obtain program leverage and accomplish social equity goals.

10. Other Government Participation:

Portland Development Commission, State of Oregon Department of Energy, Clackamas County, Multnomah County, and other local jurisdictions were partners in the City's successful ARRA grant proposal.

11. Financial Impact:

The grant agreement commits the City to providing \$2,000,000 to Clean Energy Works Oregon, Inc. These funds have already been accepted from the State of Oregon Department of Energy and do not represent an additional outlay by the City. Funds are available in the FY 10-11 budget for the Bureau of Planning and Sustainability, Cost Center PNSD000002, Cost Center PNSD000002, Cost Order PN00170002, Account 529001.

