



Bureau of Planning and Sustainability

Date: July 31, 2021
To: Portland Clean Energy Fund Committee
From: PCEF Staff
Subject: PCEF RFP #2 key criteria and applications

In preparation for the second Portland Clean Energy Community Benefits Fund (PCEF) request for proposals (RFP), the following memo outlines critical RFP criteria such as funding allocations in addition to important changes and updates for RFP #2 based on cumulative feedback received to date from our evaluation efforts (described in the [July 19th memo to the Committee](#)), staff and Committee discussions.

Once the Committee approves draft RFP #2, staff will solicit public comments and feedback on RFP #2 content for approximately three weeks. While the entirety of the RFP application will be shared for review and feedback, we will be asking for specific feedback on areas of the application that have changed. This will help those familiar with our inaugural RFP focus on the elements that have changed. For those that are new to the PCEF RFP, we will provide a summary document outlining the review process and the scoring criteria.

As you review the core elements below, it is important to acknowledge that while we have learned a tremendous amount from the last years' efforts, there remains significantly more to learn as we scale up to \$60 million in annual funding. We are in a process of continuous improvement. Our collective understanding of implementing PCEF will deepen and we will continue to identify improvements and implement them as our capacity permits. These past years have been all too sobering both in terms of our community's deep inequities and climate impacts at home. Our work is just beginning.

Key RFP #2 portfolio criteria:

The information below outlines recommendations for key RFP criteria that is important for setting expectations and supporting the development of proposals.

Recommendations for types and sizes of grants we seek to fund this round:

The following bullets provide number ranges for the types of grants (planning, small, and large) we hope to fund in RFP #2 that would result in about 75 grants in a funded portfolio. This reflects staff projections on the number of grants we can effectively onboard and manage annually.

- ~20 – 25 planning grants
 - capped at \$100,000 each

- up to one-year duration
- **~30 – 40 small grants**
 - capped at \$500,000 each
 - up to three-year duration
- **~15 – 25 large grants**
 - capped at \$10 million each
 - Up to five-year duration

Within the funded portfolio, we expect to fund the following mix across our funding areas:

- **Clean energy: \$24 to \$36 million**
 - Includes renewable energy and energy efficiency projects for residential, commercial, and school properties.
- **Green infrastructure and regenerative agriculture: \$6 to \$9 million**
 - Focuses on projects that result in the sequestration of greenhouse gases and support sustainable local food production.
- **Green workforce development and contractor support: \$12 to \$15 million**
 - Includes job training, apprenticeship programs, and business technical assistance, with a focus on economically disadvantaged workers and businesses.
- **Innovation and other: \$3 million**
 - Includes projects that do not fall into one of the above categories but support climate action goals in a way that advance racial and social equity.
 - We recommend this is inclusive of a \$1.5 million allocation for transportation projects that reduce GHG emissions.

Key updates to RFP #2:

With the exception of (1) application format, the key updates to RFP #2 listed below are further detailed in the [July 19th memo to the Committee](#) on the RFP #1 evaluation findings. These updates reflect the more significant changes to RFP #2. However, there are numerous additional changes to RFP #2 that are not listed here that simplify the application and improve the flow, while some changes solicit more detailed information in the application, e.g., questions about applicant and beneficiary demographics.

1. Application format

- a. As part of our efforts to simplify and improve the flow of the application, we have separated the workforce and contractor development (WCD) grant application from the clean energy, regenerative agriculture/green infrastructure, and innovation grant applications (referenced as the standard application).
- b. The updated application will also ask applicants to state the percentage of funds in the grant proposal associated with each funding area (e.g., 75% clean energy, 25% workforce development) vs. checking a box associated with the relevant

funding area. This will bring further clarity during portfolio balancing to support projects being evaluated against similar projects.

- c. Lastly, applicants will no longer be required to use the application portal for most of the application. The application portal will only be used for populating basic organizational information. Applicants will have the option of working on and submitting the application via several formats, including Microsoft Word, Google Docs, and PDF.

2. Financial review

- a. We have removed the scoring of an applicants' financial management and health from the scoring/review panels. The financial review will instead be performed by individual(s) with relevant expertise. The findings from this review will be shared with scoring panel members for context in evaluating application but will not be part of the score.

3. Greenhouse Gas (GHG) emissions impact

- a. We are more explicitly communicating that applicants are not required to perform their own GHG emissions projection. As part of this, we have simplified the form for applicants to submit inputs needed for staff to calculate GHG emissions impact score.
- b. Additionally, we have removed regenerative agriculture and green infrastructure (RA/GI) projects from the current GHG emissions impact calculation methodology which ranks all projects based on GHG reduced/PCEF \$ and then assigns points based on quintiles. This method remains for clean energy projects. The updated approach for RA/GA will calculate a GHG emissions reductions score (on a scale zero to five) using applicant provided inputs. Since projects within a funding area (e.g., regenerative agriculture/green infrastructure) are now more explicitly evaluated amongst each other (see 1. application format above), this method addresses the challenges associated with GHG sequestration modeling for regenerative agriculture and green infrastructure projects.

4. Employee benefits

- a. The employee benefits criterion has been removed from the draft RFP #2 since it did not work as an incentive or a screen. All applicants in RFP #1 with more than 6 employees received these points.

5. Workforce and contractor utilization questions

- a. The workforce and contractor utilization questions in RFP #2 have been updated so that applicants are not required to identify their contractor at the application stage. The level of detail on project contractors, subcontractors and workforce is reduced for large projects, with a greater focus placed on the applicants' strategy for utilization of diverse workforce and contractor(s). However, proposals

investing over \$350k in any given site will be required to agree to contractor and workforce utilization goals.

- b. Information on equity in contracting is scored for all contracts, not just those for construction.

6. Workforce and contractor development proposals

- a. As noted in (1) application format changes above, the application for workforce and contractor development proposals is now a separate application. This allows for a more streamlined application for WCD grant proposals.
- b. Additionally, grant proposals with a primary focus on direct job training or direct support to contractors are prioritized vs. upstream WCD efforts in the updated scoring framework through additional points. This method acknowledges the uncertainty in demand for WCD proposals, but ensures those focused on direct outcomes are prioritized.

7. Holistic approach to the assessment of the project

- a. In order to facilitate a better evaluation of a proposal in its entirety, in addition to each of its parts, we have added the following criteria for scoring/review panel members: Overall project alignment with PCEF Guiding Principles.

Applications for RFP #2:

The four draft applications that are part of RFP #2 are listed below.

1. Planning grant application

- a. This application is for grants up to \$100,000 that help organizations complete assessment or planning that may be needed to develop a full project proposal. Eligible activities include, but are not limited to, research and learning, feasibility/technical evaluation and consultation, community outreach and education, and collaboration and partnership building.

2. Standard small grant application

- a. This application is for grants up to \$500,000 that help organizations implement projects that address climate change and advance racial and social justice. Projects can include physical improvements (e.g. weatherization, solar installations, tree planting, regenerative agriculture) and/or non-physical activities (e.g. conservation education). Grant funds can be used to pay for staff time, contracted work, purchase of real property (e.g. equipment, land), costs associated with fulfilling requirements of the grant (e.g. additional insurance, reporting), and other items or activities that will address climate change and advance racial and social justice. This application should not be used for proposals which have a primary purpose of providing workforce and/or contractor development training.

3. Standard large grant application

- a. This application is for grants up to \$10,000,000 that help organizations implement projects that address climate change and advance racial and social justice. Projects can include physical improvements (e.g. weatherization, solar installations, tree planting, regenerative agriculture) and/or non-physical activities (e.g. conservation education). Grant funds can be used to pay for staff time, contracted work, purchase of real property (e.g. equipment, land), costs associated with fulfilling requirements of the grant (e.g. additional insurance, reporting), and other items or activities that will address climate change and advance racial and social justice. The application for large grants is more rigorous. This application should not be used for proposals which have a primary purpose of providing workforce and/or contractor development training.

4. Workforce and contractor development small and large grant application

- a. This application is for small grants up to \$500,000 and large grants up to \$10,000,000 which have a primary purpose of providing clean energy and climate-related workforce and/or contractor development training.