

IMPACT STATEMENT

Legislation title: *Authorize the Director of the Bureau of Planning and Sustainability to execute the Portland Clean Energy Community Benefits Fund Head Response, Equipment Purchasing Partner grant for a total allocation not to exceed \$11,495,820 (Ordinance)

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Purpose of proposed legislation and background information:

Portland voters passed the Portland Clean Energy Community Benefits Fund (PCEF) in November 2018 to invest in community-originated climate action solutions that advance racial and social justice (Ballot Measure 26-201).

In June 2021, over the course of several days, almost 100 Oregonians lost their lives to extreme temperatures, with more than 60 deaths in Multnomah County. This heat wave was the deadliest documented natural disaster in Multnomah County's history during the past ~200 years of white-colonial settlement.

Throughout the months following last summer's extreme heat event, the Portland Clean Energy Community Benefits Fund (PCEF) staff gathered input from community partners and worked with the PCEF Committee to develop and design a program to connect vulnerable low-income people and people of color with efficient portable heat pump/cooling devices, in alignment with Portland City Code Chapter 7.07 (i.e., PCEF Code).

PCEF Staff developed a proposed Heat Response Program, with the following goals:

1. Reduce heat related risk to vulnerable populations by distributing and installing portable heat pump/cooling units in households, prioritizing those with seniors among PCEF priority populations (low-income people and people of color).
2. Use PCEF Guiding Principles in design and deployment.
3. Begin distribution in May/June 2022 with implementation taking place over a period of up to 5 years to distribute up to 15,000 portable heat pump/cooling units.
4. Promote energy efficient installation and use, as well as connection to programs that lower energy bills.
5. Provide support that maintains product life, efficient operation, and usability.

Following approval from the PCEF Committee, staff issued Request for Proposals (RFPs) for two different roles in the PCEF Heat Response Program:

- A. A single Equipment Purchasing Partner (EPP) to coordinate the centralized purchase of a range of portable heat pump/cooling units, coordinate equipment delivery to contracted community distribution partners, and provide logistics and technical assistance.
- B. A number of nonprofit Community Distribution Partners (CDP) to distribute and install portable heat pump/cooling equipment, provide information about how to use the devices, and potentially install basic weatherization kits.

This ordinance contains the Committee's Heat Response Program, Equipment Purchasing Partner (EPP) funding recommendation and marks a major step towards addressing the needs of vulnerable Portlanders to access cooling in the face of increased climate-related heat risks. The PCEF Committee, a cohort of nine volunteers that reflect the racial, ethnic and economic diversity of our City, makes funding recommendations to the Mayor and City Council. These recommendations are the result of hundreds of hours developing the program, engaging with community stakeholders, consulting technical experts, and several public PCEF Committee work sessions.

On October 6, 2021, the Committee recommended funding Diversifying Energy to serve the EPP role. The EPP will be responsible for the following program elements:

- Work with City staff to identify specifications of equipment to purchase based on energy efficiency, features, usability and availability.
- Collaborate with City and CDPs to evaluate the total number of portable heat pump/cooling units to purchase, including HEPA air filtration units, when feasible.
- Manage contracts with manufacturers, retailers, commercial entities, or other organizations to purchase portable heat pump/cooling units and, as equipment cost savings permit, HEPA air filtration units.
- Coordinate delivery of the units through drop shipping to distribution partners, installers, or a temporary warehouse space.
- Contract with and reimburse CDPs selected by the City for installation of equipment and defined services.
- Develop training, maintenance, warranty, and equipment replacement procedures with CDPs, in order to maximize lifespan of equipment.

The PCEF Committee recommends that City Council authorize a funding allocation not to exceed \$11,495,820 for the procurement of 15,000 heat/pump cooling units and air filtration equipment, logistics management, contracting with community distribution partners, and technical support for the Equipment Purchasing Partner role in the PCEF Heat Response Program – as described in Exhibit A of the ordinance.

Additional contracting will be necessary once Community Distribution Partners (CDP) are selected through a separate RFP process. The accelerated timeframe for granting to the EPP role is driven by the need to begin sourcing portable heat pump/cooling units in

December 2021 for initial distribution beginning in spring 2022. After the PCEF Committee makes a funding recommendation for CDPs, staff will return to Council to amend this grant agreement and increase the total budget to accommodate costs associated with the CDP role.

Budget overview	
Equipment purchasing partner: procurement, and logistics management	\$4,495,820
Portable heat pump/cooling units	\$7,000,000
Total requested authorization	\$11,495,820

Financial and budgetary impacts:

\$11,495,820 is allocated from the PCEF Fund for the purpose of: (1) funding the logistics management, contracting and technical support of Diversifying Energy in serving as the Equipment Purchasing Partner in the Heat Response Program; (2) funding the purchase of 15,000 units of portable heat pump/cooling equipment; and (3) as equipment cost savings permit, funding the purchase of HEPA air filters for distribution alongside heat pump/cooling equipment. The PCEF Fund supported by revenues from the Clean Energy Surcharge that is part of Portland City Code Chapter 7.02.500 F.

PCEF staff will administer the grant.

Community impacts and community involvement:

The recommended grant will support the distribution of much needed cooling infrastructure for vulnerable Portlanders. The PCEF Heat Response Program will provide life-saving and efficient portable heat pump/cooling equipment to Portland’s low-income people and communities of color, prioritizing those most vulnerable to the impacts of extreme heat fueled by climate change. For the distribution of efficient portable heat pump/cooling equipment in the PCEF Heat Response Grant program, priority populations are defined as those who are:

- People with low income
- Black people
- Native American/Alaska Native people
- Other people of color

Risk factors related to type of housing and the intersection with vulnerable groups (e.g., seniors and people with disabilities) will be used to further prioritize distribution of equipment during program implementation.

In the development of this Heat Response Program, PCEF staff have met with staff from dozens of housing providers, community organizations, tenant advocates, technical and government partners to identify needs and potential approaches to address extreme heat events. All of the stakeholders consulted expressed a clear and consistent support for this heat response approach.

100% Renewable Goal:

This PCEF Heat Response grant program will help community-based organizations distribute and install lifesaving, efficient heat pump/ cooling equipment, focusing on devices that can provide both cooling and heating. The program will also, where possible, deliver information about energy efficiency, install basic weatherization measures, and connect people with programs to save on their energy bills. The impact on the City’s total energy use is difficult to estimate, as it is dependent on future climate impacts, as well as individual usage. While this deployment of equipment is not generating renewable energy, it allows the PCEF program to identify opportunities for additional energy savings, in direct support of the City’s 100% renewable energy goal.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount