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190808

Ordinance

Amend Portland Clean Energy Community Benefits Fund Heat Response, Equipment Purchasing Partner grant with Earth Advantage Inc. to increase the services of Community Distribution Partners in the amount of \$6,325,000 (amend Contract No. 32002637)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Planning and Sustainability (BPS) shapes Portland's future and advances climate protection for a more prosperous, healthy, equitable, and resilient city now and for future generations.
2. In November 2018, Portland voters created the Portland Clean Energy Community Benefits Fund (PCEF) program, which invests in community-originated climate action solutions that advance racial and social justice.
3. The PCEF program is now projected to generate \$80 to \$90 million annually in new revenue to provide grants to qualified nonprofit organizations for projects that reduce carbon emissions, advance resiliency and promote equity for all Portlanders, with a focus on low-income communities and communities of color.
4. A nine-member PCEF Committee makes funding recommendations to Council and measures and evaluates the effectiveness of the PCEF program.
5. Over several days in June 2021, over 100 Oregonians lost their lives to extreme temperatures associated with climate change, with over 60 lives lost in Multnomah County. This heat wave was one of the deadliest documented natural disasters in Multnomah County's history.

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Planning and Sustainability](#)

Contact

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PCEF Manager

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Requested Agenda Type

Regular

6. On October 6, 2021, in implementation of its efforts to ameliorate the impact of future extreme heat events by funding energy efficiency programs, PCEF staff presented a portable heat pump/cooling purchase and distribution program to the PCEF Committee. The PCEF Committee approved the concept and directed PCEF staff to develop two Request for Proposals (RFPs), focused on two distinct roles needed to implement a Heat Response Program:
7. A single Equipment Purchasing Partner (EPP) to coordinate the centralized purchase of 15,000 portable heat pump/cooling units, coordinate equipment delivery to contracted community distribution partners, and provide logistics and technical assistance.
8. 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.
9. On October 13, 2021, PCEF staff released a RFP for the EPP role. On October 19, 2021, PCEF staff released a RFP for the CDP role.
10. On January 5, 2022, City Council passed Ordinance No. 190670, authorizing the Director of the Bureau of Planning and Sustainability to execute the Portland Clean Energy Community Benefits Fund Heat Response, EPP Grant with Earth Advantage Inc., for a total allocation not to exceed \$10,020,289.
11. Ordinance No. 190670 also noted that PCEF staff planned to return to Council in the following months with funding recommendations for the CDP role, and that PCEF staff were reviewing grant eligibility criteria and the review process to ensure best practices are in place to minimize risk in the PCEF program.
12. On February 11, 2022, PCEF executed Grant Agreement No. 32002637 with Earth Advantage for their services in providing the EPP role.
13. PCEF staff received 11 applications for the CDP role. Following application intake, PCEF staff conducted eligibility screening, asked applicants additional clarifying details regarding costs and implementation, and applied the additional grant review process steps that had been previously approved by the PCEF Committee.
14. The CDP application process categorized applicants into two types based on services provided: housing providers, and non-housing community-based organizations. PCEF staff reviewed the cost information provided by CDP applicants and defined a fixed cost structure for the compensation of CDP services related to the delivery and installation of heat pump/ cooling units. This cost structure was communicated to CDP applicants and applicants were given the opportunity to decline participation.

15. A three-person review panel evaluated the eligible, participating CDP applicants based on the scoring criteria that were provided in the CDP RFP. Seven CDPs were recommended to serve in the initial cohort of CDPs in the Heat Response Program. Staff noted that the total number of units anticipated for distribution by this initial cohort was approximately 7,000 units less than the 15,000 total units planned for the 5-year program delivery and developed a prioritization approach to bring on additional CDPs in the future. This approach will seek additional CDP capacity from non-profit affordable housing providers, nonprofit community-based organizations, community health organizations, and then for-profit direct installation providers, in that order.
16. On April 7, 2022, the PCEF Committee approved an allocation of \$6,325,000 to the Heat Response Program for the installation services of the CDPs, additional services, and a contingency set-aside.
17. Pending Council approval of the amendment, PCEF staff will work with Earth Advantage to amend Grant Agreement No. 32002637 to include the subcontracted services and allocation of funds for the CDPs. Earth Advantage will develop contracts with the initial cohort of selected CDPs, and they will begin onboarding, trainings, and subsequent installations of portable heat pump cooling units into people's homes.
18. Funding for the Heat Response Program is allocated under the energy efficiency program priority under PCC 7.07.060(1) because the Heat Response Program is focused on distributing efficient heat and cooling equipment.

NOW, THEREFORE, the Council directs:

- A. The BPS Director is authorized to amend the Portland Clean Energy Community Benefits Fund Heat Response, Equipment Purchasing Partner grant to Earth Advantage Inc., in a form approved by the City Attorney, with an increase in the amount of \$6,325,000 for the subcontracted services of the Community Distribution Partners, with an allocation as described on page 5 of Exhibit A.
- B. Amendments to the grant agreement – including scope of work, budget and grant amount – may be executed by the BPS Director, provided those amendments do not increase the fiscal risk to the City or increase funding as authorized above.

Documents and Exhibits

 [Exhibit A](#) (262.62 Kb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
May 4, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

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.

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 one of the deadliest documented natural disasters in Multnomah County's history.

Throughout the months following last summer's extreme heat event, 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](#) (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.

On January 5, 2022, City Council passed Ordinance No. 190670, authorizing the Portland Clean Energy Community Benefits Fund Heat Response, Equipment Purchasing Partner Grant with Earth Advantage Inc., for a total allocation not to exceed \$10,020,289. This Council Ordinance also repealed Ordinance No. 190618, which had initially awarded the Equipment Purchasing Partner role to another non-profit organization. That award was repealed due to an inability to conclusively verify work experience listed in the application.

Following City Council action, PCEF executed Grant Agreement No. 32002637 with Earth Advantage for their services in providing the EPP role.

The EPP is 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, to maximize lifespan of equipment.

On January 19, 2022, the PCEF Committee approved additional steps in the grant review process to address potential risks related to project implementation and financial management. The revised grant review process improves the likelihood that selected projects are completed successfully while offering more structured support for new, emerging, and growing organizations.

Community Distribution Partner grant review:

PCEF staff received 11 applications for the CDP role. Following application intake, PCEF staff conducted eligibility screening, asked applicants additional clarifying details regarding costs and implementation, and applied the additional grant review process steps approved by the PCEF Committee in late January. Additional details on the grant review can be found in Exhibit A of the Ordinance.

On April 7, 2022, the PCEF Committee recommended funding an allocation of \$6,325,000 for the implementation of the Community Distribution Partner role by amending the grant agreement with Earth Advantage – as described in Exhibit A of the Ordinance.

The CDPs are responsible for providing the following program elements:

- Coordinate with EPP for number and type of portable heat pump/cooling units required.
- Take delivery or pick up portable heat pump/cooling units, and store/manage inventory accordingly until installation. This may require unloading facilities and forklifts, pallet jacks or other freight management tools.
- Drop off portable heat pump/cooling units to homes. This may require trucks, vans, and appropriate moving equipment to safely lift the units up flights of stairs.
- Unpack the portable heat pump/cooling units and assemble.
- Install the portable heat pump/cooling units in the home, using basic tools, applying best practices to seal windows, and ensuring safety.
- Provide information to recipient about how to use the unit, including any regular maintenance required (such as emptying water and changing filters).
- Provide verification that unit (and where applicable, weatherization upgrades) has been installed, and collect self-reported demographic information about the household.

The PCEF Committee, therefore, recommends that City Council authorize funding allocation not to exceed \$6,325,00 for the Community Distribution Partners through subcontracts of the Equipment Purchasing Partner contract with Earth Advantage Inc. – as described on page 5 of Exhibit A of the ordinance.

Budget Overview

Community Distribution Partner services for installation of 15,000 units	\$5,250,000
Additional Community Distribution Partner services	\$500,000
10% project contingency set-aside	\$575,000
Total requested authorization	\$6,325,000

Financial and Budgetary Impacts

\$6,325,000 is allocated from the PCEF Fund for the purpose of: (1) funding the subcontracted services of the Community Distribution Partners to provide services related to installation and distribution of heat pump / cooling units (2) funding energy efficiency improvements, wellness checks or other services by Community Distribution Partners and (3) funding a contingency for additional needs of the Heat Response Program implementation. 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 with Earth Advantage Inc, who will contract with the CDPs for their services under the directives of the PCEF program.

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, vulnerable populations are defined by a series of risk factors related to heat exposure, including:

- People with low income
- Elderly people
- People with disabilities
- People living alone

Risk factors will be used to identify households for 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 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, energy 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.

Agenda Items

337 Regular Agenda in [April 27-28, 2022 Council Agenda](#)

Passed to second reading

Passed to second reading May 4, 2022 at 9:30 a.m.

366 Regular Agenda in [May 4, 2022 Council Agenda](#)

Passed

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea