

PCEF 2022 RFP #2 funding recommendations and progress report

COMMUNITY IS KEY



Speakers:

Donnie Oliveira – Director, BPS

Sam Baraso – PCEF Program Manager, BPS

Michael Edden Hill, PCEF Committee Co-Chair

Megan Horst, PCEF Committee Co-Chair

Robin Wang, PCEF Committee member

Jill Fuglister, Healthy Environment Portfolio Director, Meyer Memorial Trust

Carol Cheney, Chief Executive Officer, The Collins Foundation

July 13, 2022



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portland.gov/bps/cleanenergy

Agenda for today's presentation

1. Introductions and background
2. 2022 Recommended Funding Portfolio from the Portland Clean Energy Community Benefits Fund's second request for proposals
 - The grant review process
 - Funding recommendations
3. Council Action Item
 - Approval of \$107,215,441 in funding for 66 grants
4. Video and invited speakers
 - Video testimony: A preview of PCEF's RFP #2 project diversity
 - Comments from Committee members and invited speakers

1. Introductions and background

What is PCEF?

- Invests in climate action that advances racial and social justice.
- Ballot measure passed by more than 65% of Portlanders in November 2018.
- First climate fund measure created and led by communities of color in the US.
- Generates \$80-90M annually for clean energy investments in Portland.
- 1% gross receipts surcharge on Portland sales by corporations with \$1B+ sales nationally and \$500k+ in Portland. Exemptions for items like groceries, utilities, medicine.

African American Alliance for Homeownership



Franteece's Journey to Solar

AAAH
African American Alliance
for Homeownership

Budget & Savings

Counseling

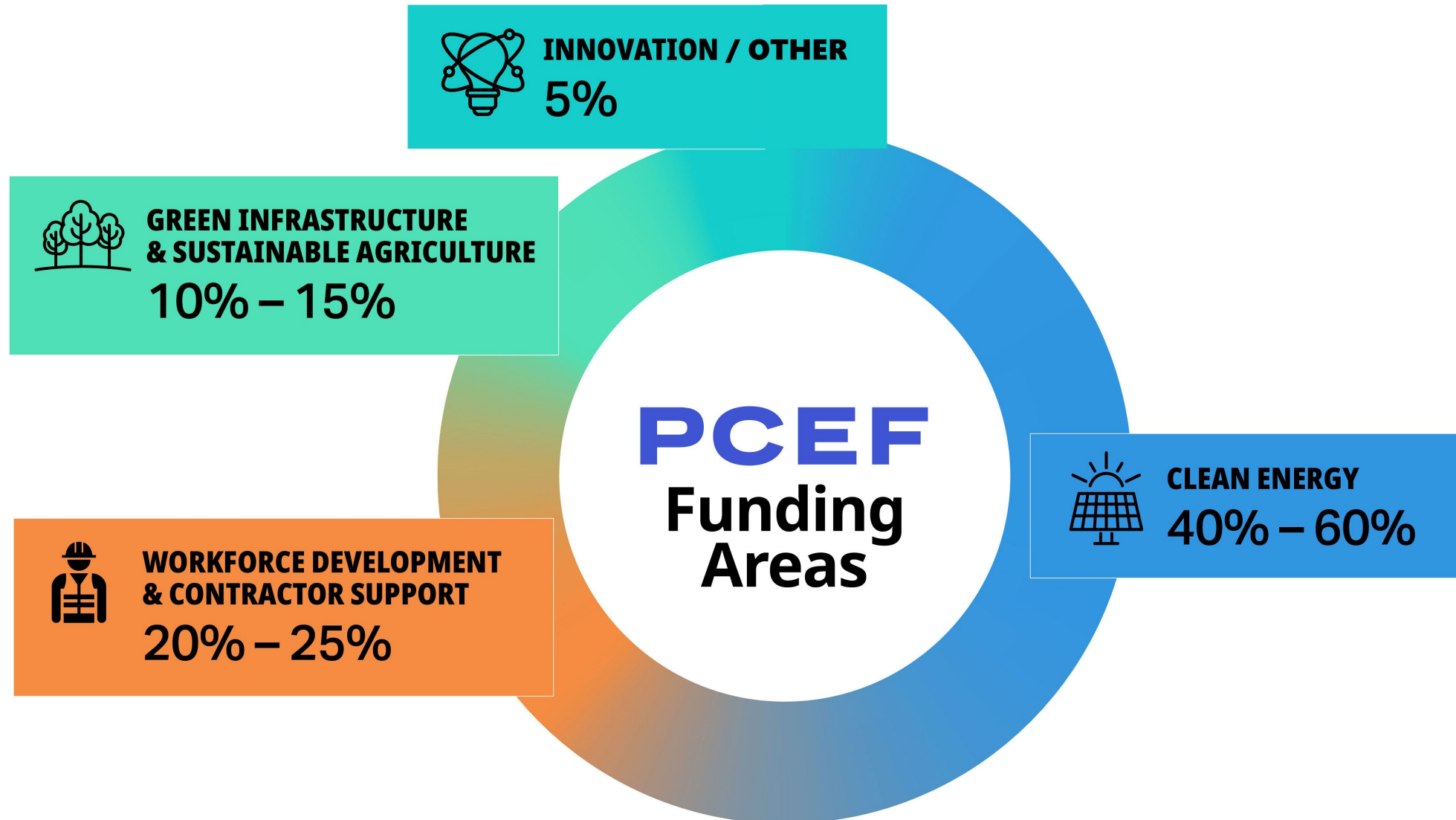
Homebuyer Education

The Keys

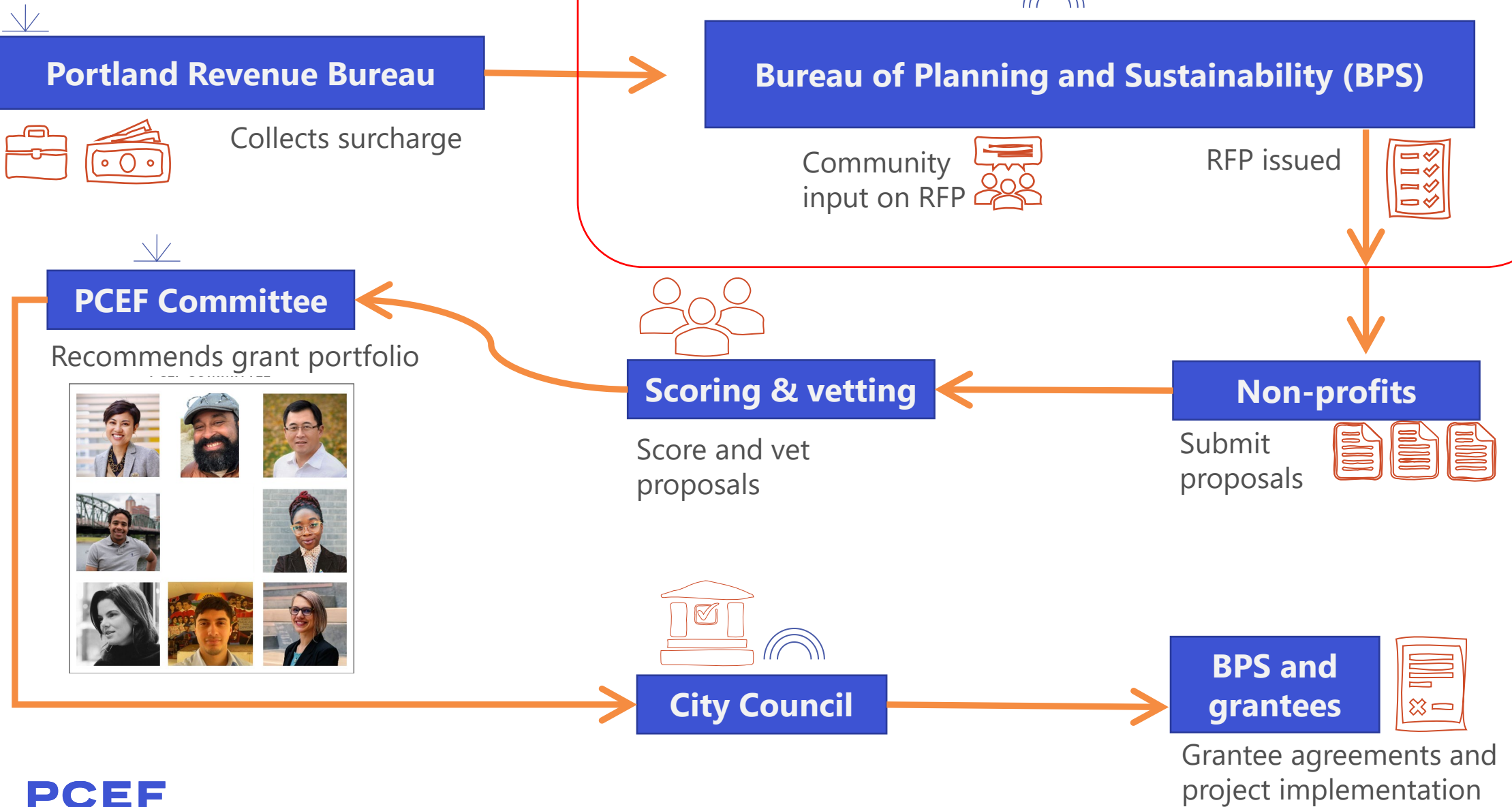
POWER TO THE PEOPLE PDX™
Energy Efficiency - Education - Electrification



Allocations: funding areas



How PCEF works



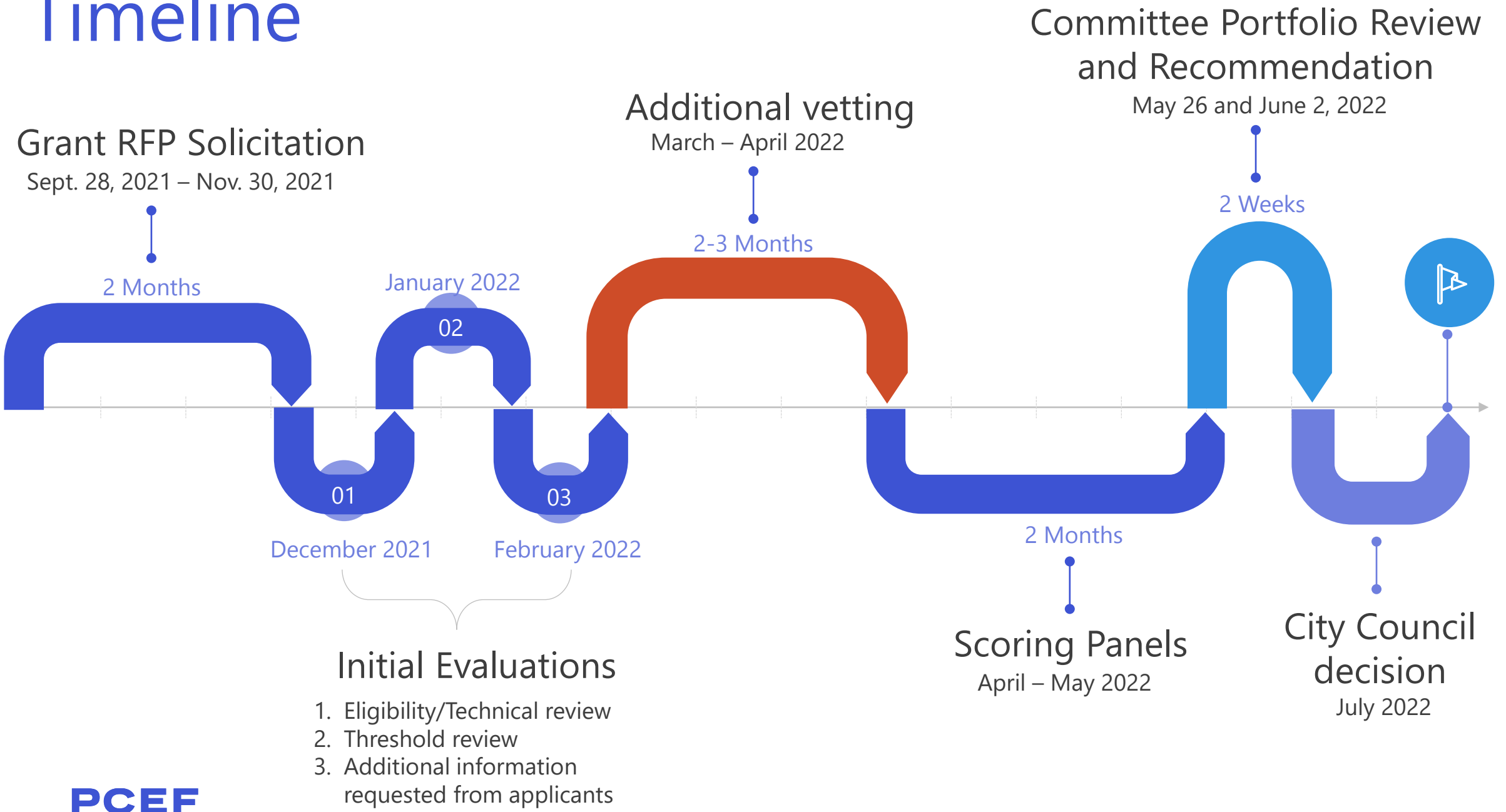
PCEF Committee



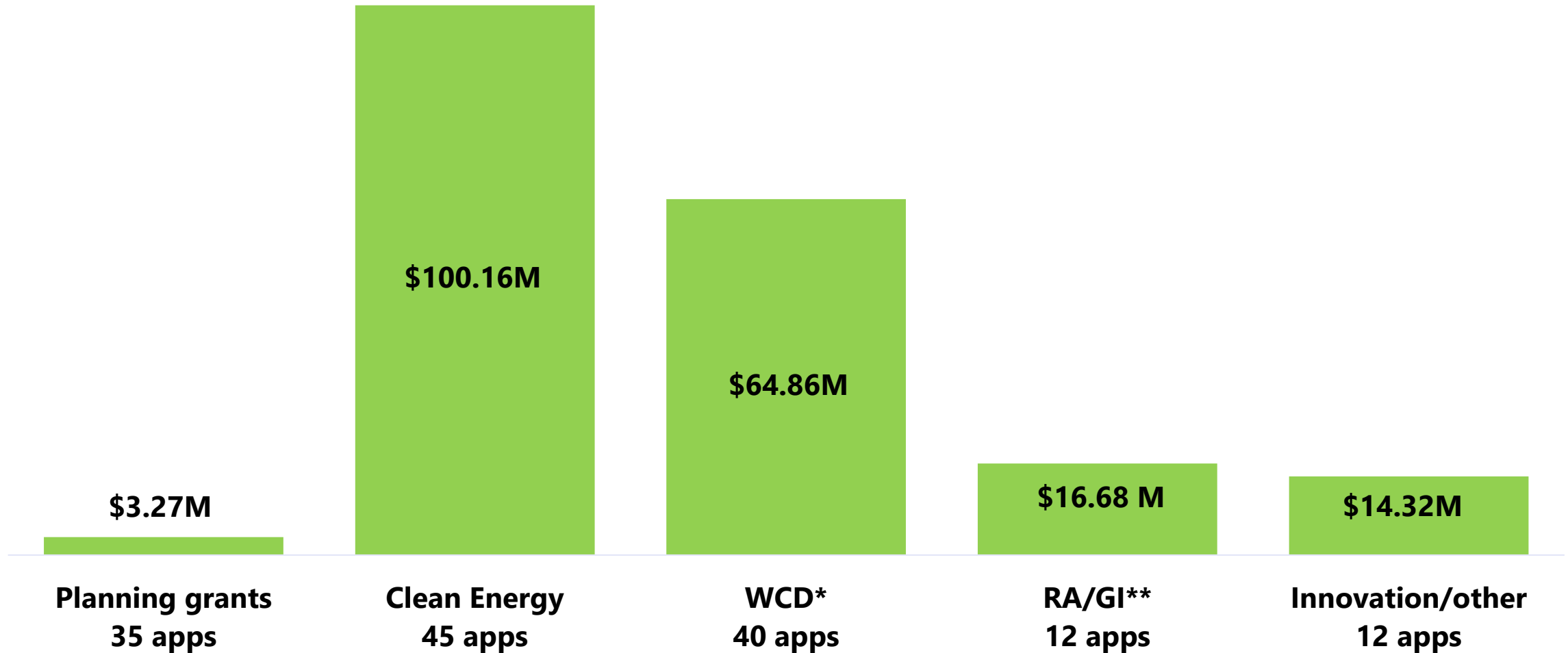
- Committee members represent local business owners, trades-people, labor, academia, finance, and the nonprofit sector.
- The Committee brings experience and expertise in PCEF funding areas: clean energy, workforce and contractor development, regenerative agriculture and green infrastructure.

2. PCEF 2022 RFP #2 funding recommendations

Timeline



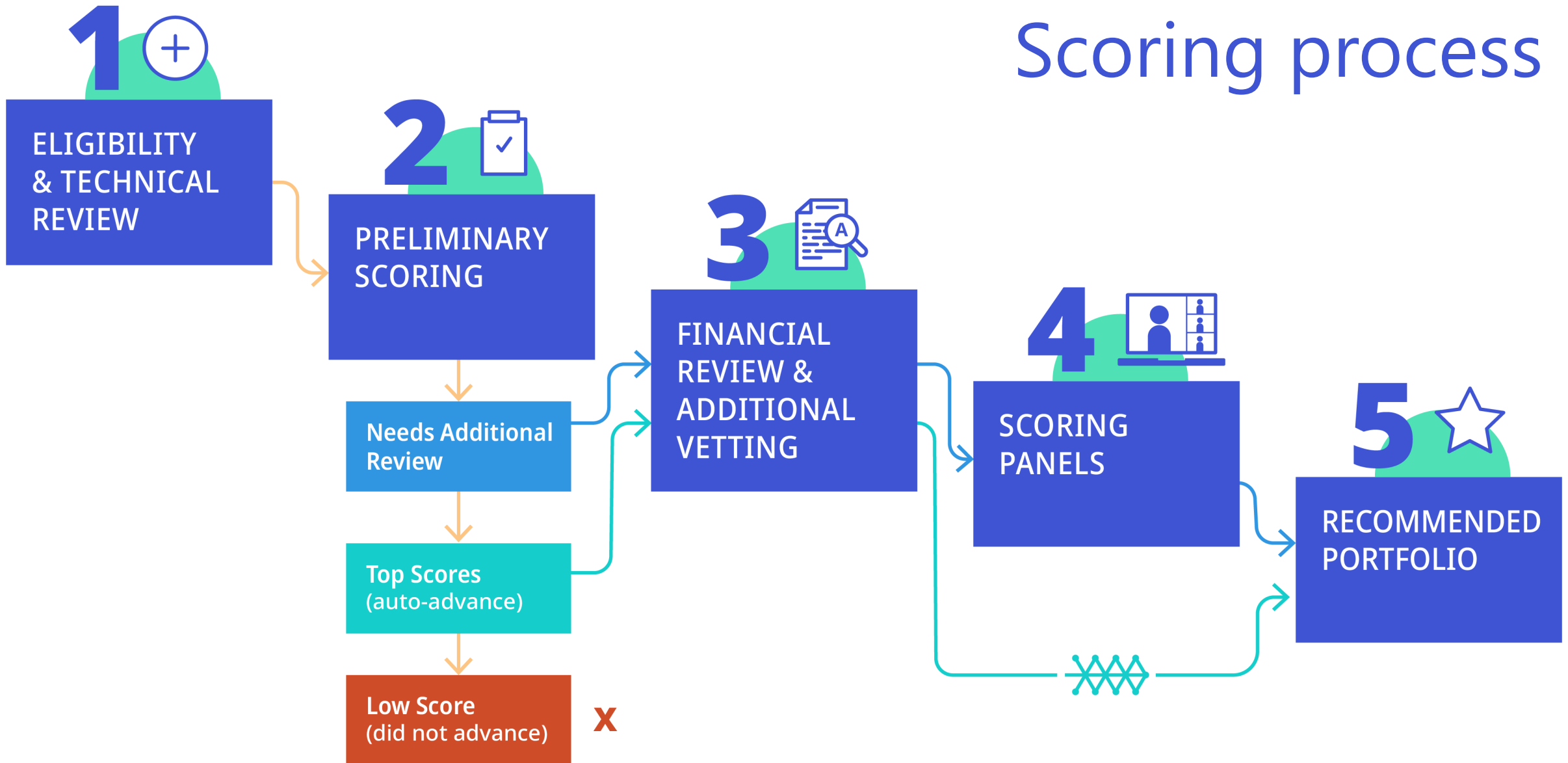
162 applications received requesting ~\$223M



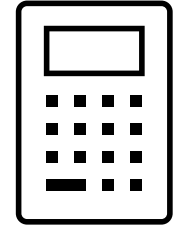
*Workforce and Contractor Development

**Regenerative Agriculture and Green Infrastructure

Scoring process



Financial review



Assessment is not used to screen groups out

- Financial health is not scored.

Assessment of financial status used to identify risks and create support needed for project success

- Review of most recent 3 years of financial documents.
- Intangibles including age of org and experience of executive staff.

Risk mitigation

- Potential risk raised during financial assessment is mitigated through measures including increased staff oversight, and additional grant conditions and controls.

Additional vetting process

- 43 applications were flagged for additional review.

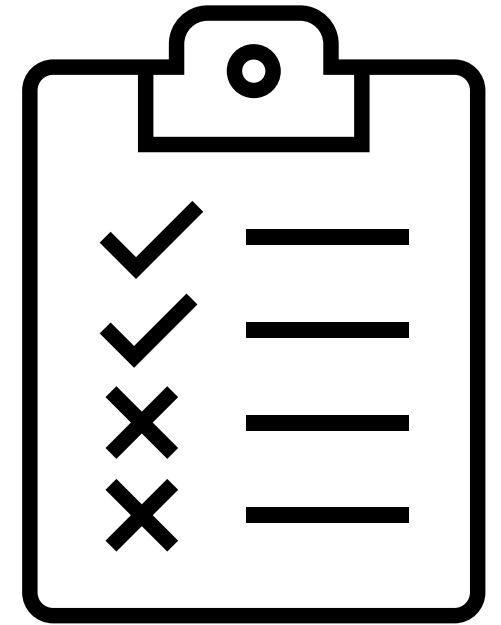
Flag	No.	Review
Org. age 3 years or less	11	Board material, References
Request is 2X or greater prior annual avg revenue	19	References for projects of similar size and/or complexity Plan to scale if increased staffing included
Work outside historic primary purpose	19	References for like or transferable project experience
Budget questions	27	Project specific
Multiple flags	25	See above

- 30 out of 43 (70%) are in recommended portfolio.

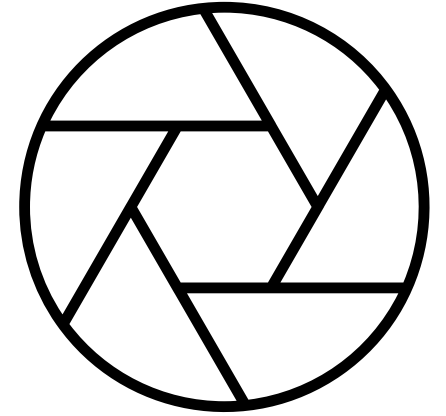


Modifications required

- Staff met weekly with Committee members Robin Wang and Megan Horst to get input on potential modifications prior to offer to applicants.
- Modifications included:
 - down-scoping projects and reducing budgets,
 - removing ineligible items/activities,
 - lengthening the period of performance,
 - requiring firm stage gates,
 - additional oversight and reporting requirements, and/or
 - including organizational development technical assistance support.



Portfolio creation considerations

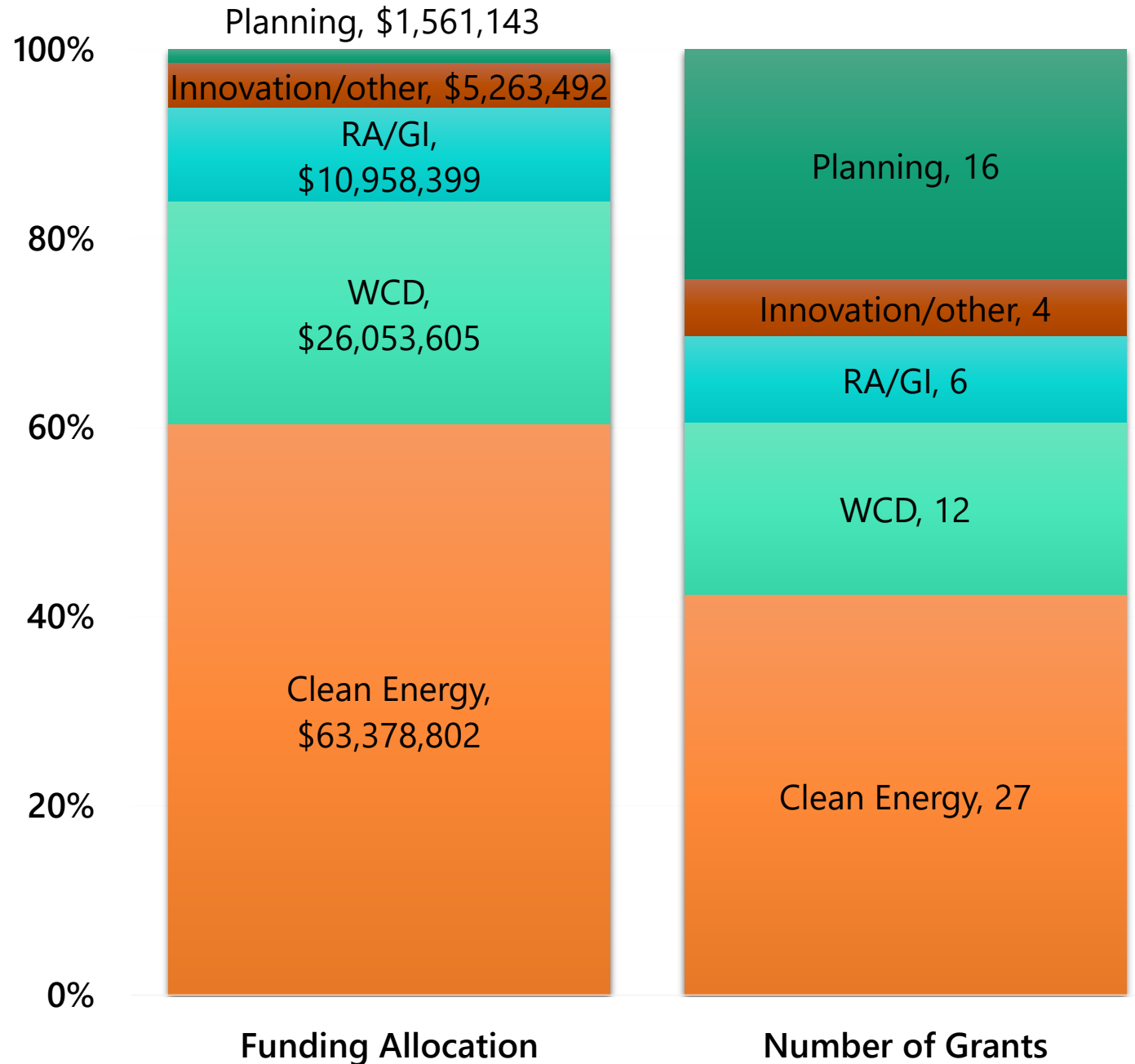


- Application score
 - Rubric approved by Committee with significant public input.
 - Applications scored by staff, Committee and community cohort members (planning only).
 - Ranked within each funding area plus planning.
- Funding area allocation limits in code
- Staff capacity to manage
- Strength and number of applications received within each funding area

Proposed portfolio

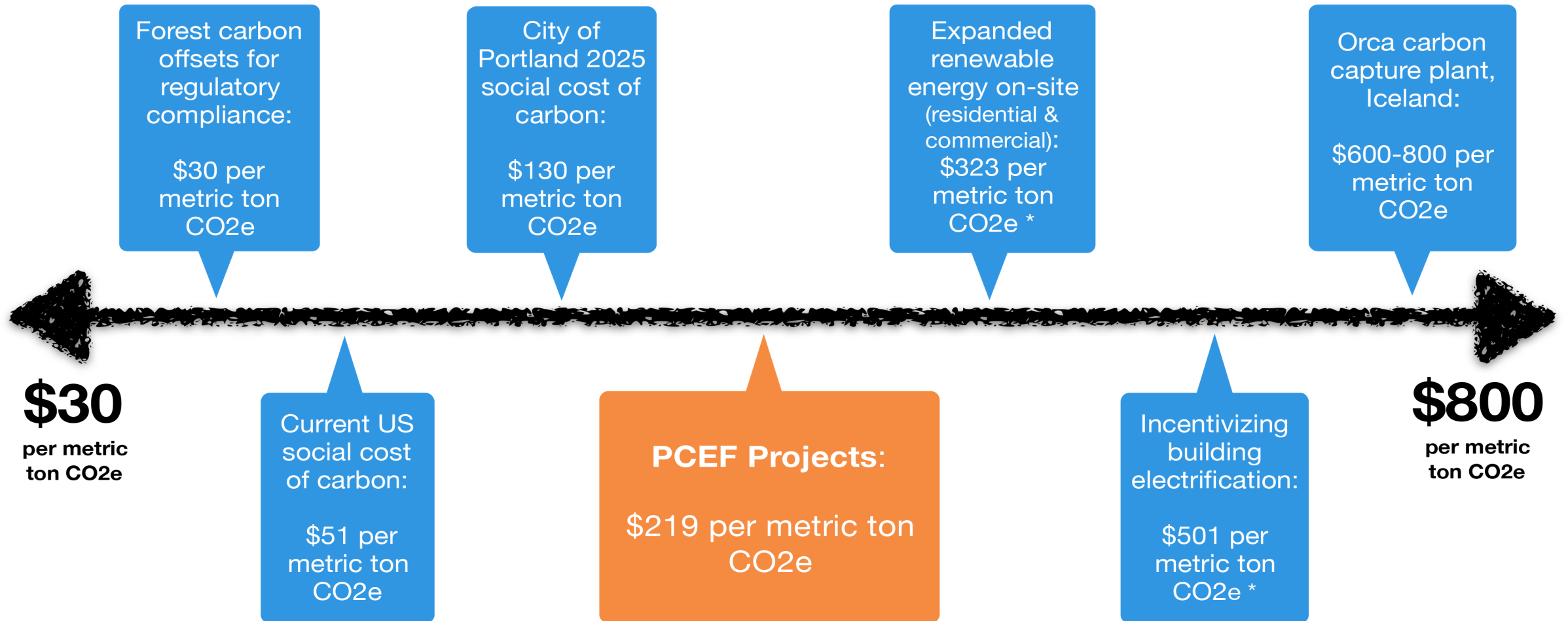
- Funding level: \$107,215,441
- 65 projects
 - 65% reflect the priority community they intend to serve
 - Average size grant is \$1.64 million
- Estimated lifetime metric tons CO₂e reduction: ~300,000*

*Associated with clean energy and innovation funding area projects



Cost of carbon

Below are examples of climate actions that reduce carbon, all with different associated costs and methodologies for calculating those costs. **PCEF projects add local benefits:** direct economic benefits, local jobs, local environmental benefits, local health benefits, climate resilience benefits and community stability benefits.



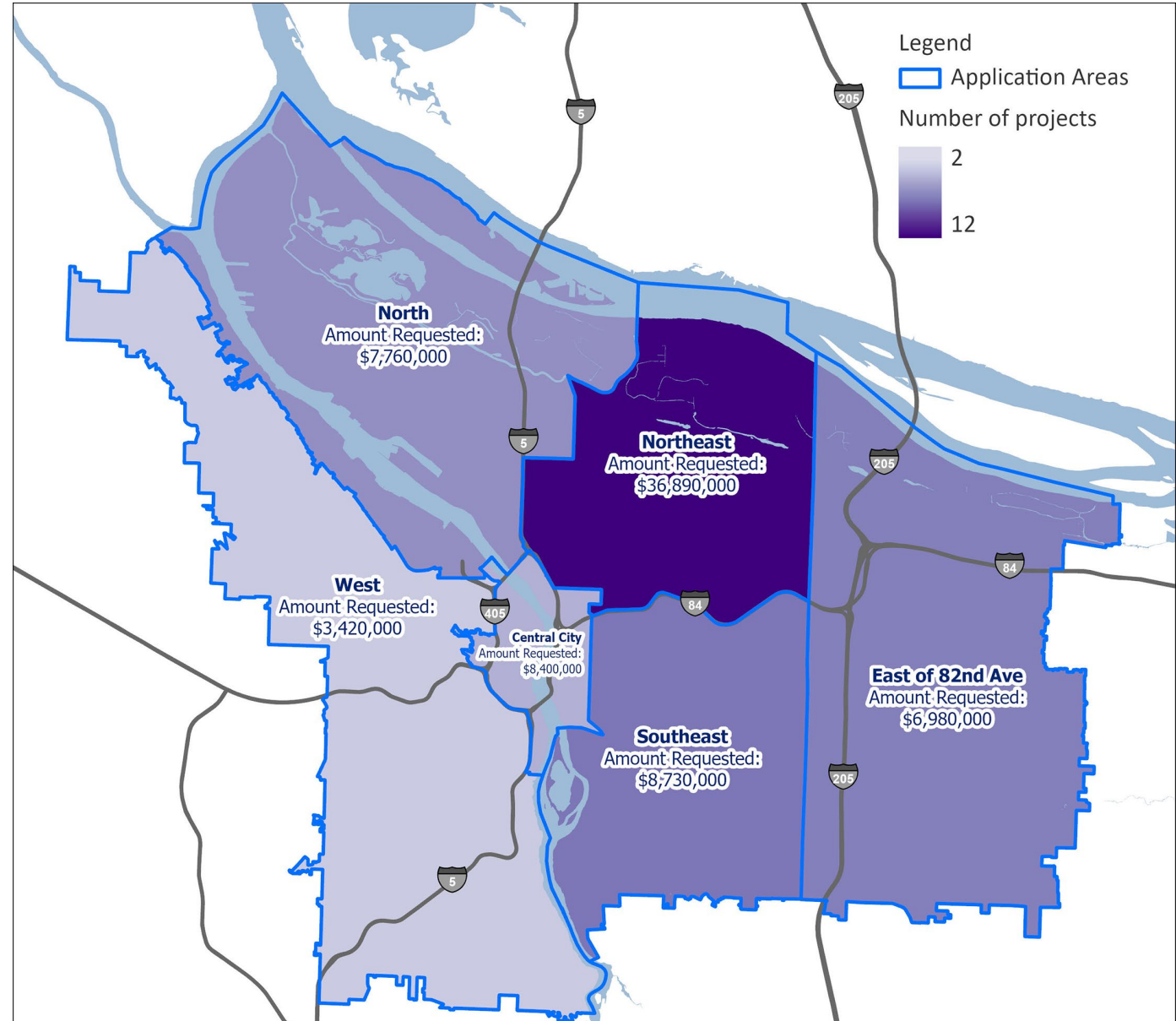
* Source: ICF technical analysis from the climate action plans of Delaware and Pennsylvania.

Projects with physical improvements in proposed portfolio

Geographically focused:
\$59.1 million

City-wide:
\$13.0 million

To be determined:
\$3.4 million



Funding area characteristics

Clean Energy (27)

- Average grant size = \$2.3 million
- ~300 metric tons CO2e lifetime savings

Workforce & Contractor Development (12)

- Average grant size = \$2.2 million
- 8 of 12 projects workforce training

Regenerative Ag & Green Infrastructure (6)

- Average grant size = \$1.8 million
- Primary focus regenerative agriculture

Innovation/other (4)

- Average grant size = \$1.3 million
- All projects include transportation focus

Planning (16)

- Average grant size = \$98,000
- Planning for projects across all funding areas

Mini-grants program

Quarterly grant cycle, \$5,000 cap, focus on small orgs/projects

Project examples:

- Portland Youth Climate Summit
- solar-powered generators for Portland Indigenous Marketplace
- Replacing gas-powered landscaping equipment with electric.

FY 21-22 funding level \$400K

FY 22-23 funding level recommendation \$200K

- Committee recommendation (4/27/22) to match applicant demand and accommodate staff capacity.



3. Council action item

RFP 2 – Request for Council approval of PCEF Committee recommendations

At its June 2 meeting, the Committee recommended a portfolio of 66 grants totaling \$110,695,441 in funding, as described in Exhibit A.

PCEF grant portfolio request (updated to reflect withdrawal)

- 65 grants: \$107,215,441

Additional authorization request:

- 10% grant contingency set-aside: \$10,721,544
- Mini-grants program: \$200,000

Total requested funding authorization:

- **\$118,136,985**

Future PCEF Council items:

Program updates and structural improvements

Example path ahead

Community initiated projects

Annual solicitation:

- \$40-60M annually
- \$1.5 million average implementation grant size
- 3-year average duration
- 40 grants awarded annually; 120-140 grants in managed portfolio regularly
- 5 project managers @ 25 grants each

Strategic solicitations

Targeted solicitations with RFPs on 5-year interval for programs requiring long-term and ongoing investment:

- Affordable multifamily retrofits/energy upgrades
 - \$200 - 250M, 5 - 10 years
- Tree planting in East PDX
 - \$30 - 50M, 10 years
- Efficiency and resiliency improvements on publicly-owned and community buildings
 - \$30 - 80M, multi-year

Responsive solicitations

Response solicitations on 3 or 4-year interval:

- Responsive to new policy, community priorities
- \$TBD
- Examples include:
 - Transformative community investments
 - Multifamily/commercial building financing incentive

4. A preview of PCEF's RFP #2 project diversity (video testimony) and invited speakers

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