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191890

Ordinance

Authorize grant agreements for a total allocation not to exceed \$91,916,334 from the Portland Clean Energy Community Benefits Fund

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 justice for a more equitable, healthy, prosperous, and resilient city.
2. In 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. The PCEF program is projected to generate over \$200 million annually.
3. In 2023, City Council adopted the PCEF program's Climate Investment Plan (CIP), a five-year plan that guides the program's investments, including by allocating funding for the Community Responsive Grant Program (Ordinance No. 191463).
4. In November 2023, the PCEF program released a Request for Proposals (RFP) for Community Responsive Grants for \$40 to \$60 million in anticipated funding.
5. From November 2023 to February 2024, PCEF staff hosted 11 virtual information and office hour sessions during regular work hours, evenings, and weekends to answer questions from prospective applicants. Over 200 individuals attended PCEF-hosted application support sessions. PCEF staff and subject matter experts also provided a total of six trainings focused on grant writing and budget development; multifamily, commercial, and single-family residential energy efficiency and renewable energy measures; community solar; and regenerative agriculture and green infrastructure. These sessions were recorded and uploaded to the PCEF YouTube account and have collectively received 748 video views. PCEF staff contracted with a consultant to provide an additional 15 meetings where the consultant provided grant writing and budget development support, prioritizing small and emerging organizations.
6. The PCEF program received 230 applications, totaling approximately \$309 million in funding requests. Applications subsequently went

Introduced by

[Commissioner Carmen Rubio](#);
[Mayor Ted Wheeler](#)

City department

[Planning and Sustainability \(BPS\)](#)

Contact

Angela Previdelli
PCEF Capacity Building Program
Lead

✉ angela.previdelli@portlandoregon.gov

📞 [971-337-7276](tel:971-337-7276)

Requested Agenda Type

Regular

Date and Time Information

Requested Council Date
September 11, 2024

- through eligibility review, financial risk assessment, and reference checks before moving to application scoring panels. Of the proposals submitted for consideration, 21 were found to be ineligible for funding or not technically viable.
7. The financial review process involved evaluating the past three years of financial documents and relevant application narratives. Key considerations included the organization's operating reserve, variances in income and expenditures, net income, net assets, and debt/equity ratio. The review also considered financial management practices, including board-approved budgets, written financial policies, periodic external audits, and clear expenditure approval policies.
 8. The reference check process, led by PCEF staff, involved contacting multiple applicant-provided references to verify past performance, project completion, and confirm the applicant's ability to manage similar projects. PCEF staff also provided internal references for current and former PCEF grantees.
 9. The technical review process involved internal and external subject matter experts who assessed the technical feasibility for each eligible implementation project. Two PCEF staff members were assigned to each review, ensuring consistency and balanced evaluation. Key considerations included project feasibility, appropriate use of funds, and technical capacity, with ineligible uses clearly defined and a process for requesting additional information as needed.
 10. Eligible and technically feasible applications were evaluated by one of 20 scoring panels, each panel composed of three people including PCEF staff and subject matter experts. Panels were intentionally formed to represent a diversity of race, ethnicity, and gender across all panels. All panel members received grant scoring and anti-bias training. Scoring panel members evaluated applications using published scoring criteria.
 11. Scored applications were ranked within the PCEF funding areas (energy efficiency, renewable energy, transportation decarbonization, workforce and contractor development, regenerative agriculture and green infrastructure, and other) plus planning to create the recommended portfolio.
 12. After six months, and hundreds of hours of review, PCEF staff make the following funding recommendations, totaling \$91,916,334, to City Council, set forth in the "2024 RFP 3 PCEF Funding Recommendations," attached as Exhibit A.
 13. To maximize the impact of available funds and support more projects, PCEF staff made strategic adjustments to its recommendation: (1) approximately 30% of projects in the recommendation were downscaled with a particular focus on those requesting over \$1 million, and (2) a larger portfolio of projects was recommended than initially planned.
 14. After Council authorizes the initial grant funding allocation, PCEF staff will work with grantees to finalize grant agreements. During this time, PCEF staff may identify additional project needs related to inflationary pressures, grant reporting, administration, or technical assistance. As a result, PCEF staff may recommend an increase in the grant award up to 12% above the grantee's initial awarded funding.

NOW, THEREFORE, the Council directs:

- A. The BPS Director is authorized to execute grant agreements with the nonprofit organizations recommended for funding, listed in the “Summary of grant applications recommended for funding” table of Exhibit A, for a total not to exceed amount of \$91,916,334.
- B. Amendments to the grant agreements, 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 more than 12% above the grantee’s awarded funding as authorized above.
- C. The BPS Director, in the Director’s sole discretion, may decline to execute a grant agreement with a grantee listed in Exhibit A. The Director may then, in the Director’s sole discretion, execute a grant agreement with an alternate grantee if: (i) funding for the new grant is equal to or less than the grant in Exhibit A; and (ii) the scope of work for the new grant is substantially similar to the scope of work for the grant listed in Exhibit A; and (iii) the award results in no greater risk to the city.

Exhibits and Attachments

 [Exhibit A](#) 1.41 MB

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
September 11, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

Portland voters passed the Portland Clean Energy Community Benefits Fund (PCEF) in November 2018. PCEF issued its inaugural grants (RFP 1) in 2021, its second round (RFP 2) in 2022, and then completed a five-year Climate Investment Plan in 2023. The fund is currently projected to generate over \$200 million annually to support projects that reduce contribute to green jobs, GHG emissions reductions or sequestration, and community benefits.

PCEF staff have recommended a portfolio that consists of 71 grants to fund 65 implementation and six planning projects that total \$91,916,334 in funding requests. Each grant proposal meets the PCEF program's objective of equitably addressing climate change. Exhibit A, “2024 RFP 3 PCEF Funding Recommendations,” includes summaries of grant proposals that PCEF staff are recommending for funding.

RFP 3 Grant funds	\$85,107,717
Contingency funds	\$6,808,617
Total requested authorization	\$91,916,334

Financial and Budgetary Impacts

\$91,916,334 is allocated from the PCEF fund for the purpose of: (1) funding recommended grant proposals in response to the PCEF RFP 3, and (2) funding a 12% project contingency set-aside. This funding is already secured as the Clean Energy Surcharge that is part of Portland City Code Chapter 7.07.035.

PCEF staff will administer the grants with positions are already covered by existing authorized staffing levels.

Community Impacts and Community Involvement

The recommended grants provide much-needed climate action resources for the community through nonprofit community-based organizations. Many of the recommended grants' project beneficiaries are in underserved communities hit hardest by climate change, face disparities in income and education, have disproportionate negative health outcomes, and have largely been left out of past programs building the clean energy economy.

The clean energy related grant projects will collectively provide energy efficiency upgrades to 2,240 residential housing units. Projects with physical improvements are located throughout all quadrants of Portland. Projects with a focus on workforce and contractor development will train 4,059 individuals in climate-related jobs and serve 394 businesses over the duration of their grant terms.

Please see "2024 RFP 3 PCEF Funding Recommendations" attached as Exhibit A for additional details on community involvement.

100% Renewable Goal

These grants will help nonprofit organizations develop plans and implement significant projects focused on clean energy, transportation decarbonization, green infrastructure, regenerative agriculture, workforce/contractor development, and other carbon reduction projects in direct support of the City's 100% renewable energy goal. The energy efficiency related grants in the clean energy portfolio will decrease the City's total energy use and peak energy loads and the solar energy projects will increase the generation of renewable energy within the City.

Financial and Budget Analysis

This action authorizes grant agreements totaling \$92 million to nonprofit community-based organization through BPS' 2024 PCEF RFP 3. Grants are supported by PCEF's 1% clean energy surcharge on large retailers, and include 71 grants (65 implementation projects and six planning projects). No additional appropriations are required as a result of this action.

Document History

Item 777 Time Certain in [September 4-5, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/9/4)
(<https://www.portland.gov/council/agenda/2024/9/4>)

City Council

Passed to second reading

Passed to second reading September 11, 2024 at 9:30 a.m.

Item 792 Regular Agenda in [September 11, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/9/11)
(<https://www.portland.gov/council/agenda/2024/9/11>)

City Council

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea