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Ordinance

Amend grant agreement with Earth Advantage Inc to increase the amount by \$10,300,000 to purchase additional equipment and subcontracted services for the Cooling Portland Program (amend Grant Agreement 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 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. In June 2021, more than 60 Oregonians living in Multnomah County lost their lives to extreme temperatures associated with climate change. This heat wave was one of the deadliest documented natural disasters in Multnomah County's history.
4. In October 2021, following consultation with community organizations, PCEF staff presented a heat pump/cooling unit purchase and distribution program to the PCEF Committee, which approved an RFP process for two distinct roles needed to implement a Heat Response Program:
 - a. A single Equipment Purchasing Partner 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.
 - b. A number of nonprofit Community Distribution Partners to distribute and install portable heat pump/cooling equipment, and provide information about how to use the devices.
5. In early 2022, PCEF awarded Earth Advantage a grant not to exceed \$10,020,289 to fulfill the role of the Equipment Purchasing Partner (Ordinance No. 190670). PCEF later amended the grant to include

Introduced by

[Mayor Ted Wheeler](#)

City department

[Planning and Sustainability \(BPS\)](#); [Portland Clean Energy Community Benefits Fund \(PCEF\)](#)

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

December 11, 2024

funding the services of the Community Distribution Partners, increasing the award for a total allocation not to exceed \$16,345,289 (Ordinance No. 190808).

6. Earth Advantage and the Community Distribution Partners worked to deliver over 3,000 units between June 2022 and June 2023 to low-income Portlanders, with the majority of units going to people over 60 years old and people with medical conditions.
7. In the 2023 program year, PCEF staff changed the program name from "Heat Response Program" to "Cooling Portland." Additional Community Distribution Partners were brought on to meet community needs and increase installation capacity. By the end of 2023, over 7,000 total units were installed.
8. In the 2024 program year, PCEF and Earth Advantage staff worked with Community Distribution Partners and the PDX 311 program to develop a streamlined intake process for eligible low-income Portlanders to sign up to receive a cooling unit from the program. The PDX 311 intake partnership launched formally in June 2024, and over 2,000 applications came in during the first week of active registration.
9. Over the course of 2024, with the new PDX 311 partnership and expansion of Community Distribution Partner installation capacity, over 5,900 cooling units were installed. People with multiple risk factors of age, people living alone, and those with medical conditions were prioritized for installation. This yielded over 13,000 total units installed by November 2024, bringing the program close to meeting its 15,000-unit goal.
10. While the Cooling Portland program is delivering results well ahead of schedule and within budget towards the five-year goal, there is significantly more community demand than there is current budget. Approximately 6,000 low-income Portlanders are on wait lists for a cooling unit.
11. PCEF staff and Earth Advantage project that a reasonable goal of 25,000 units total would meet the current demand, allow Community Distribution Partners and PDX 311 to continue intake, and fulfill the program expectations for the full 5 years. The budget required for procurement of equipment, payment of Community Distribution Partner installation costs, and contingency funds for an additional 10,000 cooling units to meet this higher goal is \$10,300,000.

NOW, THEREFORE, the Council directs:

- A. The BPS Director is authorized to amend the Portland Clean Energy Community Benefits Fund grant to Earth Advantage Inc. for the Cooling Portland Program with an increase of \$10,300,000 to purchase additional equipment and subcontracted services, as described in Exhibit A, for a new total not-to-exceed amount of \$26,645,289.
- 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.

Exhibits and Attachments

 [Exhibit A](#) 48.74 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
December 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 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, 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](#) (<https://www.portland.gov/code/7/07>) (i.e., PCEF Code).

PCEF Staff developed a 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](#) (<https://www.portland.gov/bps/cleanenergy/about#toc-pcef-priority-populations>) (low-income people and people of color).
2. Use [PCEF Guiding Principles](#) (<https://www.portland.gov/bps/cleanenergy/about#toc-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:

1. 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.
2. 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. 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, in order to maximize lifespan of equipment.

Community Distribution Partner review

PCEF staff reviewed applications for the CDP role, 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.

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. On May 4, 2022, City Council passed Ordinance No. 190808 authorizing the Director of the Bureau of Planning and Sustainability to amend the Portland Clean Energy Community Benefits Fund Heat Response, Equipment Purchasing Partner Grant with Earth Advantage Inc. with an increase of \$6,325,000 for a total allocation not to exceed \$16,345,289

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 has been installed, and collect self-reported demographic information about the household.

After a rapid ramp up period, Earth Advantage and the CDPs worked to launch the Heat Response Program, with the first units delivered to recipients in June 2022. Over the course of that year, over 3,000 units were deployed in the community to low-income Portlanders, with the majority going to people over 60 years old and people with medical conditions.

In the 2023 program year, PCEF staff changed the name of the program from “Heat Response Program” to “Cooling Portland” to better align the expectations of recipients. Additional CDPs were brought on to the program to meet broader community needs, and increasing installation capacity. By the end of 2023 over 7,000 total units were installed.

In the 2024 program year PCEF and Earth Advantage staff, along with CDPs, worked with the PDX 311 program to develop a streamlined intake process for eligible Portlanders to sign up to receive a cooling unit from the program. The PDX 311 intake partnership launched with media press release in June 2024, and over 2,000 applications came in during the first week of active registration.

Over the course of the new PDX 311 partnership and expansion of CDP installation capacity, over 5,900 cooling units were installed in 2024. There are currently 15 CDPs in the program, reflecting a broad range of culturally

responsive non-profits, faith organizations, housing providers, and social services. People with multiple risk factors of age over 60, people living alone, and those with medical conditions were prioritized for installation. This effort yielded over 13,000 total units installed by November 2024, bringing the program close to the 15,000-unit goal.

While the Cooling Portland program is delivering results well ahead of schedule and within budget towards the total five-year goal, there is significantly more community demand than there is current budget. Approximately 6,000 low income Portlanders are on wait lists for a cooling unit.

PCEF staff and Earth Advantage project that a reasonable goal of 25,000 units total would meet the current demand, allow CDPs and PDX 311 to continue intake, and fulfill the program expectations for the full 5 years. The budget required for procurement of equipment, payment of CDP installation costs, and contingency funds for an additional 10,000 cooling units to meet this higher goal is \$10,300,000.

Financial and Budgetary Impacts

\$10,300,000 is allocated in this grant amendment to Earth Advantage from the PCEF Fund for the purpose of expanding the installation goal of Cooling Portland from 15,000 to 25,000 units. The cost elements include:

1. Purchasing efficient, portable heat pump cooling units and the associated warehousing and logistics.
2. Funding the subcontracted services of the Community Distribution Partners to provide services related to additional installation and distribution of heat pump / cooling units.
3. Expansion of the required printed materials, inventory management, and software licenses.
4. A project contingency for potential inflationary cost increases or uncertainties related to tariffs applied to equipment acquisition.

PCEF Staff recommends that City Council authorize funding allocation not to exceed \$10,300,000 for a grant amendment to Earth Advantage for the expansion of the Cooling Portland program, as described below.

Budget overview

Equipment	\$5,252,000
Community Distribution Partner installation	\$3,700,000
Contracts	\$70,000
Materials	\$207,000
Project contingency set-aside	\$1,071,000
Total requested authorization	\$10,300,000

The PCEF Fund is supported by revenues from the Clean Energy Surcharge that is part of Portland City Code Chapter 7.02.500 F.

BPS staff will administer the implementation of the amended grant with existing authorized and budgeted positions. The administrative costs of the full 5 years of the Cooling Portland program are largely covered by the existing grant award, and these additional funds are for the cooling equipment and installation services needed to expand the program.

Economic and Real Estate Development Impacts

The need to continue and expand the Cooling Portland program was identified through feedback from the Community Distribution Partners and understanding of their capacity and installation pace. This emerged from regular weekly project management check-ins that Earth Advantage holds during the installation season with the CDPs and understanding the needs of the community as well as the installers in the program.

Many of the CDPs employ contractors who provide installation services. Increasing the runway and funding for this program will also provide ongoing employment and business development for the participating non-profits and contractors.

Community Impacts and Community Involvement

This program installs portable cooling and heating equipment in people's homes and apartments and does not directly impact real estate development. However, it does directly impact the comfort, livability, and efficiency of homes occupied by low-income Portlanders, and helps keep them safe in the face of increasingly frequent heat waves. The majority of units installed are heat pumps that also provide efficient supplemental heating in the wintertime, saving households on their monthly energy bills.

100% Renewable Goal

This PCEF Cooling Portland program expansion 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.

Financial and Budget Analysis

This action increases the PCEF grant to Earth Advantage Inc., by \$10.3 million for the purchase of additional equipment and services pertaining to the Cooling Portland Program. The grant amendment reflects expansion of the Cooling Portland Program due to high demand as reflected in PCEF’s Climate Investment Plan (CIP) Amendment. Associated funds are to included in the forthcoming FY 2025-26 Budget.

Document History

Agenda	Council action
December 4, 2024 Consent Agenda City Council	Passed to second reading Passed to second reading December 11, 2024 at 9:30 a.m.
December 11, 2024 Consent Agenda City Council	Passed Aye (5): Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler