

**FINANCIAL IMPACT STATEMENT  
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Andria Jacob		2. Telephone No. 503.823.7616	3. Bureau/Office/Dept. Bureau of Planning and Sustainability
4a. To be filed (date) Sept 9, 2010	4b. Calendar (Check One) Regular      Consent      4/5ths X		Date Submitted to FPD Budget Analyst: Sept 8, 2010

**1) Legislation Title:**

\* Authorize a Grant Agreement with Clean Energy Works Oregon, Inc. to deliver high-quality job creation, energy savings and carbon reductions through the expansion of Clean Energy Works Portland to jurisdictions around Oregon. (Ordinance)

**2) Purpose of the Proposed Legislation:**

The City has received an American Recovery and Reinvestment Act (ARRA) grant of \$20 million from the U.S. Department of Energy to expand the Clean Energy Works Portland pilot into a statewide program called Clean Energy Works Oregon. City Council passed Resolution No. 36792 on June 9, 2010 authorizing the establishment of a new non-profit organization to expand Clean Energy Works Portland under federal funding. The non-profit Clean Energy Works Oregon, Inc. (CEWO) was incorporated in the State of Oregon on June 11, 2010. CEWO's purpose is to integrate financial services and program delivery for energy efficiency retrofits statewide.

This grant agreement provides funding to CEWO to establish the business model for expanding the Clean Energy Works Portland pilot program throughout the Portland Metro area and to targeted rural communities across the state. These rural communities may include Klamath and Lake Counties, Hood River County, City of Astoria, City of Gresham, City of Lake Oswego, City of Hillsboro and Clackamas County. CEWO will work in partnership with these jurisdictions, as well as energy efficiency program delivery partners, utilities and Enterprise Cascadia, the Portland pilot fund manager. CEWO will also develop an initial demand creation strategy, clarify workforce standards and benefits and set up a base of operations in Portland.

**3) Revenue:**

**Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.**

No.

**4) Expense:**

**What are the costs to the City as a result of this legislation? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)**

The grant agreement commits the City to providing \$17,807,000 to Clean Energy Works Oregon, Inc. The cost to the City is an estimated \$14,000 annually in foregone interest revenue on the general fund (cost of monthly loan of \$2 million with repayment in 5 weeks at 0.6% interest). Bureaus are not charged interest on funds advanced for grant expenses prior to grant reimbursement.

**Staffing Requirements:**

**5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?**

No

**6) Will positions be created or eliminated in future years as a result of this legislation?**

No

**7) Change in Appropriations**

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
217001	PNSD000002	521100	CDTSCE00000000GC		PN000012	PN00120001	\$4,000,000
217001	PNSD000002	441100	CDTSCE00000000GC		PN000012	PN00120001	\$4,000,000

Susan Anderson, Director

APPROPRIATION UNIT HEAD (Typed name and signature)



City of Portland  
Bureau of  
**Planning and  
Sustainability**

Sam Adams, Mayor  
Susan Anderson, Director

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**MEMORANDUM**

To: Mayor Sam Adams

From: Susan Anderson, Director

Date: August 27, 2010

1. **Ordinance Title:** \*Authorize a Grant Agreement with Clean Energy Works Oregon, Inc. to deliver high-quality job creation, energy savings and carbon reductions through the expansion of Clean Energy Works Portland to jurisdictions around Oregon. (Ordinance)
2. **Contact Name, Department, & Phone Number:** Andria Jacob, Bureau of Planning and Sustainability, 503 823-7616.
3. **Requested Council Date:** Sept 8, 2010

**Consent Agenda Item:**  **or** **Regular Agenda Item:**

*Explain why this DOES or does not require a presentation or Council discussion:*

This is a large grant agreement to carry out a high-profile program funded through a federal American Recovery and Reinvestment Act (ARRA) award.

**Emergency Item (answer below):**  **or** **Non-Emergency Item:**

*If emergency, why does this need to take effect immediately:*

The grant agreement is funded by American Recovery and Reinvestment Act (ARRA) funds. The terms and conditions of ARRA funds require their obligation and expenditure as quickly as possible.

**4. History of Agenda Item/Background:**

Since fall 2008, Portland has been working with utilities, labor organizations, and the Energy Trust of Oregon to develop a program that will provide homeowners with easy access to low-interest financing for energy improvements to their homes. The program responds to the immediate need both to create local jobs and to respond to the rising urgency of climate change.

The Clean Energy Works Portland program is a major partnership involving the City, the Energy Trust of Oregon, Enterprise Cascadia, NW Natural, Pacific Power, PGE, Worksystems, Inc., and Multnomah County, among others.

On June 9, Council accepted a \$20 million grant award through the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECGB). The EECGB grant is to expand Clean Energy Works both in the Portland metro region and statewide, linking efforts by the City, state of Oregon, other local governments, and the many other partners identified above.

The non-profit Clean Energy Works Oregon, Inc. (CEWO) was incorporated in the State of Oregon on June 11, 2010. This proposed ordinance would provide up to \$17,807,000 to CEWO to meet the objectives of the EECGB grant agreement between City of Portland and US Department of Energy.

Key functions of CEWO include aggregating, managing and deploying capital targeted for streamlined energy-efficiency retrofits across Oregon; developing consumer demand for retrofits; building capacity to do the work; ensuring quality control; integrating work standards and community benefits represented in the pilot community workforce agreement and interacting with secondary market buyers.

Clean Energy Works Oregon intends to deliver the following over the three-year grant period:

- 1,300 jobs created or retained
- 6,000 home energy retrofits
- 3.5 million square feet of commercial buildings retrofit
- energy savings of more than 300,000 MBTUs
- measure-life carbon dioxide reductions of 200,000 metric tons

**5. Purpose of Agenda Item:**

Authorize the City to enter into a grant agreement with Clean Energy Works Oregon.

**6. Legal Issues:** None.

**7. What individuals or groups are or would be opposed to this ordinance? Supportive?**

Opposition: None known.

Supportive: Energy Trust of Oregon; local construction and architecture firms; training and workforce programs (IBEW, SEIU, AGC, others); investors and foundations (Umpqua, Enterprise, Meyer Memorial Trust); utilities (PGE, Pacific Power, Northwest Natural); and business associations (Oregon Restaurant Association).

**8 How Does This Relate to Current City Policies?**

This grant agreement supports City policy related to jobs creation, economy development, the recently adopted climate action plan, including carbon reduction and energy efficiency improvements in residential, commercial, industrial, and public buildings, and capitalizing on local, regional, and state partnership opportunities.

**9. Community Participation:**

The City is engaged with multiple community partners to develop the grant application, secure leveraged funding, and to build on the existing Clean Energy Works model.

**10. Other Government Participation:**

Portland Development Commission, State of Oregon Department of Energy, Clackamas County, Multnomah County, and other local jurisdictions are potential partners in applying for the funding and are actively working with the City in developing the grant proposal.

**11. Financial Impact:**

The grant agreement commits the City to providing \$17,807,000 to Clean Energy Works Oregon, Inc. The cost to the city is an estimated \$14,000 annually in foregone interest revenue on the General Fund. A further budget appropriation will occur with the Fall BMP.