

PORTLAND CLEAN ENERGY COMMUNITY BENEFITS FUND (PCEF) COMMITTEE

MEETING SUMMARY DRAFT

February 2, 2024 • 3:00 PM – 6:00 PM

Zoom Call

Committee Members	Position	Affiliation	Present
Dr. Megan Horst	Co-Chair	Associate Professor, School of Urban Studies & Planning at Portland State University	Yes
Ranfis Giannettino Villatoro	Co-Chair	Oregon State Policy Manager, BlueGreen Alliance	Yes
Alicia Chapman	Member-at-Large	Willamette Technical Fabricators	Yes
DeAngelo Moaning	Member-at-Large	Raimore Construction	Yes
Faith Graham	Member-at-Large	Elevate Energy	Yes
Maria Gabrielle Sipin	Member-at-Large	Community Member	Yes
Paul Lumley	Member-at-Large	Cascade AIDS Project	Yes
Robin Wang	Member-at-Large	Vibrant Future LLC	Yes
Michael Edden Hill	Member-at-Large	Community Member	Yes
Sam Baraso	Program Manager	PCEF	Yes
Cady Lister	Deputy Program Manager	PCEF	Yes
Jaimes Valdez	Org. Development & Policy Manager	PCEF	Yes
Kris Grube	Project Manager	PCEF	No
Wendy Koelfgen	Project Manager	PCEF	No
Rachel Gilmore	Administrative Specialist	PCEF	Yes
Elizabeth Stover	Senior Communications Strategist	PCEF	No
Tracy M. Smith	Facilitator	Inhance LLC	Yes
Camerina Galván	Notetaker	Galvan Consulting LLC	No

Others: Jason Skipton, Executive Director, Growing Gardens.

INTRODUCTIONS

- Tracy M. Smith called the meeting to order.
- The quorum was met.

PUBLIC COMMENTS: TRACY M. SMITH, FACILITATOR

- Jason Skipton shared a power map for Portland's regenerative agriculture sector and advocated for investment in food systems.

ADDRESSING THE PUBLIC: MEGAN HORST AND RANFIS GIANNETTINO VILLATORO, CO-CHAIRS

- A co-chair appreciated Jason Skipton's testimony and supported regenerative agriculture.
- A co-chair shared it's helpful when the community expresses support for bureau projects and appreciation for the Regenerative Agriculture Coalition's engagement. She asked that the next tranche of funding bolster the Community Responsive Grants and other elements of the Climate Investment Plan (CIP).

CONTEXT SETTING: SAM BARASO, PCEF

- **Meeting Schedule:** Sam Baraso reviewed the committee meeting dates from December 2023 through March 2024. He acknowledged that the committee was shifting to oversight. He thanked the committee for pivoting quickly with the influx of additional unexpected funding. The committee members will discern meeting cadence in the coming weeks.
- **Funding Bureau Projects Process:** Sam Baraso reviewed the bureau project selection methodology. He acknowledged many feel this has not been a good process. The committee can approve, modify, and reject proposals. The council can accept, amend, or reject the committee recommendations.
- The committee has three recommendation options:
 1. Propose that the PCEF Committee recommend amending the adopted CIP to include allocation items 1 through 25, excluding item 6, as presented on slides 11 and 12 as strategic programs.
 2. Option 1 with amendments.
 3. Take no action/reject all proposals.
- Sam Baraso shared a visual of the proposed first set of allocations by bureau and funding area.
- Committee member questions and comments:
 - Does this require an amendment to the adopted CIP?
 - Response: Yes. Funding can only be spent if projects are a part of the CIP.
 - A committee member would like the visuals of the proposed first allocation with the adopted CIP combined. She is concerned that regenerative agriculture is not visible in the graphs. Workforce development investment is sublime. She noticed that when combining the adopted CIP and proposed first allocations, most PCEF funding is going to city bureaus. This was not the spirit of PCEF, and she didn't want to continue this pattern.
 - Response: PCEF has calculated that approximately \$200 million is exclusively for nonprofit organizations. PCEF and Bureaus will contract with nonprofits for strategic programs.
 - Response: Your observations on regenerative agriculture are correct. We will close the third round of Community Responsive Grants in a week. It will reveal what the community wants.
 - The breakdown of \$200 Million of over \$1 billion is on the low end of what voters desired. This needs to be rebalanced. A committee member wants to see the city as a strong employer of low-income and BIPOC folks and provide internships for youth. There is no pipeline from Portland State University (PSU) to the City.

- Response: This is a welcomed conversation—the bureau partner with PSU to create pipelines.
- Response: The difference between PCEF, as it was on the ballot, versus the reality of its scale is that PCEF needs to leverage all institutions, not just nonprofits. This is an evolving organization as communities and organizations grow in capacity.

DISCUSSION AND RECOMMENDATION ON PROJECTS PROPOSED FOR THE FIRST SET OF ALLOCATIONS:
SAM BARASO, PCEF

- **Portland Water Bureau Projects:** The committee’s core questions were associated with the low-income home water repair program. The bureau responded that there is a range of emissions reductions because of the energy to treat and deliver the water. It will lead to higher household bill savings. It is on the lower end of emission reductions. Minority-owned enterprises can work on micro hydro work.
- Committee Member questions and comments:
 - There is little carbon reduction. It’s an expensive project, and from the data received in a memo, we could write a check for \$149,000 to low-income households to reduce their water bills and spend \$150,000 on efficient greenhouse gas (GHG) projects in the PCEF portfolio to achieve the same carbon reduction benefits. There are better ways to use PCEF funds. He acknowledges that \$2.5 million is a small percentage of the funds.
 - Response: The bill savings would address more than covering the cost of the water bills, and they partner with community-based organizations.
 - \$2.5 million in the grand scheme is a small percentage, but it would be significant for nonprofits. Will waterworks be an area of focus on the community responsive grants? I’m generally supportive.
 - Response: Their target population is households earning 60% median family income or lower.
- **Bureau of Hydroelectric Power:** It is critical to our city's infrastructure and regional power supply. It produces clean power. It needs major upgrades and needs to complete a Federal Energy Regulatory Commission Relicensing (FERC) process. The reserve fund has been withdrawn from the proposal.
- Committee Member questions and comments
 - A committee member is glad the reserve fund has been retracted. He feels the project is ineligible because it is outside the city. If we did fund the project, it would set a precedent to spend PCEF funding outside the city. With or without PCEF funding, the same amount of water and energy will be generated. During the FERC process, Tribes assert their rights, and the project's owner defends itself. In this regard, the project doesn’t align with PCEF values. If the city decides to fund this project, the committee member would ask that the city not use any funds to challenge a tribal right.
 - Response: We checked with the city attorney and reviewed the code. According to the city code, the city is defined as the City of Portland or the area within the territorial city limits of the City of Portland or such territory outside the city over which the city has jurisdiction or control by the ownership or any constitutional or charter revisions. The project is eligible for PCEF investment.
 - The committee member remains opposed to the project.

- Can staff confirm that the Bureau of Planning and Sustainability has already vetted every project regarding eligibility, legality, and alignment with the PCEF code?
 - Response: Yes, we have. Following this, we need to develop interagency agreements that can be shared with the committee to define terms of use of funds.
- Can the community use city land outside Portland to support Portlanders, particularly regarding regenerative agriculture?
 - Response: We need to discuss further.
- Can we suggest improvements to projects? Can we approve a slate of programs today with the understanding that requirements will be defined in the interagency agreements?
 - Response: You can add to the funding requirements, and if they don't work, we will return to discussions.
 - Response: We can attach requirements to the expenditure of PCEF funds; however, the power sales of the existing contract with PGE are determined by a contract signed in 2022 with a 10-year life. The relicensing would be for forty years with multiple power contracts. Discussion can be had, but the contract can not be amended.
- **Bureau of Environmental Services:** GHG emissions reductions will be less because these projects deal with ecological systems. The Bureau has partnerships with community-based organizations.
- Committee Member questions and comments
 - Did they respond to our questions about prioritizing private property trees and whether they will direct resources to priority populations?
 - Response: Yes. The Bureau is open to committee directives on how to partner. They don't have an equity matrix tool. It is up to the committee to decide how they follow up.
 - The committee will receive reported data that will populate our PCEF dashboard.
 - Response: Correct. PCEF must determine how it will bring together these new projects, the CIP and Community Responsive Grants. There is space to request discussions about metrics and measures to make sense of all three bodies of work together.
 - The committee can finalize the workforce and contract agreements. There is a potential for symbiosis from what is funded in the CIP and the projects before us.
 - Response: Correct. We can include language about returning to the committee before executing inter-agency agreements.
 - All the projects have details and targets we want to reach. Can we say, "Yes, we approve, but we need to enter into mutually agreeable inter-agency agreements with performance requirements that we're going to revisit that can condition or gate future funding, even annual allocations?"
 - Response: Yes. That is not too dissimilar to what we already have in place. It will be critical to define the targets and details.
 - We can add an advisory subcommittee consisting of community and PCEF committee members that reviews city project performance annually.
 - The Bureau of Environmental Services submitted a table that addresses priority population benefits for all projects except the private property trees project. The format is helpful and can be used to rank other bureau projects.

- Response from another committee member: Last week's table states the East Portland renters and property owners will be prioritized.
- **Portland Housing Bureau:** They spoke to their project accountability process and shared their workforce contractor equity criteria. Seventy-three percent of projects are subject to Davis-Bacon or prevailing wage rates. They want to facilitate their partners leveraging direct pay as part of their projects but will need guidance.
- No committee member questions or comments.
- **Division of Asset Management:** The Bureau shared more information about the roof replacement and cooling tower costs for the Arlene Schnitzer Concert Hall. This project opens funding for Portland programming that benefits Title I schools.
 - I see the climate impact and less of the community benefit. How do we pay city agencies? Do we pay 1/5th at a time?
 - Response: We've had these conversations with the city budget office. There are different ways to structure it. We are teasing this out. It will depend on the flow of expenditures and reporting.
 - There are details we can't tease out, given the rushed process.
 - Response: Defining details in an interagency agreement can take 3-4 months. All interagency agreements are different. There is no template.
- **Portland Bureau of Transportation (PBOT):** The streetlight project continues, and PBOT will use its equity matrix to add streetlights in dark zones. They have leadership in contracting with minority enterprises. They responded the funding will allow the streetcar to keep operating with the same cadence and are open to adjustments to the streetcar project.
 - The committee member was disappointed in PBOT's response to their question, "What benefits the community if PCEF relieves them of a capital burden?". It seems that PBOT would shut down the service if PCEF doesn't provide the capital. Not planning for the day the streetcars would break down is financially irresponsible.
 - There may be a rationale for a city-wide program if it benefits all communities, but clarity is needed regarding how they apply an equity matrix. It may be something that can be resolved with reporting.
 - Response: PBOT staff only had a little time to work on this proposal. Even though the city is committed to climate work, it gets pushed to the side. This is an opportunity to prioritize climate work. We are hopeful our new form of government will have leaders focused on less shiny issues, such as maintenance.
 - The proposal's vagueness makes a committee member want to be cautious about investing for five years. Investing two years at a time with more information for all proposals makes sense.
 - As a person who benefits from the programs listed here, it's frustrating to see that regular everyday transportation system essentials are threatened with cuts. The committee member understands why PBOT put forth these projects and would like to have better forecasting and find more sustainable funding sources.
 - Does having performance gates and reviews in the inter-agency agreement help a committee member be more open to funding the projects?

- Committee member response: Getting those details before fund transfers would be preferable. He wonders how different this would be if we did an RFP process with the community. Who decides if these programs veer off the PCEF target? Who provides oversight?
 - Response: There will be yearly touchpoints with the bureaus. A PCEF staff member will work with each bureau. Committee members can serve as liaisons to work with PCEF and PBOT staff.
- **Action Item:** Sam Baraso will work with Jaimes Valdez about including this language in the inter-agency agreements.
- **Portland Parks and Recreation:** They provided more information about accountability. The tree protection and care program needs a five-year commitment, and the community has demonstrated strong support. There are conversations about how this program will work with the equitable tree canopy strategic program.
 - A request of \$100 million is a lot of money. They have a levy and other funding sources.
 - What are the staffing implications? Will PCEF staff be hired? Why is the apprenticeship program only for three years? Why is the leaf blowers program limited to only city equipment?
 - A committee member supports Tree Protection and Care. A funder would never give a nonprofit \$100 million for a new initiative across five years. He would prefer to see a rollout that starts with \$3 million for one quadrant of the city and eventually scale up. He is also concerned that the city won't be able to fund this project after five years.
 - Response: The expectation is a phased approach and will require a scaling up of mostly urban forestry staff and contractors. It will take multiple years to build a workforce. It will likely be over \$100 million once up and running. Parks has staff that is working on sustainable programs. We spend more per capita on our parks than other cities, and they don't have sustainable funding. At the start of the next CIP, the committee can evaluate what program to support. The conversation and pressure for continued investments in all the buckets will return.
 - A committee member referenced a public comment asking for down sprouts and wants to revisit the idea.
 - Response: The city collects public comments on a leaf blower policy. Other entities would be interested as well.
- **Bureau of Planning and Sustainability:** Eliminating carbon from buildings is vital for creating building disclosure standards.
 - Committee members had no comments or questions.

COMMITTEE MEMBER REFLECTIONS: SAM BARASO, PCEF

- The committee agreed to extend the meeting by twenty minutes.
- A committee member asked to go around to hear from all committee members.
- A committee member is in favor and would like to see IGAs (intergovernmental agreements), guardrails on spending, and redlining programs committee members find problematic.

- A committee member is in favor. There are opportunities for workforce and contractor agreements and for PCEF to leverage projects.
- A committee member is in favor. Everyone centered PCEF values in the discussions well. Community benefits still need to be clarified. PCEF staff has limited capacity. She feels the urgency to allocate funding during a shortfall and government transition. She suggested paying community members to be part of an annual review committee.
- A committee member won't stand in opposition. PCEF needs to right-size the program; a written agreement will be more valuable than public meetings. He doesn't support the Bureau of Hydroelectric Power proposal and, if it passes, doesn't want any funds used to challenge Tribal rights to cultural and natural resources. He'd fund projects for two years instead of five years.
- A committee member is in favor of funding for two years. He will support funding for five years with a robust set of enforceable IGAs and allow PCEF to claw back money if progress or criteria are unmet. If a bureau cannot spend the money, the funds will return to PCEF.
- A committee member is concerned about the limited funds allocated to workforce development and supports funding for two years. His greatest concern is the \$100 million for Parks and Recreation and the need for more transparency about what income brackets will benefit and poor tree maintenance in the past. He wants measurable implementation, training, and capacity-building criteria in two years. The funding should be returned if they can not meet expectations.
- The process should have created ways for the community to participate meaningfully. The urgency is frustrating for staff and committee members. They are motivated by growing public engagement in city budgeting.
- A committee member is in favor. His greatest concern is the Bureau of Hydroelectric Power proposals. He would like to see community funding in the following tranches.
- A committee member is in favor. She shares similar concerns and wants to see accountability measures. She would like to see what was omitted related to workforce development.

UPDATED RECOMMENDATION LANGUAGE: SAM BARASO, PCEF

- Sam Baraso shared the following updated language:
 1. Propose that the PCEF Committee recommend amending the adopted Climate Investment Plan to include allocations items 1 through 25, excluding item 6, as presented on slides 11 and 12 as strategic programs; and
 2. PCEF staff include mutually approved metrics, performance measures, eligibility expenses, and reporting requirements in the interagency agreements with Bureaus for each of the approved allocation items and
 3. The PCEF Committee reviews and provides feedback on draft interagency agreements before execution and
 4. Include a PCEF Committee liaison in the annual review of Bureau progress reports alongside PCEF staff to ensure alignment with the interagency agreement before the annual approval of budgets and
 5. If any PCEF funds are leveraged for allocation Item 5, no city funds can be used for expenses that challenge Tribal nations' rights in the Federal Regulatory Commission process.

- Committee Member comments and questions:
 - Why is Item 5 limited to only the Federal Regulatory Commission process? Can we have a blanket statement saying no program will challenge Tribal nations' rights?
 - Response: I can't speak to this. You can, but there may be ramifications on the other side.
 - Not challenging tribal nations' rights are aligned with PCEF values. Why limit it to the Federal Regulatory Commission process? What would be the ramifications?
 - Response: It won't come up in any other project. In this particular case, there would be challenges to tribal or treaty rights. It's inherent in the work being done. If the project moves forward, we ask them not to use PCEF funds for any challenges.
 - The annual approval of budgets is hidden. A committee member is concerned the city will rely on PCEF to fund climate initiatives and absolve themselves from the responsibility.
 - Add language that projects are part of the CIP and should not expect funding beyond five years.
 - Response: Every year, there is a process to agree on the budget for the following year. This is captured in the language, but suggestions for clarity are welcome. Until PCEF is programmed, the city will continue to look towards PCEF to support initiatives.
 - It could be in the community's best interest that PCEF values and priorities guide all city climate programs.
 - Is it implicit in #4 that if an agency doesn't pass the criteria, PCEF gets to clawback the funds?
 - Response: The PCEF liaison, PCEF staff, and Bureau will discuss this at the annual check-in. If there is a concern, it will be elevated to the committee. The process could trigger a recommendation to the city council to deny funding for the following year.
 - A committee member would like to recommend no more than two years of funding. It's not equitable. This process is not appropriate for five years of funding. The committee member doesn't know why so much funding has to be allocated without a clear process that is not remotely equitable to what the organizations go through.
 - Response: It's challenging to know what will and won't work with two or three years vs five. Some projects need five years of funding. The details in Items 1, 2, and 3 will bring accountability. We would need to be able to tease out which programs can run on two-year funding. It will be a challenge to break down the spending year-by-year for each program.
 - Agencies could return with a robust proposal in a year and receive two years of funding. A committee member would like to hear from other committee members.
 - A committee member suggests we add language about the interim review of projects in year two, including site visits and a provision for clawback.
 - Response from committee member: The process probably could work. With so little information, the committee member is not comfortable funding for five years.
 - A committee member prefers funding for two years, but item #4 meets his needs. He suggested a formal two-year review involving the city auditor.
 - Response: Every program will be subject to annual financial and performance audits.
 - The community should be engaged in the year two annual review.

- Response: We can call it a formal performance review of the city bureau projects with robust community engagement.
 - A committee member clarified that PCEF would not clawback the funds but instead put a stop to funding. If the criteria are unmet, the project will not get future funding.
- PCEF staff edited the language based on the committee members' feedback.
- All committee members indicated they were ready to vote.
- Robin Wang made a motion to recommend
 1. Propose that the PCEF Committee recommend amending the adopted Climate Investment Plan to include allocation items 1 through 25, excluding item 6, as presented on slides 11 and 12 as strategic programs; and
 2. PCEF staff include mutually approved metrics, performance measures, eligible expenses, and reporting requirements in the interagency agreements with Bureaus for each of the recommended allocation items and
 3. The PCEF committee reviews and provides feedback on draft interagency agreements before execution and
 4. Include a PCEF Committee liaison in the annual review of Bureau progress reports alongside PCEF staff to ensure alignment with the interagency agreement before annual approval of the following fiscal year budget and
 5. Engage in a 2-year formal public review of the performance of recommended allocation items with robust community involvement and, where appropriate, site visits and
 6. If any PCEF funds are leveraged for allocation item 5, no city funds can be used for expenses that challenge Tribal nations' rights or that harm or have the potential to harm salmonids in the Federal Energy Regulatory Commission process.
- Ranfis Giannettino Villatoro seconded it.
 - Approved. All committee members voted affirmative.

NEXT STEPS: SAM BARASO, PCEF

- The co-chairs asked the committee to shape the process for the next tranche of allocations.

THE MEETING WAS ADJOURNED AT 5:57 PM

NEXT MEETING: The next meeting will be on Friday, February 15, 2024, from 6:00—8:00 PM

Submitted by Camerina Galván, Notetaker, Galvan Consulting LLC.