

## **CLIMATE TEST POLICY RESOLUTION**

*DRAFT Language 11/2/2020*

Adopt City of Portland Carbon Shadow Price Policy (Resolution).

WHEREAS, the climate emergency is an existential threat to our community and economy, and combatting it will require government agencies to treat this as the crisis it is by taking bold steps to meet Portland's carbon reduction goals and building a healthy, resilient city in which everyone can thrive; and

WHEREAS, the City of Portland government has both an opportunity and obligation to model innovative implementation approaches to reducing carbon emissions in its operations for other organizations and industries to follow in order to help meet the City's community-wide decarbonization goals; and

WHEREAS, the City of Portland's Climate Emergency Declaration, Resolution No. 37494, adopted in June 2020, directed the Bureau of Planning and Sustainability to involve youth and other stakeholders in the development of a proposed climate test, such as an internal carbon fee or shadow price on carbon; and

WHEREAS, the purpose of a climate test is to ensure that City bureaus are making informed decisions based on the best available climate science, particularly for major capital investments and high-carbon-impact decisions, such as fuel and vehicle purchases; and

WHEREAS, a carbon shadow price is a non-cash cost that quantifies carbon emissions embedded in City of Portland projects; and

WHEREAS, Resolution No. 37483, adopted March 2020, identifies the development and application of a shadow price of carbon as an emerging best practice for reducing greenhouse gas emissions in City operations; and

WHEREAS, the Sustainable City Principles, adopted in 2015, commit Portland elected officials and staff to think beyond first costs and consider long-term, cumulative impacts when making policy and financial decisions; and

WHEREAS, Resolution No. 37419 amended the Financial Planning Policy FIN 2.03 requiring City bureaus to minimize environmental, social, and economic risks; and to maintain infrastructure at the lowest life cycle cost which meets service objectives; and

WHEREAS, Portland is a signatory to the C40 Net Zero Carbon Buildings Declaration, which commits City assets and infrastructure to becoming net zero carbon by 2030; and

WHEREAS, Bureau of Planning and Sustainability staff have conducted a thorough review of climate test applications that have been adopted by other municipal and federal governments, universities, and private industries to inform the City's climate test policy; and

WHEREAS, the City of Portland received valuable input from youth and other stakeholders in the development of a proposed climate test, and the diversity of voices and input led to stronger outcomes;

NOW, THEREFORE, BE IT RESOLVED, that the City of Portland Carbon Shadow Price policy, attached hereto as Exhibit A, is adopted.

BE IT FURTHER RESOLVED, the Carbon Shadow Price is applied to cost analyses that are developed for evaluation of City investment decisions with respect to City buildings, vehicles and mobile equipment, resource management related to wastewater treatment and ecosystem services, as defined in Exhibit A; and

BE IT FURTHER RESOLVED, that the Director of the Bureau of Planning and Sustainability is authorized to approve updates to the policy, including applicability of the policy, standardization of emissions calculations, and adjusting the shadow price to achieve adopted carbon reduction targets; and

BE IT FURTHER RESOLVED, the Bureau of Planning and Sustainability staff will develop and provide detailed guidance for bureaus to implement the Carbon Shadow Price policy, including standardized emissions calculation tools, and will share these resources with City staff and the general public via the Portland.gov website; and

BE IT FURTHER RESOLVED, the Bureau of Planning and Sustainability staff is directed to conduct regular trainings for City staff on how to apply the Carbon Shadow Price policy; track its implementation; and modify its implementation based on results, feedback, and Citywide objectives; and

BE IT FURTHER RESOLVED, the Carbon Shadow Price policy is intended as the first phase of the City's climate test policy, and the Bureau of Planning and Sustainability will continue to work with youth and other stakeholders to refine and expand a climate test that applies to other areas where the City has authority; and

BE IT FURTHER RESOLVED, the Bureau of Planning and Sustainability will provide a progress report on the implementation of the policy and recommendations for the next phase of the climate test policy to City Council no later than January 2022; and

BE IT FURTHER RESOLVED, this resolution is binding City policy.

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