

Environment and Climate Committee
Electrification Input Meeting
August 14, 2024

The Electrification Input Meeting for the Environment and Climate Committee was called to order at 11:04 a.m. on Wednesday, August 14, 2024, in Council Chambers, 710 NW Wall Street, and online.

1. **Roll Call:** Lauren Fraser and Neil Baungard. Andrew Calise, Laura Tabor and Rory Isbell were excused.

2. **Background** | Parametrix

Climate Change & Sustainability Planner Maddie Cheek and Senior Analyst Tracy Lunsford of Parametrix gave the presentation.

Slides included:

- Electrification Policy Themes
 - City-owned buildings and facilities
 - Local regulations
 - Disincentivizing non-electric technologies
 - Existing buildings & infrastructure
 - Incentivizing electrification
 - Outreach & education
 - State-level policy
 - Other
- Common End Uses of Electricity and Natural Gas
 - Electricity:
 - Residential: Space cooling, space heating, water heating, lighting
 - Commercial: Ventilation, lighting, cooling, other (miscellaneous uses)
 - Natural Gas:
 - Residential: Space heating, water heating
 - Commercial: Space heating, cooking, water heating

Lunsford asked the committee members for input on what they seek in a policy.

Baungard requested exploring the connection between use of and access to natural gas, looking at whether residents have a preference between natural gas and electricity or if they are simply using what is available to them. Baungard would like to explore how access (i.e. is gas already hooked up) effects decisions of residents and developers.

Fraser supported the focus list provided by Parametrix and added that the policy should address the reduction of greenhouse gas emissions for both existing and new buildings. When calculating greenhouse gas emissions, connections and leakages should be considered in addition to the usage of individual appliances.

Baungard would like to explore how much of the emissions impact is from the expansion of the network versus the net use.

Baunsgard commented that the initial request from Council was to seek ideas that would have a substantial impact on gas reduction. Baunsgard requests prioritizing policy ideas that will have a substantial impact to align with Council direction.

Fraser provided an overview on ECC's action plan and goals. ECC's overarching goal is to have a 40% reduction in fossil fuel use by 2030 and 70% reduction by 2050. Currently, 48% of Bend's emissions come from residential and commercial electricity use, making buildings the largest source of greenhouse gas emissions in Bend. Fraser stressed the idea that the City needs to focus on cleaning up the supply and diverting end uses from natural gas to electric options.

3. ECC input for Electrification Policy Options Analysis

Lunsford asked the committee members for examples of successful policies or policy direction from other cities and areas.

Fraser suggested exploring policies made following the court decision on Berkeley's Nitrogen Oxide (NOx) policy, such as those of Ashland and the Bay Area, looking at both indoor and outdoor air pollution policies.

Baunsgard suggested exploring an increased franchise fee on gas use and using these funds to establish an electrification efficiency fund. Baunsgard pointed out that this would allow options for developers and would be less restrictive. Baunsgard also suggested exploring a carbon pollution fee, which may vary for existing versus new buildings, and stated that policies will need to address both new construction and existing building stock.

Fraser suggested including policies for current and future City buildings, so that the City can lead by example by reducing or eliminating natural gas use. Fraser suggested incentivizing electrification through permitting incentives, such as prioritization or reduced fees for electrification of new building or renovations.

Baunsgard pointed out that City's franchise fees, impact fees, system development charges and permitting processes all are reviewed regularly and often include a component to try to encourage a City goal or positive community impact. Baunsgard stated that electrification meets many City climate goals, and has a positive community impact in that it is less expensive to electrify upfront rather than retrofit later. Baunsgard suggested that when opportunities arise, to including electrification in the requirements or scoring criteria for fees or processes.

Lunsford asked if there are any specific examples of policies, programs or campaigns in other cities that the committee members would like to replicate.

Fraser stressed the effectiveness of building electrification into policy, regulation and code rather than rely on voluntary options. Fraser recognized the challenge in finding funding for incentives and support services such as navigator services and education programs. Fraser requested Parametrix consider funding opportunities.

Fraser identified the state of Maine's successful heat pump adoption and attributed its success to high buy-in from the contractor community, ease with which to apply for and receive incentives, and program clarity through community education and outreach. Fraser stated that simple, high

incentive, and high education policies are ideal. Fraser suggested using trusted messengers to work with the community and contractors.

Baunsgard cited Vermont's statewide energy efficiency program and the City of Ashland as examples of success. Baunsgard stated the importance of identifying perceived and actual barriers for each type of technology, the benefits of adoption, and specific strategies to address each barrier. Baunsgard suggested exploring the resources and analysis that Lewis & Clark Law School has been distributing on what they see as possible in the state of Oregon. Baunsgard would also like to address how to reduce emissions in a growing city by looking at individual projects and determining the most effective time to address those projects. Baunsgard suggested exploring the possibility of limiting new pipeline development in the right-of-way. Baunsgard cited Whidbey Island's heat-pump promotion project, which included community education and streamlining of installation, as another example of successful community outreach.

Lunsford asked what the committee members hear from the community.

Fraser has received input from environmental groups and local builders, encouraging the City to transition to electrification and reduce the use of natural gas.

Baunsgard has noticed increased interest in reducing natural gas within the Bend community. Baunsgard attributed this to improved electric appliance options, which has reduced resistance to electrification.

Fraser has heard requests for cost and equity considerations from the community. Fraser cited a study that shows that all electric homes with high efficiency heat pumps saves an average of \$190/year in energy bills as compared to gas heating.

Baunsgard noted that there is now a need for cooling systems due to hotter climate, and that individuals might be more inclined to spend money on cooling systems for safety and comfort. This can provide an opportunity to add a heat pump that provides cooling as well as heating. Additionally, many Affordable Housing organizations are focusing on energy efficient or net-zero buildings to increase energy affordability to residents.

Baunsgard has heard community concerns over whether the grid can handle electrification and suggests clarifying what clean energy is to the community.

4. Next Steps: Electrification Policy Options Analysis project

Senior Management Analyst Cassie Lacy gave the presentation.

Slide included:

- Next Steps
 - Draft policy options delivered to ECC for October 10 meeting (tentative)
 - Stakeholder interviews in October
 - Environmental
 - Business

- Electric Utility x 2 utilities
- Gas utility
- ECC deliberations and recommendation development: October 10 and November 14 meetings (tentative)
- ECC recommendation to Council in December

5. Adjourned at 12:05 p.m.

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