



CITY OF BEND

Meeting Minutes

Joint Committee Meeting

on Electrification Policy

Affordable Housing Advisory Committee, Bend Economic Development Advisory Board, and Environment and Climate Committee

February 24, 2025

City Council Chambers, Bend City Hall
710 NW Wall, Bend, Oregon

The Joint Committee Meeting on Electrification Policy with members from the Environment and Climate Committee (ECC), Affordable Housing Advisory Committee (AHAC), and Bend Economic Development Advisory Board (BEDAB) was called to order at 1:03 p.m. on Monday, February 24, 2025, in the City Council Chambers, 710 NW Wall Street, and online.

In attendance:

ECC: Neil Baunsgard, Nick Millar, Ray Hartwell
AHAC: Ian Karasz, Isabel Milkovich, Heather Simmons
BEDAB: DaWayne Judd, Gary North
City Councilors: Megan Norris, Megan Perkins, Mike Riley

1. Introduction and Background - Presentation by City Manager Eric King

Slides included:

- Joint Committee Meeting on Electrification Policy
- Project Background
 - Today's Goal
 - Share proposed approach and work plan re: electrification policy
 - Committee feedback on staff's proposed work plan
 - Goal is dialogue between perspectives

2. Review of policy options and past process - Presentation by Senior Management Analyst Cassie Lacy

Slides included:

- Today's Background
 - Process to date:

- July-September 2024: Policy options research
 - September-October 2024: stakeholder meetings
 - October-November 2024: ECC deliberations and recommendation development
 - December 2024: Share policies and recommendations with Council
- Policy Options
 - State level advocacy: regulations and electrification support
 - Education & support programs
 - Incentives
 - Local regulations
 - Fees
 - Building Code
- State Level Policy Advocacy
 - Regulations
 - State building code updates to increase energy efficiency in new construction and major renovations
 - Legislation expressly authorizing municipal prohibitions or limitations on use of fossil fuels
 - Legislation requiring cooling in rental properties
 - Electrification Support
 - New state incentives for all-electric construction
- Education & Support Programs
 - Navigation support programs to help community members identify, understand, and access financial and contractor resources to install heat pumps, heat pump water heaters, and electric stoves in existing homes. Can include project management to facilitate deployment of equipment
 - Provide technical assistance on building electrification and decarbonization for builders and developers
 - Create new educational materials to encourage residential and commercial construction in both new construction and existing homes
 - Promote state and federal incentives or tax credits
- Incentives
 - Prioritize or expedite permit applications for all-electric development projects
 - Development incentives, such as floor area ratio (FAR), height or density bonus for all-electric construction
 - City funded financial incentive for all-electric new construction
 - City-funded ductless heat pump and heat pump water purchase and installation subsidy for new construction and/or existing homes
 - Provide additional urban renewal assistance for all-electric buildings
- Local Regulations
 - Limit natural gas expansion in the right-of-way
 - Establish nitrogen oxide (NOx) emissions standards for new appliances in existing buildings or for new buildings
 - Enact benchmarking, energy performance, or greenhouse gas reduction standards for commercial and multifamily buildings as allowed under HB 3409, the State of Oregon Building Performance Standards Program
- Fees

- Create a new building permit fee for non-electric infrastructure in new construction. Fee can be determined in relation to the anticipated gas use of the building (i.e. Climate Impact Fee)
- Increase right-of-way fee on natural gas utility
- Building Code
 - Pursue local amendment to state building code to require electrification in new residential construction and major remodels

3. ECC recommendations to Council – Neil Baunsgard, ECC member

Baunsgard provided background on the Community Climate Action Plan (CCAP) and the recommendation that ECC provided to Council in December 2024.

- Buildings are largest contributor to greenhouse gas (GHG) emissions in Bend and are continuing to rise, but the first CCAP did not include gas reduction strategies. ECC has identified electrification as a potential solution.
- ECC aimed to provide a recommendation that can adapt to a rapidly changing legal landscape.
- ECC aimed to provide a recommendation that focused on areas with the lowest perceived barriers. ECC recognized that electrification in new buildings is much more cost effective than retrofitting. Therefore, a main focus of the recommendation is “Build Smart from the Start.”

Baunsgard identified the three recommended policy solutions:

- Limit gas piping in ROW for new construction
- Explore NOx standard for new appliances for new buildings
- Pollution in lieu of fee for new construction that is not all-electric

Baunsgard identified recommended strategies needed to support the proposed policy changes:

- Education & Outreach
- Support flexible funding and incentives
- Policy & advocacy

4. Staff input and proposed work plan – Presentation by City Manager Eric King, Assistant City Attorney Michael Selkirk, and Senior Management Analyst Cassie Lacy

Slides included:

- Legal
 - The law is unsettled nationwide
 - EPCA and the Berkeley Case
 - New developments in nationwide electrification litigation
 - Challenge to Bay Area NOx standards
 - Oregon updates
 - No city in Oregon has enacted a regulatory ordinance
 - City of Ashland – Pollution Impact Fee Ordinance
 - Potential consequences if Bend’ policy is challenged in court
 - Delay in implementation
 - High cost in financial and staff resources
 - Court ruling that policy is unlawful

- Resulting decision could create bad precedent for other cities
- City Attorney's Office is monitoring legal landscape and advises carefully considering the policy implications of action in this uncertain environment.

King outlined the work plan proposed by staff. Slides included:

- Proposed Work Plan
 - Launch outreach and education initiative (planning funding for as part of budget)
 - Website/social media/outreach events – spring launch
 - Energy Navigator Program – summer/fall launch
 - Builder education - TBD
 - Develop incentive/disincentive to encourage electrification (Fall 2025-Winter 2026)
 - Uses a stakeholder group with representatives from industry, impacted parties, utilities, and other stakeholders
 - Determine what and how to incentivize electrification
 - Discuss revenue source, if needed (e.g. fee)
 - Monitor regulatory pathways for restricting gas (ongoing)
 - Update on legal context at end of year

5. Joint committee discussion - All

Slides included:

- Discussion Questions
 - Do you agree with this work plan or have suggestions for changes to the approach or sequencing?
 - Who should be included in stakeholder group for exploring incentives/disincentives?
 - What data and information should we gather for exploring incentives/disincentives?

Councilors summarized their expectations for this joint conversation. Councilors viewed it as an opportunity for Council to hear concerns of multiple advisory bodies on electrification and to ensure Council has a broader base of understanding on the impacts of decisions.

BEDAB Member North asked if the City can partner with another organization, such as Energy Trust.

- Lacy responded that the City is already partnering for education and outreach but is not for incentives as the incentives process is not yet defined. Additionally, Lacy stated that Energy Trust typically does not get involved in policy issues.

BEDAB Member North expressed concerns over cost implications of electrification to homeowners and builders. North believed that paired with rising costs of construction, mandated electrification could eliminate some projects. North would like Council to review cost data before making policy decisions.

AHAC Member Simmons stated that while AHAC does not have a consensus on the recommendations, it does prioritize removing barriers to affordable housing. AHAC members have requested more information on electrification's impacts on utility costs.

Baunsgard expressed disappointment over the work plan, and felt it was not reflective of ECC's recommendation to Council. Baunsgard was concerned that all of the top-line recommendations were moved to a "wait and see" category before having this group discussion to find consensus.

Selkirk addressed the City's recommendation to "wait and see" regarding policy regulations. Selkirk pointed out that determining how to implement a policy would require significant research to obtain reliable data, and the City does not have the staffing resources to support that level of research. Therefore, staff recommended focusing first on incentives and disincentives while monitoring the legal landscape.

AHAC Member Karasz expressed concerns over the impact of electrification on housing production but recognized that incentives might alleviate some of the financial burden. Karasz expressed general support of the work plan.

ECC Member Hartwell expressed general support of the work plan and felt that it was a pragmatic and well-reasoned way to get started while learning more. Hartwell requested more data on costs impacts and expressed concern that a regulatory approach could hurt residents through increased utility fees.

AHAC Member Karasz expressed concerns over the affordability of electric to middle income households that do not benefit from subsidies.

ECC Member Millar expressed concern over the timing of the work plan, specifically the lack of urgency for developing incentives and disincentives. Millar felt that the proposed work plan will not enable the City to meet CCAP goals by its target date of 2030.

King suggested creating a standing group of members from AHAC, ECC and BEDAB to work on incentives and disincentives.

- AHAC Member Milkovich suggested including members from the City of Bend Accessibility Advisory Committee (COBAAC) and the Human Rights and Equity Commission (HREC).
- AHAC Member Simmons suggested including more developers and utility staff in the discussion.

ECC Member Baunsgard requested data from developers who build all electric and stressed that incentives will only work with a funding source.

Councilor Riley summarized that there is general support for workplan and general support for continuing joint advisory body meetings.

King shared next steps. Slide:

- Next Steps
 - Share feedback with Council at April Council Quarterly Goal Update and determine next steps and timeline for work plan
 - Outreach and education programmed into biennial budget
 - Website, social media, and newsletter launching in March/April
 - Plan to launch Energy Navigator program in summer

King added an additional next step of holding a joint advisory body meeting following the April Council Quarterly Goal Update.

6. Adjourned at 3:36 p.m.

Respectfully Submitted,

Ashley Bontje
Deputy City Recorder



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