

**City of Bend
Environment and Climate Committee
October 10, 2024**

The meeting of the Environment and Climate Committee (ECC) was called to order at 11:06 a.m. on Thursday, October 10, 2024, in the City Council Chambers, 710 NW Wall Street, and online.

- 1. Roll Call:** Andrew Calise (online), Kavi Chokshi, Laura Tabor, Lauren Fraser, Mark Buckley, Neil Baunsgard, Serena Dietrich (online), Smita Mehta (online)

Absent: Kellie Jensen, Rory Isbell, Jackie Mueller (ex-officio), Saha Sulia (ex-officio)

- 2. Approval of Minutes**

- a. September 12, 2024, ECC Meeting

Committee members unanimously approved the meeting minutes with no corrections requested.

- 3. Public Comment**

- Shiv Shakti spoke in support of action against climate change through low carbon food production and community education on renewable energy and sustainable food production.
- Kristi Mellum of Oregon League of Conservation voters spoke in support of electrification and encouraged ECC to recommend strong policies to reduce greenhouse gas emissions.
- Diana Hodiak, Executive Director of 350Deschutes, urged ECC to recommend limiting new gas infrastructure in the right of way and supported eliminating NOx in appliances.
- Nora Hansen, of 350Deschutes, urged ECC to accelerate emission reduction goals, regulate new gas connections in the right of way, and set permitting fees that reflect the true cost of carbon.
- Brennan Breen, Deschutes Youth Climate Coalition volunteer, encouraged ECC to seriously consider all viable options by understanding the scoring of policy options.
- Sean Leslie, Oregon League of Conservation Voters member, spoke in support of Bend's tree canopy to reduce climate change and urged ECC to phase out gas powered lawn equipment.
- Kristi Kimball, member and founder of Energize Bend Coalition, supported the use of clean energy in new development through incentives and supported a franchise fee that subsidizes electrification.

- 4. Staff Updates**

Presentation by Senior Management Analyst Cassie Lacy.

Slides included:

- Resolution committing the City to fossil fuel free City buildings adopted by Council on October 2
- New staff person starts on October 15
- New committee recruitment underway

- Recruiting for 1 x 4-year vacancy and 1 x 2-year term backfill
- Upcoming City project: Collections System Master Plan
- Process and Key Dates
 - 10/10/24 (TODAY): Understand the policy options, get questions answered, high level direction for the working group
 - Late October/early November: ECC working group takes direction from 10/10 meeting and further deliberates and develops a proposed recommendation
 - Will have additional information from stakeholder meetings
 - 11/12/24 (ECC Meeting): ECC working group propose recommendation to full Committee. ECC deliberates and decides on a recommendation
 - 11/20/24 (Council Meeting): Deliver recommendation to the Council. Council to give direction on next steps and community engagement associated with further policy development

5. Electrification Policy Options Analysis: Building Stock Characterization

Presentation by Parametrix Senior Analyst Tracy Lunsford, Parametrix Analyst Maddie Cheek and Parametrix Director of Climate and Environmental, Social, and Governance (ESG) Josh Proudfoot.

Slides included:

- Bend Electrification Policy Analysis: ECC Meeting
- Building Stock Overview – Bend 2021 GHG Inventory Results [graphs]
- Residential Building stock by type and age [graphs]
- Primary heating fuels in residential buildings [graph]
 - Utility gas – 54%
 - Electricity – 39%
 - Wood – 4%
 - Other – 3%
- Common end uses for natural gas and electricity in residential buildings [graphs]
- Residential emissions by housing unit and square footage [graph]
- End uses for natural gas and electricity in commercial buildings [graphs]
- Emissions by end use for commercial segments [graph]
 - Office, retail and education largest emitters
- Emissions forecast
- Building Emissions: Business as Usual Scenario [graph]
- Building Emissions: Residential & Commercial Electrification Scenario [graph]

Buckley asked for their opinions on wood as a fuel source in terms of greenhouse gas (GHG) emissions.

Proudfoot responded that the biggest concerns with wood burning are the air toxins. In terms of timeframe, you would have carbon neutrality in 20-40 years, depending on the growth of the tree. Relative to other emissions, it is very low scale. Both wood stoves and gas fireplaces can provide resiliency backup if electricity goes out.

Lundsford added that outside of a resilience backup scenario, converting to widespread use of wood as a heating source would impact local air quality.

Chokshi asked for details on the common end uses for natural gas and electricity, and was surprised to see that space heating was 20% and space cooling was 37% for electricity end uses and expected space heating to be the higher percentage.

Cheek responded that more than half of the homes in Bend have gas as a primary heat source. Additionally, the data used for these graphs was from regional averages in the Pacific Northwest, not Bend-specific.

Cheek stated that Parametrix has data on use, but does not have data on the number of households connected to gas versus the number of completely electric households in Bend.

Lacy replied that the City might have that information through permits.

Mehta asked if there was any data on which communities – renters, homeowners, mobile homeowners – would be most impacted by electrification.

Proudfoot replied that in Eugene, most multi-family homes were newer and were electric, single-family homes and duplexes used more gas, and mobile homes and RVs were electric.

Lacy asked the committee for their thoughts on how this data informs ECC's policy work. Does this highlight specific areas of opportunity ECC should focus on?

Calise asked the group to consider the overall policy impact on large single-family homes versus small homes.

Proudfoot responded that newer construction is more likely to be electric and more energy efficient. Older single-family homes and older, uninsulated RVs and mobile homes emit more GHG.

The committee recessed at 12:10 p.m. and reconvened at 12:14 p.m.

6. Electrification Policy Options Analysis: Policy Options Chart

Presentation by Senior Management Analyst Cassie Lacy.

Slides included:

- Policy options
- 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
 - Reinstatement of the Climate Protection Program

- Legislation requiring cooling in rental properties
- Electrification Support
 - Expand construction excise to fund electrification programs
 - New state incentives for all-electric construction
 - State programs enabling or promoting thermal energy networks or system decommissioning pilots
- 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 electrification 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 master plan development or overlay with electrification requirements
 - 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
 - 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 franchise fee on natural gas utility
- Building Code
 - Pursue local amendment to state building code to require electrification in new residential construction and major remodels
- City-Owned Buildings
 - Adopt policy committing to electrify all new City buildings (complete)
 - Adopt policy committing to electrify or retrofit existing City buildings (complete)
- Working Group Meetings

Buckley asked staff their opinion on which fees would be more likely to succeed.

Assistant City Attorney Leitheiser responded that when it comes to residential development, State law requires that cities cannot discourage the development of needed housing through unreasonable cost and delay, so that needs to be taken into consideration for any fees or restrictions on new development.

Fraser asked for legal perspective on regulating the right of way, which was one of the excluded options.

Leitheiser responded that if the City decided to prohibit natural gas in the right of way, it would likely be litigated against. Leitheiser acknowledged that the City of Bend has a very small legal team, and this type of litigation would have a serious impact on the City's time and resources.

Baunsgard commented that when all regulations are rated as "high legal concern" it makes all options inactionable. Baunsgard stated there are relative differences in legal concern between different options and it is important for ECC members to know those differences.

Baunsgard and Lacy provided a next step of creating a subcommittee/working group of 3-4 members to discuss and prioritize these policy options over two public working group meetings. Lacy requested those interested in participating in the working group respond to a scheduling poll.

Lacy asked for any high-level thoughts to help direct the working group.

Mehta suggested deprioritizing state advocacy, based on what was heard by Leitheiser and public commenters.

Tabor suggested pairing incentives and regulations.

Buckley suggested highlighting or identifying policies that have positive impacts locally.

Fraser noted that the GHG benefits scale is incorrectly inverted in the Electrification Policy Matrix's key.

7. Agenda Review

8. Adjourned at 1:01 p.m.

Respectfully,
Ashley Bontje
Deputy City Recorder