

Meeting Minutes



Environment & Climate Committee Meeting

CITY OF BEND

Location: City Council Chambers, 710 NW Wall Street, and online

Date: Thursday, November 14, 2024

The meeting of the Environment and Climate Committee (ECC) was called to order at 11:07 a.m. on Thursday, November 14, 2024, in the City Council Chambers, 710 NW Wall Street, and online.

1. **Roll Call:** Andrew Calise, Kavi Chokshi, Kellie Jensen, Laura Tabor, Lauren Fraser (joined at 12:10 p.m.), Mark Buckley, Neil Baunsgard, Rory Isbell, Smita Mehta

Absent: Serena Dietrich, Jackie Mueller (ex officio), Sasha Sulia (ex officio)

2. **Approval of Minutes**

- a. October 10, 2024, Meeting Minutes
- b. October 28, 2024, Electrification Policy Working Group Meeting Minutes
- c. November 4, 2024, Electrification Policy Working Group Meeting Minutes

Approval of meeting minutes was postponed to the next meeting.

3. **Public Comment**

- Sara Odendahl, on behalf of Bend Chamber, asked ECC to consider meeting people where they are at to instigate a behavior shift, suggesting voluntary programs and community education, and cautioned against policies that will add cost, time, or burden to housing development. Odendahl recommended including a representative of the Bend Economic Development Advisory Board (BEDAB) be involved in the assessment.
- Gary North, Bend resident and local business owner in commercial construction, asked ECC to consider cost analysis of electrification for building and development. North stated that electrification adds costs to the front end of the project, with potential unintended consequences of halting future development or passing costs onto consumers.
- Ken Wilkins, Bend resident, encouraged the electrification of Bend.

4. **Staff Updates**

Presentation by Senior Management Analyst Cassie Lacy

Slides included:

- Welcome new Climate & Environment Management Analyst, Megan Lee!
- Committee recruitment – interviewing 6 candidates for 3 spots on Nov. 20
- Discussing CCAP Update at Council Stewardship Subcommittee tomorrow (11/15)
- Delivering recommendation from today at Council Work Session on 12/4

5. Stakeholder Meeting Takeaways - *Informational*

Presentation by Senior Management Analyst Cassie Lacy

Slides included:

- Key Findings – Stakeholder Meetings
 - Environmental Advocacy
 - Emphasis on co-benefits of electrification beyond emissions reductions
 - Emphasis on the risks of inaction should be considered as heavily as other kinds of risks (i.e. legal risk)
 - Suggested setting a voluntary but aspirational electrification goal (e.g. 50% of buildings electrified)
 - Highest priorities are creating low NOx standards, reconsidering right-of-way restrictions, and creating a revenue source
 - Business & Economic Development
 - Desire to make sure decisions are data-driven
 - The speed of the transition influences affordability and the available workforce to assist the transition
 - Concern about how policy changes might impact business owners and the business environment
 - Preference for outreach and education and incentive programs, rather than regulatory options
 - Policy options should align with other city priorities and not create barriers for existing priorities
 - Builders
 - Concern about how building electrification policies may impact Bend's housing availability and affordability goals
 - Biggest opportunities include educating the building community, urban renewal assistance, incentives for builders of market-rate, workforce housing
 - Primary concerns around additional fees or increasing existing fees, changes to the construction excise tax, and expedited permitting
 - Cascade Natural Gas
 - Interest in a collaborative approach for achieving decarbonization goals
 - Planning with the expectation that the Climate Protection Program will be re-enacted in a similar form
 - Revenue and natural gas usage are decoupled – presents an opportunity to be collaborative about gas reduction
 - Biggest concerns around electrification include reliability and affordability
 - Opportunities include CNG's hybrid heat pump deployment program and thermal energy network policy
 - Pacific Power

- Acknowledgement that electric system is currently constrained both locally and regionally.
 - Local constraints will be addressed over the next decade with local projects; regional constraints have upgrades planned in about 8-10 years
- Electricity demand is increasing substantially and this is driven by many different sectors (AI/data centers, EV, heating equipment, larger buildings)
- Meeting OR Clean Energy Targets is feasible and planned for
 - Volatile regulatory conditions are challenging to deal with
- Central Electric Cooperative
 - Different considerations and concerns/opportunities for different areas, such as new construction in new neighborhoods vs. in existing neighborhoods
 - Existing neighborhoods can be very constrained, varies neighborhood by neighborhood
 - Costs for line extensions and upgrading transformers are borne by the homeowner
 - Acknowledgement that electric system is constrained both locally and regionally
 - All new demand is met with higher-priced electricity, increasing costs for all rate-payers
 - Desire for the City to partner with organizations who are already doing some of this work (CEC, Energy Trust, etc.)

Buckley asked if any data was provided by stakeholders, such as cost comparison for electrification on new construction verses retrofitting, or costs per unit.

Lacy responded that that information wasn't asked for, but ideally will be included in phase two.

The committee recessed for lunch from 11:48 a.m. to 12:02 p.m.

6. Electrification Policy Working Group Proposal and Committee Recommendation – *Discussion and Decision*

Baunsgard provided a recap of the working group sessions on October 28 and November 4, 2024, and provided an explanation of the draft memo to Council. Baunsgard stated the reason for the memo was that the City is not moving toward its adopted climate goals, particularly in the building sector. Prior goals looked at renewable sourcing and efficiency, and the memo added greenhouse gas reduction as a strategy to reach climate goals. Baunsgard highlighted the two main sections – “Build Smart from the Start”, addressing electrification in new construction, and General Support, such as education & outreach programs and incentives.

Baunsgard outlined the goals for the meeting: to address questions and adjust the memo as needed so that the committee is in full support of the recommendation to Council.

Buckley pointed out that items not included in the memo can be addressed in the future, and that the recommendation made to Council will lead to staff research, not immediate adoption.

Lacy asked the committee to prioritize what items they would like to move forward first, as staff cannot address all items simultaneously. Lacy stated that outreach & education and advocacy options could likely

be implemented in the upcoming biennium. Incentives, regulations and fees likely wouldn't go into effect until the following biennium.

Calise requested data on the cost of electrification to developers.

Mehta recommend prioritizing education for the building community followed by incentives, and researching what it would take to address limiting gas lines in the right of way.

Fraser supported ECC taking stronger action by prioritizing regulatory action and policy development with a timeline to encourage quick action.

Isbell supported working on regulations and education in tandem.

Chokshi supported retaining all recommendations, and letting staff determine what is feasible within budget and resource constraints.

Lacy encouraged the committee to provide a prioritization list so that Council or staff does not have to prioritize on the committee's behalf if Council decides not to move forward with everything.

Fraser requested funding estimates on fees.

Isbell suggested changing language from "limit" to "prohibit" in the policy recommendation "Enact regulation to limit gas piping in the right of way for new construction."

Isbell left the meeting at 12:45 p.m.

Chokshi asked staff if the regulatory options would face legal risk.

City Attorney Mary Winters responded that these policy options face legal risk as most are untested.

Lacy responded that incentives and outreach & education would have a low legal risk.

Winters stated that Council or ECC will need to choose one regulatory option in Phase 2 as the City's legal team does not have the capacity to defend multiple regulations.

Lacy suggested exploring the regulatory options first, determine the best option to move forward with, and then tie it to incentives. Lacy identified another option of starting with incentives, and once a successful incentive program is in place, begin the regulatory program.

Baunsgard clarified that the regulatory policies focus on new buildings while the incentives focused on existing buildings. Education and outreach would apply to both.

Tabor suggested prioritizing education and navigation of existing incentives, and regulation and education for new construction.

Buckley supported more prioritization in the memo, expressed concern over focusing on all unprecedented regulatory approaches, and supported prioritizing some shorter-term projects to show that the committee is making progress.

Baunsgard proposed the following priorities based on the committee's discussion:

- New construction regulation development
- Education & outreach, fees & incentives
- Regulatory Options, explored in this order:
 - 1. Regulating right of way
 - 2. NOx restrictions
 - 3. Carbon pollution fee

Baunsgard proposed the following changes to memo:

1. Change "limit" to "prohibit" in "Enact regulation to limit gas piping in the right of way for new construction."
2. Under support the electrification transition, add language such as "A broad and comprehensive approach is necessary to complete our natural gas goals. The committee sees these areas as having the most promise in being effective, and they are listed in prioritized order."

Fraser disagreed with changing the word limit to prohibit, as it is less restrictive.

Fraser suggested pairing education & outreach funding with a revenue source in the presentation to Council.

The committee expressed general support move forward with the memo as written.

Buckley moved to recommend to Council to pursue electrification policies as per the memo proposed by the electrification working group. Jensen seconded the motion.

Chokshi expressed support of the memo but would abstain from voting, stating that he did not have a complete picture.

Tabor requested Baunsgard include context when presenting to Council, and requested Baunsgard clarify to Council that some recommendations will need to be paired with a revenue source, which will be explored further in phase two.

Voice Vote: Tabor, Buckley, Mehta, Lauren, Andrew, Baunsgard, Yes 6 No 0 Abstain 1. Chokshi abstained

7. Agenda Review

Slides included:

- Agenda Review
 - December 2024:
 - CCAP Update: GHG analysis results
 - CCAP Update: Community survey results
 - Discuss Council Goal input
 - CCAP Action Prioritization

- January 2025
 - Chair/Vice Chair Elections
 - Welcome new members
 - CCAP Prioritization (if needed)
- February 2025
 - TBD

8. Adjourned at 1:07 p.m.

Respectfully Submitted,

Ashley Bontje

Deputy City Recorder



Accommodation Information for People with Disabilities

To obtain this information in an alternate format such as Braille, large print, electronic formats, etc., please contact Ashley Bontje at abontje@bendoregon.gov or 541-323-7164. Relay Users Dial 7-1-1.