



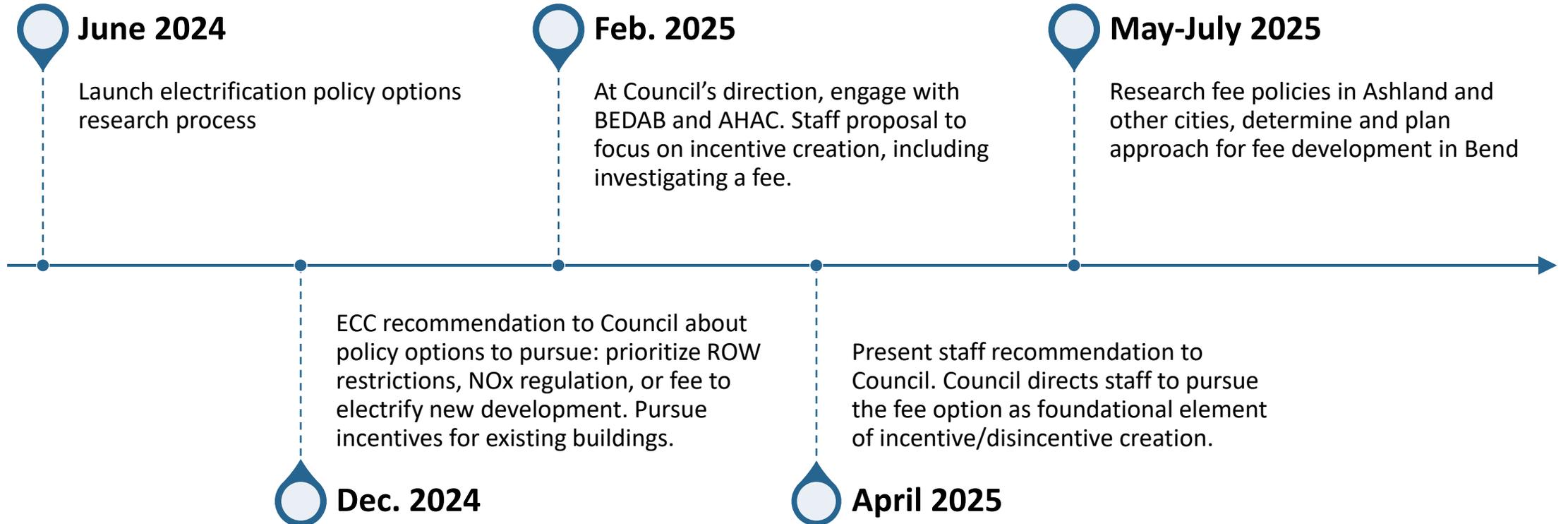
CITY OF BEND

Electrification Policy Options Update

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Office**

8/20/2025

Background



Work plan for encouraging electrification

Outreach & Education

(Ongoing)

- Website, social media, and events launched (April 2025)
- Energy Navigator Program – Launch planned (July/August 2026)

(Dis)incentive Strategy Development

(Sept 2025 - May 2026)

- Stakeholder group: industry, utilities, impacted parties
- Develop fee
- Identify effective incentives

Regulatory Monitoring

(Ongoing)

- Track pathways for gas restrictions
- No active pursuit of ROW or NOx regulations during incentive phase



Similar Policy Initiatives: City of Ashland, OR

Carbon Fee = Social Cost of Carbon x MTCO₂e x Appliance Service Life

Applicant pays permit fee upfront for the costs associated with mitigating the additional carbon impact of the appliance

Applies to:

- Each indoor thermal appliance
- New residential dwelling units

Key Details:

- Average emissions factor per appliance (not home-specific)
- Fee paid upfront with permit
- Social cost of carbon (EPA 2023): \$208/MT

Social Cost of Carbon is the monetary value assigned to climate change damages resulting from the emission of 1 MT GHG



Similar Policy Initiatives: City of Burlington, VT

Fee based on building-specific emissions calculations, social cost of carbon/market cost to electrify (\$150/MT), and service life

- Requirement that buildings:
 - Must electrify *OR* use renewable energy for thermal energy systems
 - If applicant can prove renewable energy is not feasible, carbon pollution impact fee is assessed
- Applies to **all new construction** & space and water heating replacements for **existing buildings** (>50,000 sq. ft.)
- Renewable Natural Gas (RNG) allowable for renewable energy requirement, with justification

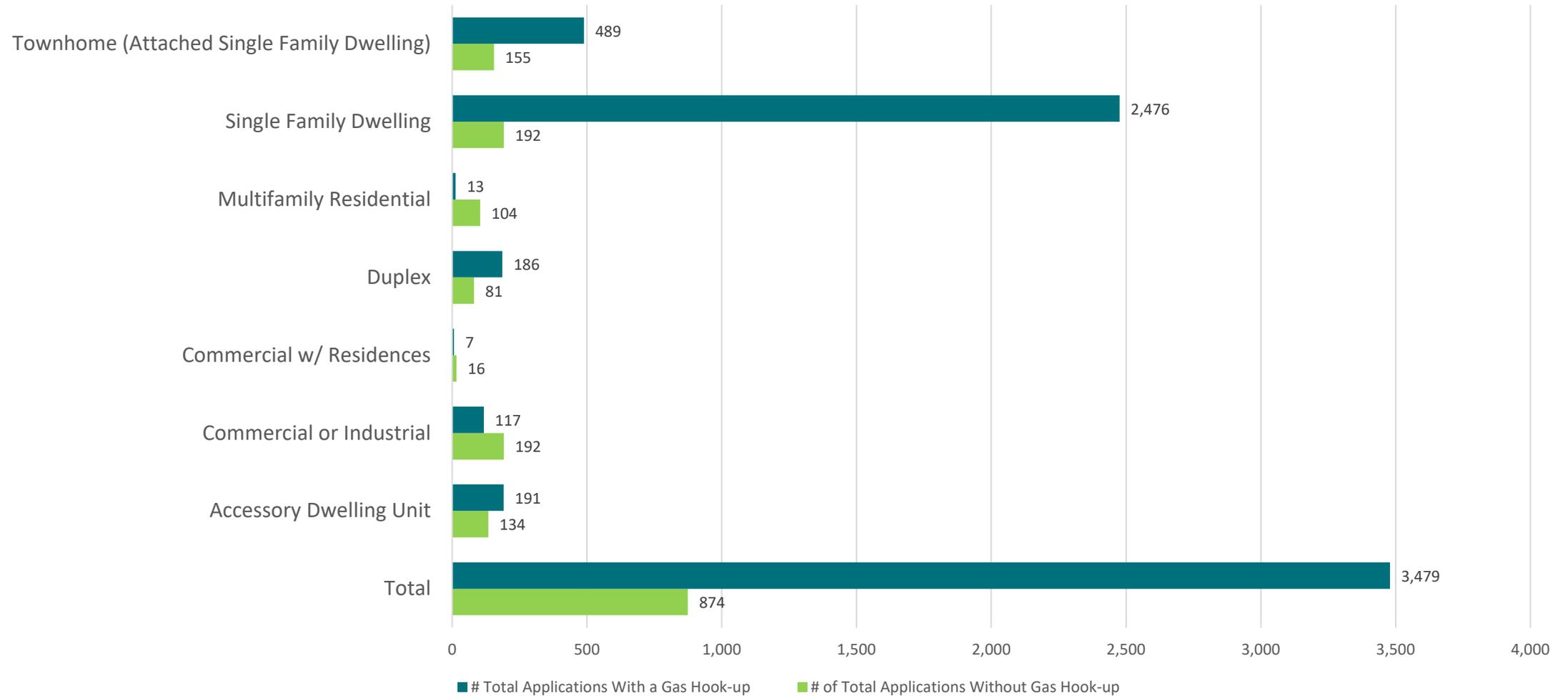


Similar Policy Initiatives: Breckenridge, CO

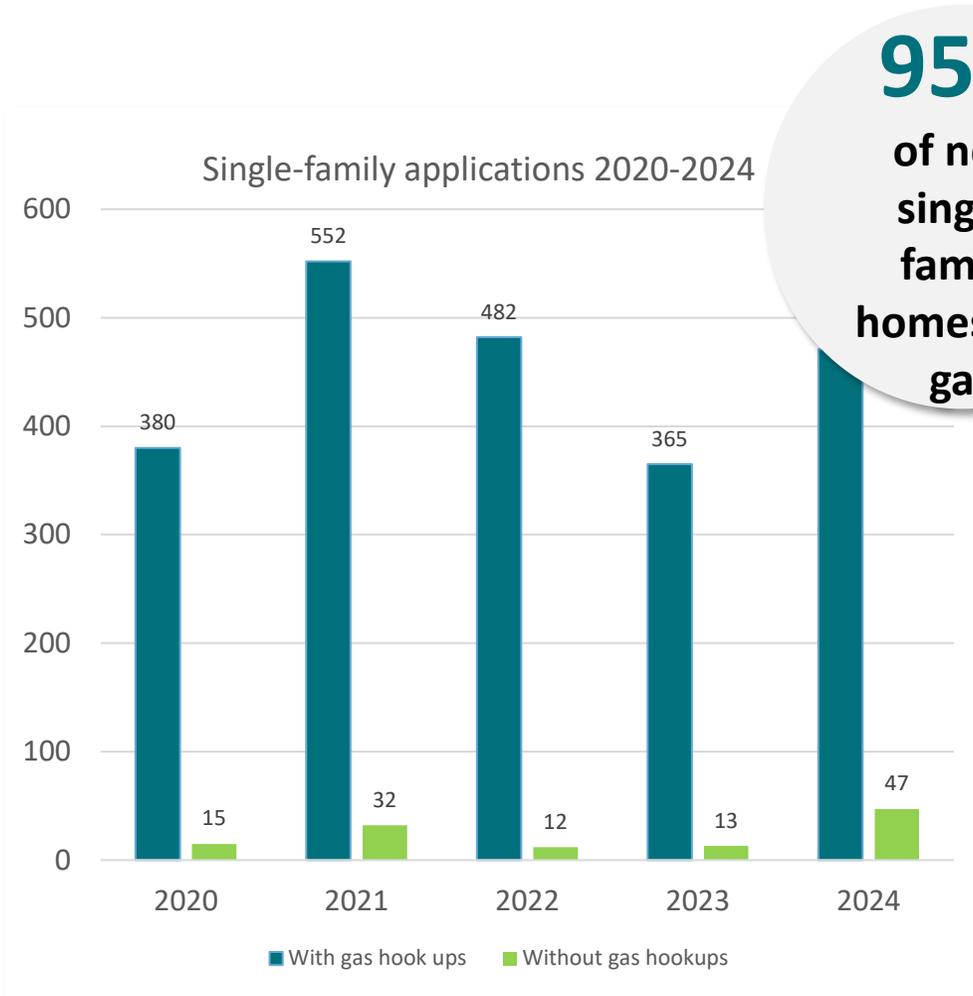
Fee based on project emissions and market costs of renewable energy

- Renewable Energy Mitigation Program
 - **Outdoor luxury energy** uses require renewable energy offset
 - If not provided, pay fee-in-lieu

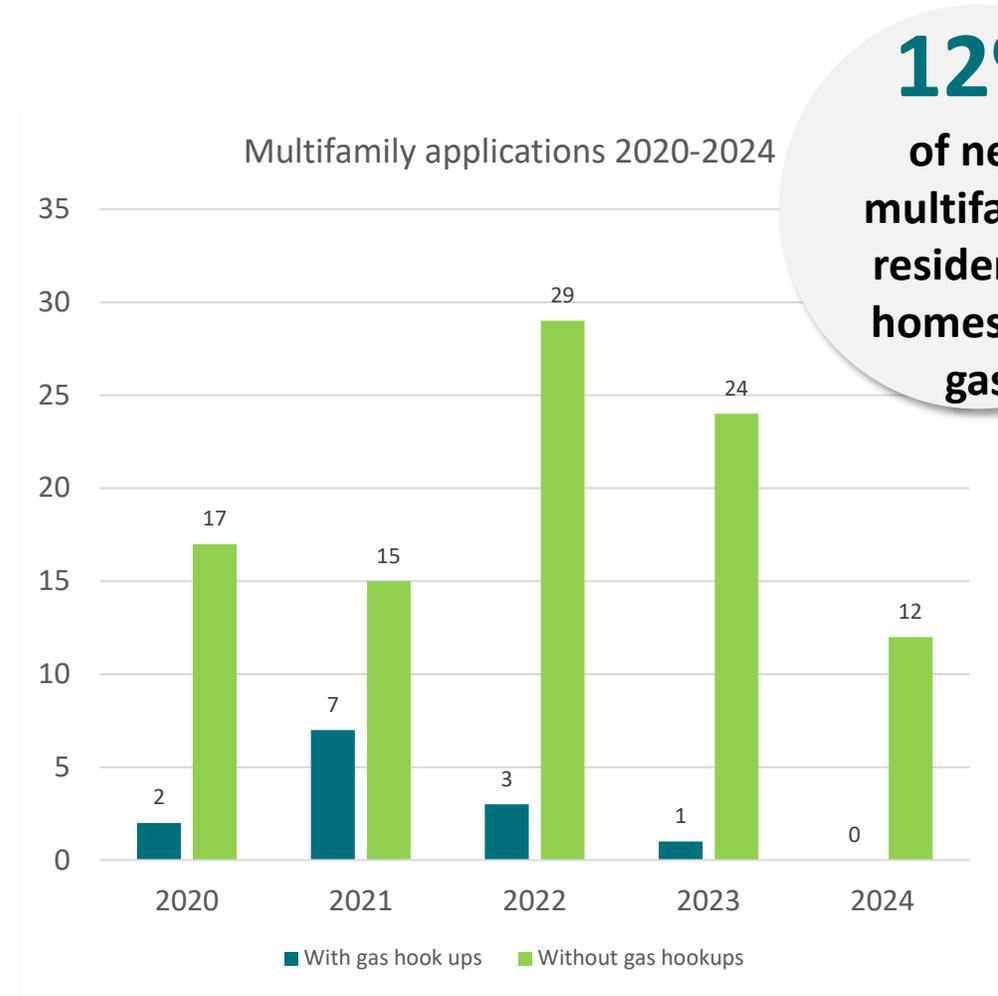
of new construction applications with and without gas hook-ups between 2020-2025 by housing type



Current state of gas use: 2020-2024

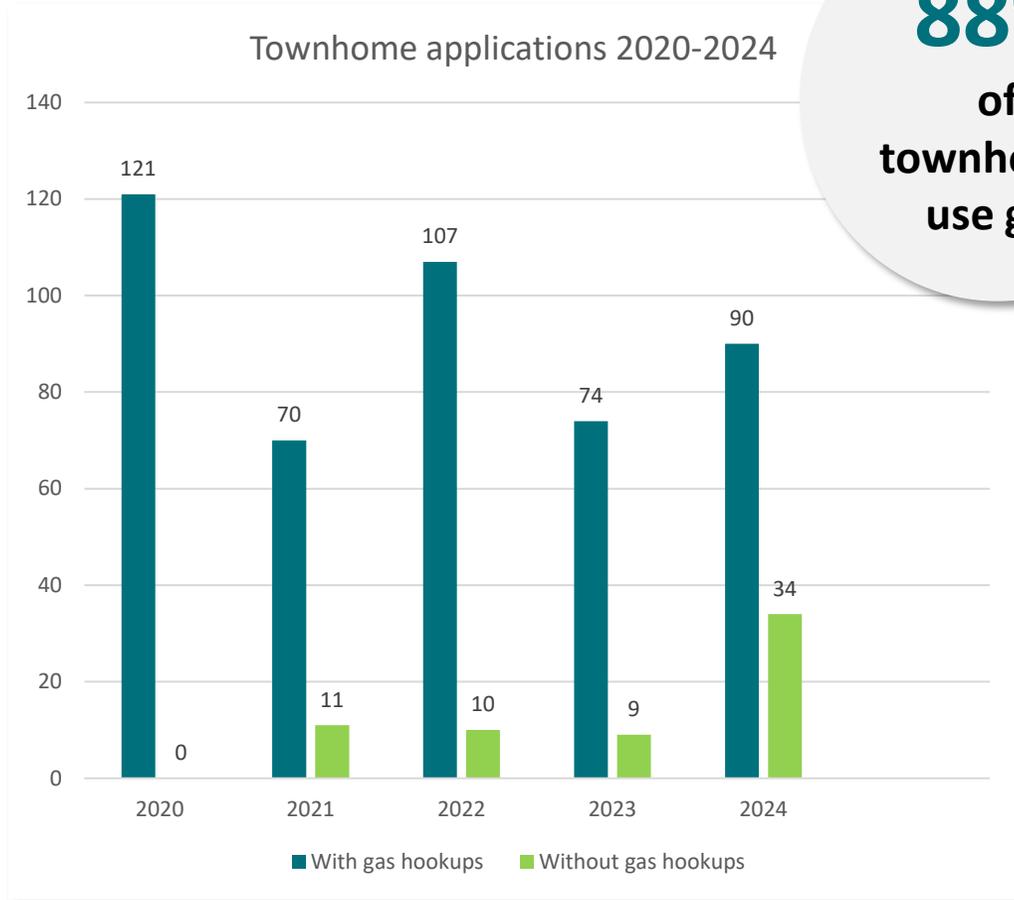


95%
of new
single-
family
homes use
gas

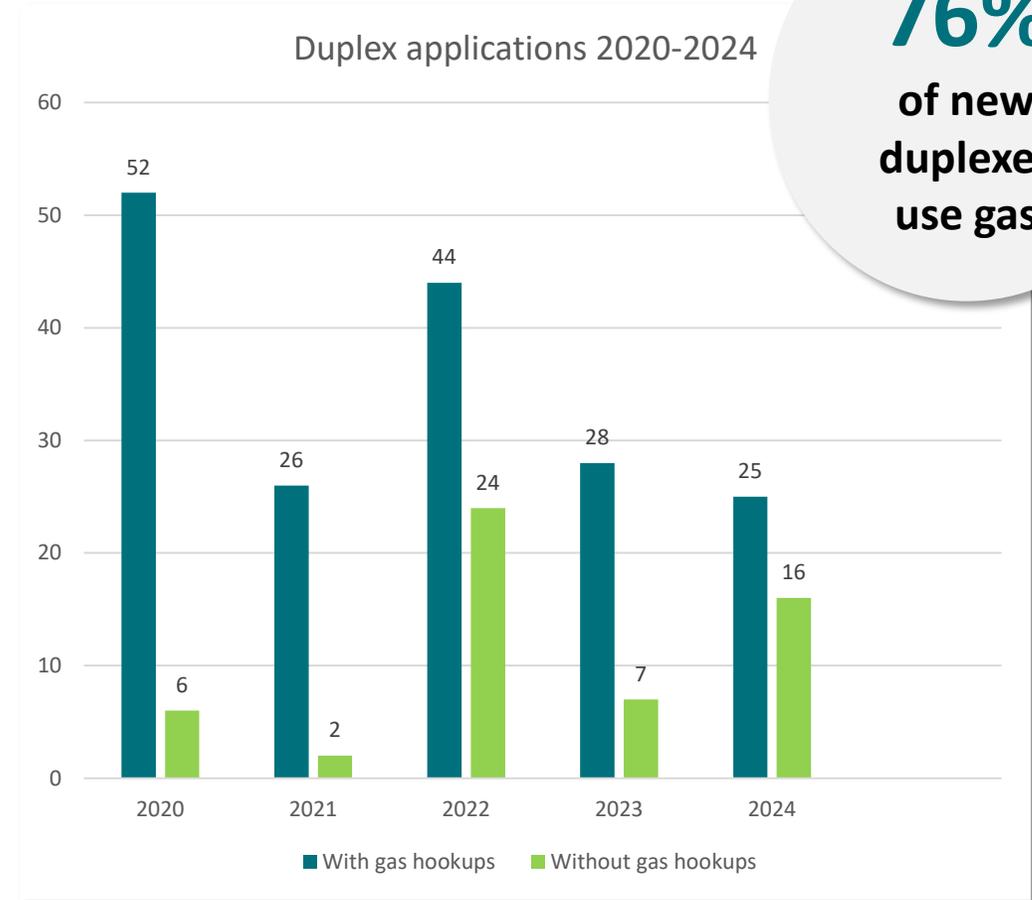


12%
of new
multifamily
residential
homes use
gas

Current state of gas use: 2020-2024



88%
of
townhomes
use gas



76%
of new
duplexes
use gas

Key Takeaways

Development Context

- Bend's context is unique: significantly higher development
- Significantly more gas use in Bend than Ashland

Electrification Costs

- Upfront and ongoing costs are uncertain; may be different than peer cities
- Ashland & Burlington have municipal utilities = greater control over costs

Factors for Fee

- Social cost of carbon and/or market cost to incentivize
- Project specific emissions, average emissions, or hybrid

Policy Focus

- New residential focus recommended
- Future phases for commercial or existing may be considered



Scope of Policy Decisions



Fee Purpose: what is the goal?

- Revenue generation
- Behavior change



Fee Design Factors: what should be included?

- Social cost of carbon
- Appliance emissions
- Home size/climate impact
- Market electrification costs



Incentive Definition: how should we encourage electrification?

- What should the funds incentivize?
- How should it be implemented?

Next Steps



Public Engagement

Joint Committee

- 3 members each from Environment & Climate Committee, Affordable Housing Advisory Committee, Bend Economic Development Advisory Board
- Ex officio: Cascade Natural Gas, Pacific Power, and Central Electric Cooperative
- Additional developer/industry roundtables as needed

Engagement Focus

- Fee structure
- Incentive program design & fund use



Council Discussion

- Do you support this approach and these next steps? Any questions or concerns?
 - Work plan?
 - Focus on new residential development?
 - Approach to stakeholder engagement?



To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact Cassie Lacy at clacy@bendoregon.gov or 541-323-8587; Relay Users Dial 7-1-1.

