CITY OF BEND

City Hall
710 NW Wall Street
Bend, OR 97703

MEMORANDUM

To: Environment & Climate Committee
From: Megan Lee, Environment & Climate Management Analyst
Date: March 11, 2026
Re: New Program Option 4 – Small Business Energy Project Grants

Purpose

This memo serves as an addendum to the original Energy Efficiency Program Options memo. It replaces Option 4 with a new program concept: contributing program funds to the newly adopted Small Business Assistance Grant Program to support small-business energy efficiency and electrification projects. This replacement is recommended because:

- Energy Trust of Oregon already provides many of the services originally envisioned under the original Option 4.
- Adding funds to an existing City program offers a significantly lower administrative lift.
- The approach strengthens internal collaboration with Business & Economic Development and BEDAB.
- Focusing on commercial-sector energy use can yield higher per-dollar impacts.

High-Level Comparison of Program Options

Option	Description	Estimated Reach	Strengths	Limitations / Risks
1. Home Energy Audits	Free professional home energy audits for residents	**60–100** full audits **or 150–250** walk-throughs (cost-dependent)	High-impact guidance + behavior change; fills mid-income gap	Higher cost per home; requires a contractor
2. Efficiency Toolkits	Toolkits with basic efficiency items; installation available	**300–600** kits	Broad reach; strong equity if installed; can leverage school/youth channels	Many items like LEDs are already widely adopted; lower savings without installs

3. Hybrid (Audits + Toolkit Installs)	Combines audits with in-home efficiency kit installs	**40–60** homes	Deep + broad; high equity; ensures install + guidance; strong education	Might be more complex to run
~~**4. Small Business Education & Outreach**~~	~~Workshops, resources, and walk-throughs for retail and food service~~	~~**100–200** businesses (education) **or** **50–80** walk-throughs~~	~~Supports a high-use energy sector; builds relationships~~	~~Less direct/quantified savings; depends on business follow-through~~
4. Small Business Energy Project Grants	Contribute funds earmarked for business energy efficiency/electrification projects	4–12 businesses (assuming range of $3-10k+/project)	Very low admin burden; aligns with existing Business Development and BEDAB processes; leverages commercial sector savings; avoids duplication with ETO; strong cross-department collaboration	Dependent on applicant pool; energy projects vary in cost; requires coordination on reporting

Option 4 (Revised): Small Business Energy Project Grants

Program Overview

Instead of creating a standalone City-run incentive program for small businesses which may duplicate commercial **Energy Trust of Oregon** offerings, this option would add program funds ($30–40k) to the City's newly adopted Small Business Assistance Grant Program, with the requirement that our contributions be used exclusively to fund small business **energy efficiency or electrification projects** (i.e., heat pumps, efficient appliances, weatherization, controls optimization, induction upgrades, lighting retrofits).

The City's Economic Development team and BEDAB operate the grant program. Our role would be to expand the program's fund pool and participate in scoring projects that fall within the energy category; similar to ECC's role in the Climate Action Partner Grant Program.

Who it serves:

Small, local businesses that:

- Are seeking to reduce energy costs through efficiency upgrades or electrification.
- May not have capacity or staff time to navigate incentives alone.
- Have high energy intensity (e.g., restaurants, food service, retail, light industrial).

Benefits:

- Very low administrative lift: no new procurement, contractors, or program setup.
- Faster implementation than launching a new program.
- Strong cross-department collaboration with the Business & Economic Development staff.
- Strong cross-advisory body collaboration with BEDAB and the ECC.
- Commercial sector focus supports a high-energy-use segment and can yield significant savings.
- Clear alignment with existing City processes, timelines, and equity frameworks.
- Reduced duplication with existing services, avoiding a parallel program.

Challenges:

- The number of businesses reached will depend heavily on project size and cost.
- Less direct control compared to a stand-alone Environment and Climate program.

What $30-40k gets:

- Approximately 4–12 small business projects, depending on project cost (assuming $3k–$10k+).