

Project/Performance Site Location(s)

Project/Performance Site Primary Location I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code: * Project/ Performance Site Congressional District:

Project/Performance Site Location 1 I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code: * Project/ Performance Site Congressional District:

Project/Performance Site Location 2 I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code: * Project/ Performance Site Congressional District:

Application for Federal Assistance SF-424		Version 02
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision
		* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
* 3. Date Received: 12/14/2009	4. Applicant Identifier: <input type="text"/>	
5a. Federal Entity Identifier: <input type="text"/>	* 5b. Federal Award Identifier: <input type="text"/>	
State Use Only:		
6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>	
8. APPLICANT INFORMATION:		
* a. Legal Name: <input type="text" value="City of Portland, Oregon"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 93-6002236	* c. Organizational DUNS: 054971197	
d. Address:		
* Street1:	1120 SW Fifth Avenue, Room 1250	
Street2:	<input type="text"/>	
* City:	Portland	
County:	<input type="text"/>	
* State:	OR: Oregon	
Province:	<input type="text"/>	
* Country:	USA: UNITED STATES	
* Zip / Postal Code:	97204-1912	
e. Organizational Unit:		
Department Name: Planning & Sustainability	Division Name: <input type="text"/>	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: <input type="text"/>	* First Name: <input type="text" value="Andreea"/>	
Middle Name: <input type="text"/>		
* Last Name: <input type="text" value="Codorean"/>		
Suffix: <input type="text"/>		
Title: <input type="text" value="Financial Analyst"/>		
Organizational Affiliation: <input type="text"/>		
* Telephone Number: <input type="text" value="503-823-6944"/>	Fax Number: <input type="text"/>	
* Email: <input type="text" value="andreea.codorean@ci.portland.or.us"/>		

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9. Type of Applicant 1: Select Applicant Type:

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Environmental Management Consolidated Business Cen

11. Catalog of Federal Domestic Assistance Number:

81.128

CFDA Title:

Energy Efficiency & Conservation Block Grant Program

*** 12. Funding Opportunity Number:**

DE-FOA-0000148

* Title:

Recovery Act: Energy Efficiency and Conservation Block Grants: Competitive Solicitation: Retrofit Ramp-up and General Innovation Fund Programs

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

City of Portland, Multnomah County; Clackamas County; Hood River; Eugene; Astoria; Klamath Falls; Lake County; State of Oregon

*** 15. Descriptive Title of Applicant's Project:**

Clean Energy Works Oregon: Transforming the Market for Energy Efficiency Retrofits

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

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16. Congressional Districts Of:

* a. Applicant * b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date: * b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="75,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="75,000,000.00"/>

* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

 a. This application was made available to the State under the Executive Order 12372 Process for review on b. Program is subject to E.O. 12372 but has not been selected by the State for review. c. Program is not covered by E.O. 12372.

* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

 Yes No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

 ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name: Middle Name: * Last Name: Suffix: * Title: * Telephone Number: Fax Number: * Email: * Signature of Authorized Representative: * Date Signed:

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*** Applicant Federal Debt Delinquency Explanation**

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.



U.S. Department of Energy - Recovery Act:
Energy Efficiency & Conservation Block Grant
Retrofit Ramp-up and General Innovation Fund
Programs - DE-FOA-0000148
Applicant: City of Portland, Oregon
Funding Amount Requested: \$75 million

PROJECT OBJECTIVES

The City of Portland seeks \$75 million from US DOE (DOE) to transform and commercialize the marketplace for energy efficiency retrofits through a rapid full-scale deployment of Clean Energy Works Oregon. Already a successful residential pilot program in Portland, Clean Energy Works will dramatically expand to address the full building stock and replicate it across a wider geographic area. Clean Energy Works Oregon is a partnership of utilities, financial institutions, Energy Trust of Oregon, the Oregon Department of Energy and targeted Oregon local governments that will build on the success of Portland's initial pilot, harness Oregon's decades of energy expertise and policy innovation, deploy new tools enabled by Oregon's 2009 Energy Efficiency and Sustainable Technology legislation (EEAST, HB 2626) and engage public and private financing. By matching proven program delivery with innovative finance strategies, Clean Energy Works Oregon will achieve unprecedented levels of energy efficiency penetration while delivering a leverage ratio of 9:1 and demonstrating the viability of energy efficiency in commercial finance markets.

The new program, Clean Energy Works Oregon (CEWO), will address residential and small and large commercial buildings across the entire Portland metropolitan area as well as in targeted communities throughout the state. CEWO will strive to create a new brand for energy retrofits in the minds of Oregon consumers and businesses that stands for service, convenience and savings. The proposed approach ensures that energy savings and carbon reductions will be accompanied by the creation of high-quality jobs, first-rate training, broad opportunity for disadvantaged populations and the growth of diverse contractors. This effort has been guided by Portland's trailblazing Community Workforce Agreement.

THIS PROPOSAL CAN:

- Create and retain approximately 11,000 career-pathway jobs;
- Retrofit 76,000 homes and small businesses and over 1,100 commercial buildings, representing nearly 42 million square feet of commercial space;
- Catalyze over \$1 billion of economic activity in the state of Oregon;
- Save 3.6 million MBTUs annually for measure-life savings of 67 million MBTUs; and
- Reduce carbon dioxide emissions by an average of 32,000 metric tons annually for measure-life reductions of 7.1 million metric tons.

Oregon's record of policy and program innovation, coupled with decades of service delivery experience, demonstrates our capacity to produce replicable, sustainable results that can inform programs across the country. By harnessing the collective expertise and capacity of Oregon's utilities, energy efficiency professionals, community-based organizations and public agencies, Clean Energy Works Oregon combines both the knowledge and institutional framework to deliver a model large-scale retrofit program.

This proposal builds on the foundation of Clean Energy Works Portland, a consumer-oriented retrofit financing program with full involvement of utilities, a private fund manager, local and state policy support, and proven successes. By building on this momentum, Portland and Oregon are positioned to transform the energy efficiency marketplace to make clean energy finance widely available in the primary market and a

credible financial instrument in the secondary market, ensuring that this grant leads to permanent changes in financial markets. Federal funds will act as the initial source of investment equity needed to catalyze broader private capital participation.

PROJECT OVERVIEW

City of Portland and its partners propose to deliver a program, Clean Energy Works Oregon, to provide financing for retrofits in every building sector in targeted Oregon communities. Clean Energy Works Oregon will create and maintain a stable workforce of over 11,000 jobs that present Oregonians with career pathways from entry-level residential to highly skilled commercial energy retrofit work.

Clean Energy Works Oregon will offer two primary financing mechanisms: a loan origination fund, supported by a credit enhancement, for residential and small commercial projects (*Clean Energy Works Oregon – Homes and Small Buildings*); and a structured finance offering for larger commercial projects, including multifamily, industrial, office and institutional buildings (*Clean Energy Works Oregon – Large Buildings*). Figure 1 below depicts the transformation of DOE’s investment into energy retrofit projects through a unified platform for capital aggregation and service delivery that enables access to substantial financial leverage.

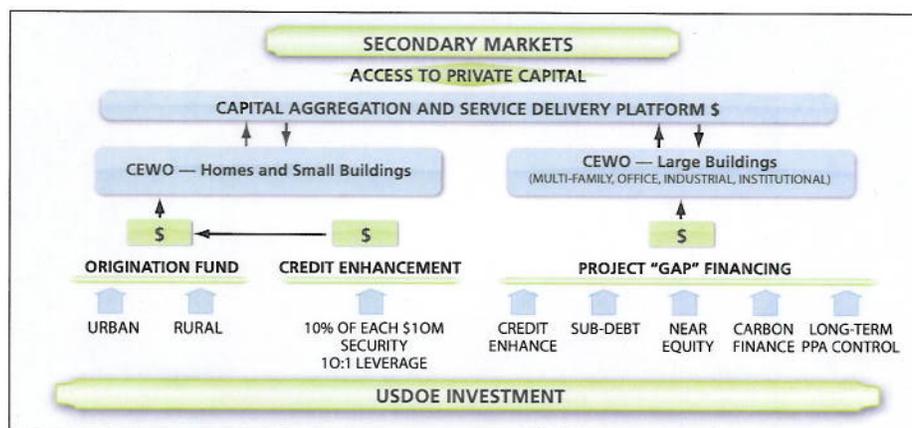


Figure 1. Clean Energy Works Oregon Capital Aggregation Platform

Transforming access to financial markets is the critical component to achieving long-term change in the energy retrofit market, but the careful integration of high-quality service delivery, seamless process and rigorous monitoring and verification are essential to success as well. Innovative financing will not succeed without scrupulous attention to program design, customer experience and integration among utilities, public purpose agencies and state and local policies. Clean Energy Works Oregon achieves this integration.

Clean Energy Works Oregon – Homes and Small Buildings

Clean Energy Works Oregon – Homes and Small Buildings will be patterned after Clean Energy Works Portland. Launched in summer 2009, the program enables homeowners to access low-interest, long-term financing paid back on NW Natural, Pacific Power and PGE utility bills. ShoreBank Enterprise Cascadia, a local Community Development Financial Institution, provides loans for air sealing, duct sealing, insulation, space heat and hot water systems. Energy Trust of Oregon, the state’s public purpose fund administrator, provides technical assistance and project-level incentive funds totaling more than \$12 million annually. Each approved homeowner is offered an Energy Advocate—a personal resource available to explain the process, interpret technical information and inform homeowners about energy use—to make the program as simple and transparent as possible. Other key partners include Multnomah County, Home Performance with Energy Star contractors, Worksystems Inc., Green For All and numerous representatives from organized labor, training providers and community-based organizations. The program is closing loans already and has hundreds of candidate participants in process.

To achieve market transformation in the residential sector and long-term financial sustainability, Clean Energy Works Oregon will pool and securitize conforming energy efficiency loans and will arrange the sale of these loans to secondary financial markets. Liquidity and capital replenishment cannot occur without access to these markets. The secondary market will likely initially consist of foundations, a number of which have expressed preliminary interest in providing this service, including Living Cities. Over the longer term, the program will evolve to rely on secondary purchasers that will include bond market investors, commercial banks, private entities and institutional investors such as pension funds and insurance companies.

To facilitate the sale of loans, a credit enhancement will be provided to the purchaser of the security. Credit enhancement will likely cover 10 percent of the overall value of the underlying loans in the security. For example, on a \$10 million portfolio sale, a \$1 million credit enhancement will be reserved to buy back non-performing loans. This credit enhancement feature is a primary pathway to leverage private capital and demonstrate the quality and credibility of these loans in the marketplace.

Clean Energy Works Oregon – Large Buildings

Clean Energy Works Oregon – Large Buildings is a flexible, project-by-project financing approach that leverages private equity capital, state tax credits, public purpose funds, Oregon’s Small Scale Energy Loan Program (SELP) debt and commercial credit. Each financing will have four criteria:

- Federal funds are leveraged by at least 5:1;
- Energy bill savings are self-supporting of the complete project finance package;
- A grant mechanism that will be used only as a last resort, and only when it will result in high impacts and financial leverage; and
- A long-term contract for monitoring and verification of the building’s energy performance is in place and transparent to all financial partners.

We propose to achieve DOE’s goal of market transformation in the commercial building sector through the collection and compelling dissemination of building energy savings data that demonstrate reliable and predictable energy savings and increased building cash flow. These data are critical to enticing broader private capital participation. The commercial offerings will explore different transaction structures such as carbon finance, long-term power purchase agreements (PPAs) of verifiable energy efficiency, subordinated debt and first-loss provision credit enhancements.

Figure 2. Geographic Reach of Clean Energy Works Oregon



Multi-Jurisdictional Approach

Clean Energy Works Oregon will reach a diverse selection of communities throughout Oregon. It will include the Portland metropolitan region, including jurisdictions in Multnomah, Clackamas and Washington counties, which combined house 43 percent of the state’s population. In addition, Clean Energy Works Oregon will extend to Eugene and to more rural parts of the state including Astoria, Hood River and the Southern Central Oregon Economic Development District in Lake and Klamath Counties. Figure 2 shows the geographic reach of Clean Energy Works Oregon.

The Oregon Department of Energy (ODOE) is the implementing agency for Oregon’s innovative Energy Efficiency and Sustainable Technology Act (EEAST),

passed in the 2009 legislative session. EEAST mandates the development of energy efficiency retrofit pilots around the state of Oregon. It encourages utility on-bill repayment that “runs with the meter” and enables local governments to finance energy efficiency retrofits through a combination of municipal bonding and property tax bill repayment, now commonly referred to as property assessed clean energy (PACE). EEAST provides the policy framework for transforming the market for energy efficiency retrofits in Oregon; it establishes the platform for replicating the successes of Portland’s program.

Clean Energy Works Oregon will implement Oregon’s first PACE program in Hood River County, which will serve as a template for other communities in the state. Astoria, southern Oregon and jurisdictions throughout the Portland metro area will offer utility on-bill repayment for residential and small commercial energy retrofits. Eugene will focus on gap financing for retrofitting a significant proportion of commercial buildings in its downtown core.

ODOE has led the identification and vetting of communities committed to join Clean Energy Works Oregon and will facilitate participation by smaller entities that are ready to implement PACE and on-bill programs. This partnership between ODOE and Portland maintains momentum for Portland’s existing program while engaging new communities throughout the state.

Innovation and Market Transformation

In addition to introducing a suite of new financing mechanisms across a wider geographic range and to a broad spectrum of building types, Clean Energy Works Oregon will build upon the Portland pilot with the addition of several elements to enhance the program’s transformative potential. These new program elements include:

Monitoring and verification of energy savings. On the residential and small building side, the partnerships with private and public utilities will afford CEWO the ability to access usage and performance data of participating homes and businesses. On the large building side, the approach features long-term contracts of monitoring and verification.

Communication of verified energy savings information. Through the Energy Advocate services and integration with utility demand response and smart meter programs, verified energy savings information will be analyzed and communicated to building owners and tenants.

Neighborhood-based outreach and service delivery. Key to achieving high levels of participation, this will achieve economies of scale through activities such as bulk purchasing and efficient field operations while leveraging the power of community-based organizations to galvanize community interest in saving energy and reducing carbon emissions.

Integration with an Energy Performance Score (EPS). Clean Energy Works Oregon will engage with the statewide effort to provide a common energy performance metric for homes (EPS), directed by 2009 Oregon legislation. A common metric for home performance helps consumers, appraisers, realtors and others in the value chain linking energy efficiency to value.

Support services for businesses and utilization of high-quality training programs. Clean Energy Works Oregon will quickly prepare a qualified workforce while maximizing job quality and business opportunities for diverse communities, including historically underserved populations such as low-income residents, minorities and women.

To deliver a program that is integrated, consistent, efficient, scalable and readily replicable, we will explore the creation of an entity that would serve as a platform for aggregating capital and program delivery for Clean Energy Works Oregon. This entity would manage and deploy funds on behalf of participating jurisdictions and would help manage risks posed to governments by the leverage requirements of this funding opportunity.

MERIT CRITERION 1: LEVERAGING AND SUSTAINABILITY

Clean Energy Works Oregon – Homes and Small Buildings

Clean Energy Works Oregon will originate conforming energy efficiency loans collected via utility bills and secured as necessary through property tax assessments. Portland will create a unified loan origination and service delivery platform serving participating communities. To achieve long-term financial sustainability, Clean Energy Works Oregon will pool and securitize these conforming single-family and small commercial energy efficiency loans and arrange their sale to secondary financial markets. Liquidity and capital replenishment cannot occur without access to these markets. The current market for these types of securities is not well established. By creating a standardized loan product that is bundled statewide and then credit-enhanced, market transformation can occur through a series of measured steps that ultimately build a reliable secondary market warranting subsidization that declines to zero over time.

Local Leverage Committed and Ready for Deployment

Multiple jurisdictions have lined up to leverage the proposed federal investment. The City of Portland is committed to exploring the issuance of municipal bonds. Portland Development Commission has committed \$15 million over the three-year grant period. Metro-area governments, including Portland, Clackamas County, Hillsboro, Gresham, Lake Oswego and Multnomah County are contributing formula EECBG funds totaling \$3 million. The State of Oregon has projected \$5 million of grant funds from the Oregon Lottery. Energy Trust has committed more than \$24 million in incentive dollars over the three-year grant period. Combined, these funds total almost \$50 million in local leverage.

Leverage through Secondary Markets

Clean Energy Works Oregon will market energy efficiency securities much like car loans and mortgages – to secondary market investors with the assistance of investment banks. To facilitate sales, a credit enhancement will be provided to the purchaser of the security. In the event that a securitized loan defaults, the credit enhancement offers a “buy-back” provision for that loan at its original value. Credit enhancement would cover up to 10 percent of the overall value of the underlying loans in the security. We anticipate default and delinquency rates will mirror those of historic utility default rates. Utility bill default rates are well below 2 percent of the total. Ten percent credit enhancements to cure any non-performing loans should be more than adequate to move the market. Credit enhancements should be phased out over time as this product proves efficient and effective.

The existing securities market for items like car loans and home mortgages did not develop overnight. We recognize that market transformation takes time and a series of deliberate steps. Our approach is measured. It leverages foundations, governments and other impact investors as initial secondary markets to help substantiate the value of the energy efficiency security through the collection of performance data.

By year two, initial purchasers of these securities are expected to include foundations and local and state governments. As shown in their letter of commitment, Living Cities has expressed interest in making such an investment. EEAST enables municipalities to use their bonding authority to create PACE programs, which present another option for take-out financing.

The secondary market for these securities will eventually include commercial banks, private entities and institutional investors. These investors will likely enter when the market has matured. Achieving a market rate of return, appropriate scale and predictability of income from the underlying asset pool is required to induce these market participants. We anticipate this to occur after the collection of two to three years of performance data and a minimum of \$10 to 50 million of loans originated.

Quality Control and Market Pull to Attract Capital

One of the greatest barriers to accessing private capital is the perception held by mainstream financial institutions that these investments do not have a proven track record of performance. Removing this barrier requires demonstrating that these retrofits generate predictable cash flow and portfolio performance. Quality work ensured by credentialed weatherization workers and BPI-certified contractors, coupled with ongoing measure-

ment and verification of the actual energy savings data, is the critical combination to proving performance. Reliable data coupled with credit enhancements provide the key to unlocking broader private capital markets and the increased liquidity afforded under them.

Private capital will be further attracted by market pull mechanisms like Energy Performance Scores that motivate sellers to take action. Creating market pull is critical to program cost-effectiveness because it doesn't rely exclusively on investments in demand creation.

Credit Enhancement

In addition to serving as the source of \$12 million in initial loan origination funds, federal grant funds will also provide funding for credit enhancements necessary for sale of energy efficiency securities to secondary markets. Approximately \$4.5 million of federal funds will be used for this purpose to show proof of concept. It is anticipated that a credit enhancement of approximately 10 percent of the underlying value of each security will be required. Using this amount of credit enhancement, we anticipate creating at least \$45 million in loans originated by the end of the project period.

Clean Energy Works Oregon – Large Buildings

Retrofits to large commercial buildings do not provide for the same level of conformity and standardization of financial products as homes and smaller buildings. The proposed approach of Clean Energy Works Oregon – Large Buildings reflects the varying nature of this market segment by providing a flexible, project-by-project, structured finance offering that leverages private capital and public incentive dollars. Commercial projects in Oregon are eligible to receive a variety of financial inducements including Energy Trust incentives, state Business Energy Tax Credits, consumer-owned utility efficiency rebates and/or ODOE SELP debt. These tools are used in addition to traditional sources of project finance like private equity, host capital improvement budgets and commercial credit.

Financial products will include credit enhancements for portions of debt, senior and subordinated secured and unsecured gap financing, near-equity funding with recapture provisions, carbon monetization, and energy efficiency power purchase agreements. Each project will be structured to achieve maximum leverage of federal dollars. Projects will be required to meet minimum levels of energy savings per dollar invested and will submit to ongoing monitoring and verification by a third party. As indicated in its letter of commitment, McKinstry & Co., a leading third-party provider of monitoring and verification, fully supports this proposal and indicates a willingness and ability to participate in the financing of these projects.

MERIT CRITERION 2: PROJECT IMPACT

Economies of Scale and Critical Mass

Clean Energy Works Oregon will achieve economies of scale by growing its operations both geographically and demographically. The initial model represented by Clean Energy Works Portland will extend throughout the Portland metro area as well as to Astoria, Hood River and southern Oregon. Within these communities, neighborhood-based outreach will play a key role in enlisting a much higher percentage of residential and business participation than conventional programs. To date, Clean Energy Works Portland has engaged broad interest from community-based organizations. These trusted groups are responsible for recruiting 20 percent of the homes in the first year of the program. Neighborhood-based outreach is discussed in more depth in Merit Criterion 3: Project Approach on page 13.

Clean Energy Works Oregon will broaden Portland's demographic reach, moving beyond single-family residential homeowners to serve tenants in commercial and multifamily buildings and owners and managers of large commercial, industrial and institutional properties. EEAST legislation enables a powerful solution to the split-incentive problem that has historically been a barrier to accomplishing energy efficiency improvements in tenant-occupied buildings. By allowing loan obligations to "run with the meter" (on-bill) and "pass with the property" (PACE), neither building owners nor tenants have to come up with the upfront investment to pay for improvements. Tenants receive the utility bill savings and, when occupancy changes, the new

tenants assume both the obligation and the benefits.

Critical mass will result from the aggregation of consumer loans and the sale of these loans into the secondary market. Clean Energy Works Oregon, as a platform for aggregating loans, will realize economy of scale benefits that would likely never accrue if each community attempted to run its own unique revolving loan fund. CEWO will reduce transaction costs and will achieve the volume of loans necessary to create a portfolio of sufficient size to be of interest to the secondary market.

Risks to consumers are mitigated because measures eligible for financing produce savings that are generally estimated to be equal to or greater on an annual basis than loan repayment amounts. Clean Energy Works Oregon provides consumers with a hedge against rising energy costs. CEWO will feature low-interest loans, resulting from long amortization periods enabled by the utility or property tax bill repayment mechanisms. Over time, as CEWO proves the predictability of energy savings to help cover debt service and demonstrates low consumer default rates, risk to the secondary market will be reduced. This will eventually bring down the cost of consumer loans. The risk of increased foreclosure rates is also reduced or eliminated through the use of a cash credit enhancement that accompanies secondary market sales.

Ongoing Consumer Education to Ensure Permanence of Energy Savings

The measures that Clean Energy Works Oregon will finance do not address some occupant behaviors that tend to increase energy use. To ensure long-term energy savings, Clean Energy Works Oregon will pair financing with offerings that educate and empower building occupants to understand and take control of energy using behavior. Examples include the Energy Advocate, whose role includes providing energy education to participants, smart meter integration and technical resources for businesses.

Quantitative Impacts

Clean Energy Works Oregon will:

- Create and retain approximately 11,000 career-pathway jobs;
- Retrofit 76,000 homes and small businesses and over 1,100 commercial buildings, representing nearly 42 million square feet of commercial space;
- Catalyze over \$1 billion of economic activity in the state of Oregon;
- Save 3.6 million MBTUs annually for measure-life savings of 67 million MBTUs; and
- Reduce carbon dioxide emissions by an average of 32,000 metric tons annually for measure-life reductions of 7.1 million metric tons.

Portland seeks \$75 million from DOE to achieve these impacts. Figure 3 below provides an overview of the funds necessary to achieve these impacts, including Portland’s leverage.

Figure 3. Clean Energy Works Oregon Budget Overview

	YEARS 1-3
Uses of EECBG Funds	
CEWO–Homes and Small building operating costs	\$20,900,000
CEWO–Large Buildings operating costs	\$1,500,000
Sub-awards (State of Oregon and City of Eugene)	\$16,100,000
CEWO–Homes and Small Buildings loans	\$11,800,000
CEWO–Homes and Small Buildings credit enhancement	\$4,500,000
CEWO–Large Buildings gap financing	\$20,200,000
TOTAL USES	\$75,000,000

Replicability and Transferability

Clean Energy Works Oregon provides a model energy efficiency retrofit program that is fully integrated, collaborative, scalable and efficient. CEWO embraces aggregation principles and economies of scale by providing a central communication, marketing, administrative, loan origination and capital assembly platform for energy efficiency retrofits that can be easily replicated across the country, and is not reliant on any unique jurisdictional aspects or incentives. Similarly, Portland’s Community Workforce Agreement provides a replicable template that can be adapted to other communities. Clean Energy Works Oregon will demonstrate its replication possibilities through implementation in geographically and demographically diverse Oregon communities within the Portland metro area and beyond. It should be underscored that this model is proving itself in Oregon, with low energy prices and mild climates, making it even more transferable anywhere.

	YEARS 1-3
LEVERAGED RESOURCES	
Local funds from CEWO partners	\$25,000,000
CEWO-Homes and Small Buildings	
Energy Trust incentives	\$12,000,000
Weatherization Assistance Program	\$2,500,000
Secondary markets (public bonding, foundations)	\$108,700,000
CEWO Large Buildings	
Energy Trust incentives, Oregon tax credits	\$92,800,000
Senior debt	\$40,400,000
Host capital and vendor financing	\$80,800,000
SUBAWARDEE LEVERAGE	
State of Oregon	\$50,000,000
City of Eugene	\$25,000,000
TOTAL LEVERAGE	\$437,200,000
Leverage ratio in years 1-3	5.8
Leverage ratio including years 4-6	9.8

Figure 3. Clean Energy Works Oregon Budget Overview continued

Portland has a history of program and policy innovation. Governments and organizations from around the world regularly visit Portland to learn about the city’s efforts to inform similar strategies and programs in their own communities. Portland has consistently provided these jurisdictions with full transparency of our efforts, including our successes, failures and lessons learned. Portland is committed to sharing its the Clean Energy Works Oregon model with jurisdictions across the country including communication and marketing strategies, innovative financial tools and capital aggregation methodologies, monitoring and verification, collaborative public-private partnerships and service delivery approaches. Portland and the CEWO partners would be pleased to present at conferences, publish reports and evaluations, provide materials and otherwise share its experience formally and informally.

MERIT CRITERION 3: PROJECT APPROACH

Oregon’s collective experience in energy efficiency over the past 25 years has confirmed that upfront cost is likely the single biggest obstacle to energy retrofits. But while it is clearly necessary to address cost, that alone is not sufficient.

To succeed at scale, the energy retrofit market must also address the “soft” problems of implementation, habit and convenience. The common practice of advising consumers to seek three bids from contractors, for example, often results in homeowner paralysis. Consumer distrust of home improvement contractors is a significant factor as well. In older neighborhoods, homeowners also often encounter larger structural issues in their homes that are expensive to resolve. This typically ends up preventing or delaying investments in energy efficiency upgrades.

On the commercial side, payback periods rule the decision process. Often, any investment with a payback period longer than seven years is problematic for building owners and managers. Access to commercial credit is generally very difficult in today’s economic climate, particularly on energy retrofits that are difficult to secure with traditional approaches to collateral. Proof of predictable, stable and reliable energy savings and cash flow will move the market and is central to the CEWO approach.

Our experience has demonstrated that measure adoption is most effective when energy efficiency programs are simple and convenient. Simply conducting a home energy audit and leaving information behind for

homeowners to act on yields only incremental results. Energy efficiency measures are much more likely to be implemented when programs offer “hand-holding” throughout the process. Portland pioneered this approach with the Multifamily Assistance Program (MAP), which influenced apartment managers and owners to undertake investments in energy efficiency in more than 40,000 apartment units, primarily by offering to handle all of the administrative paperwork for them. MAP was a statewide partnership of Portland General Electric, Pacific Power, Energy Trust of Oregon, Oregon Department of Energy, Energy Trust of Oregon and the City of Portland.

Based on this past experience, Portland sought to create an energy efficiency financing program that eliminates the upfront cost barriers with a service delivery model that alleviates consumer confusion and apprehension around energy retrofits and dealing with contractors. The philosophy behind Clean Energy Works Portland puts the customer experience at the forefront of program design and delivery.

Clean Energy Works Portland is a pioneering program that currently offers homeowners access to low-cost, long-term financing for energy efficiency improvements to be paid back on NW Natural, Pacific Power and Portland General Electric utility bills. Measures eligible for financing include basic weatherization: air sealing, duct sealing, duct insulation and floor, wall and ceiling insulation; upgrades for high efficiency gas furnaces and high efficiency heat pumps; and upgrades for high efficiency electric and gas water heaters. The pilot phase of the program will complete 500 loans by mid-2010.

The program started conducting home energy assessments in the summer of 2009 and the loan applications are steadily coming in. As of early December 2009, ***CEWP has closed 23 loans, with an average loan amount of \$9,600 and an average interest rate of 5 percent. This represents a 59 percent close rate within a four-month timeframe.*** By contrast, standard residential program offerings from Energy Trust (e.g., a walk-through audit, no Energy Advocate and no financing) have achieved conversion rates of 30 percent within two years for single measures. These initial results strongly suggest that the Clean Energy Works Portland model makes a difference in moving the market for energy retrofits.

Clean Energy Works Portland serves as the model for Clean Energy Works Oregon – Homes and Small Buildings. The basic program elements – funding structure, service delivery, marketing and outreach and workforce development – will be integrated into additional communities in Oregon. Additional program elements, such as monitoring and verification, neighborhood-based outreach, integration with Energy Performance Scores and permitting assistance, will strengthen the core offering and cement the opportunity for market transformation. The specifics of our program approach for the residential and small commercial sectors are discussed in more depth in the sections below.

Clean Energy Works Oregon – Large Buildings represents further innovation in energy finance to address the issues specific to larger commercial, industrial and institutional facilities. The program approach for these building sectors will be discussed in more depth in the sections below.

Clean Energy Works Oregon – Homes and Small Buildings

As in the Portland program, Clean Energy Works Oregon – Homes and Small Buildings will offer residents and small building tenants access to low-cost, long-term financing for energy efficiency improvements to be paid back on utility or property tax bills.

During the grant period, Clean Energy Works Oregon – Homes and Small Buildings will retrofit 16,100 buildings, resulting in 1,300 jobs. Beyond the grant period, an additional 4,100 jobs will be created and nearly 60,000 more retrofits completed.

Service Delivery

Energy Trust of Oregon, through its program management contractor, Conservation Services Group, Inc., oversees service delivery and field operations for Clean Energy Works Portland. Energy Trust introduced Home Performance with Energy Star (HPwES) to Oregon in 2005 with initial training and infrastructure development; in 2006 consumer facing efforts launched. Energy Trust has built a substantial trade ally

network of Building Performance Institute-certified Home Performance contractors with approximately 50 contractors statewide. In designing the Portland pilot, we began with Energy Trust's existing HPwES program and then introduced innovations to address the known barriers. From the consumer perspective, Clean Energy Works consists of the following steps:

1. Homeowners sign up for a home energy assessment through a central web portal or phone call.
2. Energy Trust schedules the assessment to be performed by a BPI-certified contractor and provides an Energy Advocate to help the homeowner through the process.
3. Homeowners choose which energy efficiency options best meet their needs and obtain the necessary financing.
4. Contractors and Energy Advocates arrange to have the energy efficiency improvements made.
5. Homeowners pay nothing up front. Repayment takes place via their utility bill.

Ensuring Quality Control through BPI Certification and Energy Advocates

The Energy Advocate is one of the unique elements of the CEWO program. Energy Advocates are BPI-certified and are intimately familiar with HPwES. The Energy Advocate role is to help homeowners understand their options with respect to energy efficiency measures, associated savings and financing options. The Energy Advocate evaluates contractor bids for fairness and offers basic education around energy-saving behaviors. The Energy Advocate also assists contractors in collecting data during the Home Performance test-in and test-out. Energy Trust's experience to date suggests that one of the shortcomings of the HPwES program is low-quality field data. In these nascent stages of market development for home performance, contractors benefit from this type of assistance. Since the security of these loans is predicated on the quality and predictability of the energy savings data, this function is crucial.

The quality of the contractors performing the work in participants' homes and businesses is critical to the customer experience and therefore to the uptake of energy efficiency measures. Only BPI-certified contractors with an outstanding record of customer satisfaction and quality assurance are selected to participate through a competitive RFQ process. Using contractors who are BPI-certified provides maximum value to the homeowner and the program as they are trained for a more comprehensive approach to building retrofits. Contractors will be required to hire from qualified training programs, bolstering consumer and investor confidence in Clean Energy Works Oregon.

Utility bill payments add convenience for the consumer and also connect investments in energy retrofits to the savings more concretely in the consumer's mind. Utility company participation with CEWO also allows for valuable data mining to inform the effectiveness of energy retrofits and provides an additional delivery mechanism for the utilities to distribute demand response and smart meter technologies. Utility bill default rates well below 2 percent are also very beneficial to accessing private capital.

One of the challenges in designing a customer-centric approach to delivering energy retrofits is presented by fragmentation of weatherization funding and program delivery. Clean Energy Works Portland has addressed this by creating a communications and referral process between the program and Multnomah County, the local provider of the Weatherization Assistance Program (WAP). Identified by self-reported household information gathered through the online customer intake process, potential WAP clients are offered the opportunity to investigate whether WAP makes more sense than taking out a loan. WAP applications bearing the Clean Energy Works Portland logo are available from the program's website. Multnomah County has agreed to give priority to applications with this logo. Clackamas County, a key partner in this proposal, has one of the top-performing model weatherization programs in the country. Clackamas County intends to replicate this process. As Clean Energy Works Oregon expands to additional communities, this process will be replicated wherever possible.

Residential Workforce Development – Ensuring Quality of Work and Quality of Jobs

As the *Recovery Through Retrofit* report points out, a significant barrier to scaling the energy efficiency industry is access to a highly skilled workforce. To address this need Clean Energy Works Portland early on engaged our Workforce Investment Board, organized labor and community-based organizations. One of

the results of these efforts is the Community Workforce Agreement, a groundbreaking document signed by unions, community-based organizations, faith groups and others.

The Community Workforce Agreement, now a centerpiece of Portland's jobs strategy, aims to deliver a highly skilled workforce and family-supporting jobs while maximizing opportunities for social equity, health coverage and diversity in workforce and business participation.

The agreement specifies that contractors in Clean Energy Works Portland be Home Performance with Energy Star BPI-certified, pay prevailing wage or 180 percent of state minimum wage (whichever is higher) and hire weatherization employees from qualified training programs. In addition, contractor pools are established with preference for exemplary quality control and customer service, a track record of hiring or retaining underserved populations, or plans for welcoming diversity, and other community benefits such as health insurance or pre-apprenticeship programs.

Qualified Training Programs Bolster Quality

To certify skilled workers quickly for the ramp-up, Clean Energy Works Oregon will qualify training programs that:

- Provide weatherization training using curriculum developed by an accredited organization to meet DOE standards and any additional specifications and standards designated by ODOE and Energy Trust;
- Have at least three defined partnerships with state recognized pre-apprenticeship programs or signatory community organizations that serve historically disadvantaged populations; and
- Offer mentoring, follow-up monitoring and/or other support to assure retention of participants.

In anticipation of these requirements, providers such as the Laborers Training Program have invested in establishing hands-on training facilities and instructor development so that they will be able to meet training demands as needed. Their program uses curriculum developed by an accredited organization (LIUNA Training and Education Fund) based on DOE Core Competencies. Likewise, the Pacific Northwest Carpenters Institute has launched its training programs in alignment with these objectives.

Training and Business Support Investments Solidify Labor and Contractor Supply

To develop and maintain a qualified workforce that is representative of the demographics of the community and provides access to workers historically underrepresented in construction and the trades, a training fund will be developed. The fund will combine leveraged resources with grant funds to support the ongoing costs of outreach and recruitment, assessment, skill development, occupational training, and job placement of job seekers through WorkSource, the public workforce investment system.

WorkSource will work with area non-profits and the Community for Equity, a collaboration of community-based organizations, training providers, labor unions, weatherization contractors and other employers, to develop a pipeline of skilled workers. The training fund will support a comprehensive and integrated program with multiple entry points to assist job seekers at any skill level to move into career-track employment in construction.

Pre-apprenticeship programs, community colleges and organized labor will be the primary providers of training, with some training provided by industry. The availability of both support and training services will help participants overcome barriers and improve access for underserved populations. Upon completion of training, placement staff from WorkSource and partner organizations will secure employment for graduates. The project will sustain a constant flow of placement opportunities through First Source Hiring Agreements, public contracting opportunities, social enterprise employers, minority contractors and coordinated training agreements. Job retention will be supported by the case managers who recruited and assessed participants and by WorkSource resources.

With a strong residential weatherization component, Clean Energy Works Oregon will offer significant

entry-level opportunities. Workers can continue on career pathways that lead to multiple skill levels in other parts of the construction industry such as large commercial work and extended installations like solar and windows. Figure 4 below shows the career pathways enabled by Clean Energy Works Oregon.

Figure 4. Clean Energy Works Oregon Career Pathways



Likewise, coordinated business support services help build a diverse pool of contractors to meet the goals of the Community Workforce Agreement. Business support services include:

- Outreach to inform new and emerging businesses about Clean Energy Works Oregon;
- Tools to help develop capacities to respond to the competitive contractor application process;
- Working capital loans; and
- Technical assistance with reporting requirements.

The Portland Development Commission, Portland’s economic development agency, is establishing a loan guarantee program to support banks that provide lines of credit to small contractors participating in Clean Energy Works. This new credit product will address working capital issues that plague small contractors.

Financing

In the current Portland program, energy retrofits are financed through Portland’s EECBG formula allocation and general fund support. With this initial capitalization, the pilot will serve up to 500 homes. Participating consumers obtain below market interest rates averaging 5 percent, with 20-year amortization periods.

The financial model is founded on realizing a predictable revenue stream from verified energy savings. The loan origination fund is designed to be self-sustaining, as individual loans are aggregated into a portfolio and sold into the secondary loan market. It is designed to enable the participation of borrowers across a wide range of incomes and credit quality. The fund manages the risk of lower income and lower credit with adequate loan loss reserve and credit enhancement provisions.

Currently, loans are due upon time of sale, meaning that the loan obligation does not transfer with the home. This enables the funds to be recovered and redeployed more rapidly, while also signaling that these improvements can and should be recognized in home values. CEWO implementation of EPS will also augment this awareness and market pull feature. As the EEAST provisions that enable loans to “run with the meter” take effect, the most financially sound and customer-centric approach to loan obligation transfer and take-out will be implemented.

The financial structure of Clean Energy Works Oregon – Homes and Small Buildings is discussed in detail in

Merit Criterion 1: Leveraging and Sustainability on page 5.

Marketing and Outreach

The Clean Energy Works Portland customer-centric value proposition includes:

- No upfront, out-of-pocket costs;
- Projected energy savings help cover the costs of the improvements;
- Convenience of repayment on utility or property tax bills;
- Highly-trained Home Performance contractors will perform quality work; and
- Hand-holding, quality assurance and customer service from the Energy Advocate.

This value proposition will be reinforced in every promotional vehicle used by Clean Energy Works Oregon. These include email, direct mail, advertising, event sponsorship, utility bill inserts and continued public relations to build word of mouth credibility. Clean Energy Works Portland has received extensive coverage in local and national media. Based on earned media alone, nearly half of the available spots in the pilot are subscribed.

To enhance trust among prospects, Clean Energy Works Portland is partnering with select organizations to execute a neighborhood-based approach to outreach. Community-based organizing is well-established in Portland. Community organizations are natural mobilizing entities familiar with the communities they serve and are deeply rooted in neighborhoods. Clean Energy Works Oregon will rely on the organizing expertise and neighborhood contacts of these groups, many of which have been partners in Portland's pilot. Targeted DOE funds will extend their organizing capacity. This community-based approach will be adapted and expanded in other jurisdictions.

As the program scales throughout the Portland region and elsewhere in Oregon, utility partnerships will be leveraged along with the mapping resources of regional planning agencies, including Portland's Bureau of Planning and Sustainability. Neighborhoods will be selected for Clean Energy Works Oregon by analyzing energy consumption and intensity patterns and overlaying key social and economic filters, such as urban renewal areas. To inspire competition between neighbors and neighborhoods, utility usage comparison data provided by O Power will be tested in 2010 for possible rollout going forward.

The importance of contractors as key message deliverers should not be understated. An incentive system will motivate local contractors to recruit potential customers. All outreach activities will direct interested consumers to a centralized web portal, which will be leveraged by all participating jurisdictions. As this approach scales statewide, it should achieve 10-25% retrofit penetration within defined geographic boundaries.

Monitoring and Verification

For residential and small commercial participants in Clean Energy Works Oregon, monitoring and verification will primarily occur through utility billing analysis. Because of the partnerships with local utilities established through Clean Energy Works Portland, the mechanisms and processes for monitoring and verification are already in place.

Clean Energy Works Oregon is an excellent vehicle to expand demand response participation. While in homes and businesses, Energy Advocates may facilitate installation of onsite control equipment on appliances. In addition, PGE is currently installing smart meters throughout its service territory. These meters will allow increased interval data collection and monitoring, an important feature in ensuring that energy savings are maintained. Clean Energy Works Oregon plans to work with PGE to access available interval usage data to provide consumer guidance to maximize energy savings.

Energy Performance Scores

The lack of a standard metric and label for consumers to understand energy performance of the buildings

they own or rent or otherwise occupy presents a significant barrier toward market development of energy retrofits. Oregon is currently developing an Energy Performance Score (EPS) metric for use statewide, as directed by 2009 legislation. The EPS has been field tested in a pilot conducted by Earth Advantage, Energy Trust of Oregon and Conservation Services Group (CSG). This effort conducted scores on 300 homes using four different methodologies. Scores will be conducted on all CEWP homes using a refined version of the leading methodology in coordination with the statewide standard.

In its pilot phase, Clean Energy Works Portland uses “Home Check” software to do the before and after energy performance assessments. Because of these similarities in service delivery mechanisms, we anticipate seamless integration of EPS into Clean Energy Works Oregon.

The goal of advancing commercialization of an EPS is to signal to markets that energy efficiency can and should be linked to asset valuations. As greater energy efficiency begins to translate into higher asset prices, self-interest will begin to drive broad-based market participation, adoption, interest and private financing for energy efficiency retrofits, supporting market transformation.

Clean Energy Works Oregon – Large Buildings

The Clean Energy Works Oregon – Large Buildings program model will be delivered in cities throughout Oregon, tailored to the circumstances and strengths of the community. Viable projects in a variety of building types have been identified across Oregon that show feasibility for successful energy efficiency retrofits, including commitment from key partners backing the projects. Eugene will pilot a coordinated, multiple building downtown execution model that may be adapted statewide. Inadequate access to capital financing for these projects is the primary barrier to implementation of many projects.

During the grant period, CEWO – Large Buildings will retrofit over 600 buildings, representing 21 million square feet of commercial space, and create 3,600 high-wage jobs. Beyond the grant period, another 423 buildings will be retrofitted (21 million more square feet), creating 2,000 additional jobs.

The examples below are illustrative of the types of projects that will be implemented through CEWO – Large Buildings.

The Oregon Health and Science University. As Portland’s largest private employer, OHSU is a prestigious primary provider of urban healthcare and a leading health and research university. Driving efficiencies and reducing costs in the nation’s healthcare industry is a major opportunity nationally, and OHSU’s energy efficiency initiatives can be widely replicated. OHSU is embarking on a comprehensive, campus-wide energy retrofit project with Gerding Edlen Sustainable Solutions and McKinstry Co., with the goal of reducing overall energy consumption by approximately 25 percent. The \$28-million project will create 420 direct jobs and will comprehensively upgrade building infrastructure systems in 2.8 million square feet of mixed used space over 34 buildings. The upgrades will address lighting, controls, HVAC, building envelope and will leverage multiple funding streams.

The Oregon University System. The Eco-Campus project could create 4,431 family-wage jobs within its seven geographically diverse University communities. The project would retrofit university buildings to provide an average 23 percent improvement in energy efficiency and a system-wide reduction in carbon emissions of 49,000 metric tons of CO₂/yr, resulting in a net cost savings of \$146 million over 15 years. The Eco-Campus model provides a replicable approach to financing deferred maintenance and cost-effective energy retrofits for higher education institutions. CEWO large buildings could provide a financial catalyst to get this entire project rolling.

Housing Authority of Portland. HAP is planning a full retrofit of two multifamily buildings, totaling 195 units for very low-income individuals. This combined \$23 million project will extend the useful life of each building by at least 50 years. HAP has conducted building assessments and design work necessary to begin work by late fall 2010. Both projects will strive to achieve net-zero energy use through an aggressive design that includes the replacement of the building envelope, systems, and renewable energy generation. Should these projects be selected, CEWO – Large Buildings would provide a low-interest loan up to 20 percent of the total project cost. The

remaining funds would come from low-income housing tax credit equity, BETC, Energy Trust incentives, foundations and HAP equity. HAP's projects are typical of affordable housing projects built from 1950 to 1980. They are prime candidates for gap financing that will enable cost-effective energy efficiency upgrades.

In this application, Portland and its partners are committed to an open, transparent and competitive process for screening and selecting projects that meet the goals outlined under Clean Energy Works Oregon – Large Buildings.

Financing

As discussed in Merit Criterion 1: Leveraging and Sustainability (see page 5), Clean Energy Works Oregon will provide a flexible, project-by-project, tailored structured finance product that leverages existing private capital and public incentive dollars. Each financing will have four criteria:

- Federal funds are leverage by at least 5:1;
- Energy bill savings are self-supporting of the complete project finance package;
- A grant mechanism that will be used only as a last resort, and only when it will result in high impacts and financial leverage; and
- A long-term contract for monitoring and verification of the building's energy performance is in place and transparent to all financial partners.

The commercial offerings will explore different transaction structures such as carbon finance, long-term power purchase agreements (PPAs) of verifiable energy efficiency, subordinated debt and first-loss provision credit enhancements.

The proposed approach reflects the varied nature of this market segment by providing a customized finance offering that maximizes leverage and engages deal structures flexibly to unlock the overall financing. Commercial projects in Oregon are eligible to receive a variety of financial incentives including public purpose funds administered by Energy Trust of Oregon, state Business Energy Tax Credits, and consumer-owned utility efficiency rebates in addition to private equity, host capital improvement budget and commercial credit.

Eugene's pilot provides staff to serve as an interface between the customer and the various financing and incentive programs offered by project partners. These staff tailor the package to the specific needs and circumstances of the customer. This approach will be adapted in other areas served by consumer-owned utilities.

Monitoring & Verification

Each project financed by Clean Energy Works Oregon – Large Buildings will require the long-term monitoring and verification of energy performance data and reporting of this data on an annual basis. This data will be used to compare projected energy savings at the onset with actual energy savings over time, translated into the impact to project cash flow. By demonstrating predictability of energy savings and cash flow through the collection of this data, the broader private capital markets will begin to view energy efficiency upgrades as "bankable" and therefore willing to lend on projected energy savings alone. Transparent monitoring and verification services is the key to market transformation in the energy efficiency retrofitting of the broader commercial real estate market.

Eugene Water and Electric Board's M&V process is well-established and serves as a successful model for commercial projects in other parts of the state.

Commercial Workforce Development

Large commercial projects offer significant opportunities to employ currently idle construction workers. In addition, as shown in Figure 4 on page 12, large commercial projects offer multiple, higher-salary pathways for workers moving along the residential and low-middle skill continuum. The project-based contractual

agreements in CEWO – Large Buildings will include standards for job creation, workforce diversity and business participation that derive from Portland’s Community Workforce Agreement. With financing and development partners positioned to move quickly, these projects will activate thousands of jobs to provide immediate employment.

MERIT CRITERION 4: PARTNERSHIP STRUCTURE AND CAPABILITIES

Portland and Oregon have a distinguished track record of delivering energy efficiency and conservation programs and services. Oregon’s energy policy dates back to 1979, and Oregon’s statewide building code requires energy performance that exceeds the ASHRAE Standard 90.1-2004, *Energy Standard for Buildings Except Low-Rise Residential Buildings*.

In 1999, the Oregon legislature created Energy Trust of Oregon as the state’s public purpose fund administrator. Energy Trust launched in 2002 and today is charged with delivering between 200 and 244 average megawatts of electric energy savings and between 8.5 million and 19.4 million annual therms of natural gas between 2009 and 2013, saving Oregon rate payers \$440 million a year. Oregon’s electric utilities are national leaders in renewable power, coming in second and third in DOE’s ranking of top ten utility green power programs. NW Natural recently introduced its SmartEnergy product which pairs retail natural gas purchases with carbon offsets.

In Portland, local energy policy dates to 1979, when the City adopted an energy policy prioritizing efficiency and renewables. In 1993, Portland became the first local government in the U.S. to adopt a strategy to address climate change, the Carbon Dioxide Reduction Strategy. For 17 years, Portland managed the Multi-family Assistance Program, which helped weatherize over 40,000 apartment units throughout the state. The City also pioneered Portland’s green building program, which has helped transform local building practices: In 2007 and 2008, more than half of all commercial new construction square footage achieved LEED certification. In 2009, Portland and Multnomah County adopted a new Climate Action Plan that responds to the need to accelerate efforts to reduce carbon emissions and called for establishing Clean Energy Works Portland. Clean Energy Works Oregon builds on this long history and is the latest effort in energy efficiency from a region that has been delivering innovations in energy programs for more than three decades.

Multiple public- and private-sector organizations began collaborating in 2008 to establish Clean Energy Works Portland. City of Portland, Multnomah County, PGE, Pacific Power, NW Natural, ShoreBank Enterprise Cascadia, Energy Trust of Oregon, Conservation Services Group, Inc, Home Performance Contractors Guild of Oregon, WorkSystems Inc., Portland Development Commission, Green For All and representatives from organized labor, training providers and community-based organizations have accomplished an enormous amount in a short time. In less than a year, we have moved from concept to program design to pilot launch. Hundreds of participants are enrolled with less than \$5,000 spent on marketing. Customer testimonials have been overwhelmingly positive.

“From the initial assessment, through decisions about how to proceed, the actual work phase, and the follow up quality assurance, everyone we’ve worked with has been friendly, competent, helpful and responsive.

The best part of all has been as the weather has started to cool down and we’ve been comfortable in our house. It seems like the work done is making a huge difference and I’m looking forward to seeing the change in our gas bills as well.”

– Adam Capage

Clean Energy Works Portland participant

Oregon has a foundation of collaboration and partnership upon which to build a forceful, large-scale program, as illustrated through the Letters of Commitment and Support attached to this application. To make Clean Energy Works Oregon fully replicable, scalable and sustainable beyond the grant period, we intend to review the partnership structure and consider establishing a new entity created for the express purpose of aggregating capital and delivery across the state.

PROJECT PLAN AND TIMETABLE

The project plan and timetable for successful implementation of this proposal is predicated upon loading upfront investments of time and resources into a capital assembly and service delivery platform that is capable of exponential growth as financial and consumer markets recognize the value of energy efficiency.

The project timetable is shown in Figure 6 on page 18.

The proposed project organization and work plan is based on a collaborative and transparent process among leading institutions that recognize the potential to transform private-sector involvement in energy efficiency markets. This approach will facilitate deployment of EECBG funds by standardizing processes and procedures among all parties to support a conforming loan product that is efficient, accessible widely to consumers and provides access to private capital markets. The proposed approach for deploying EECBG public investment capital into large buildings will facilitate success by relying on the expertise and engagement from key partners like McKinstry & Co, Gerding Edlen Sustainable Solutions and investor-owned utilities. A collective of leading project finance experts will be assembled to underwrite and engage the private capital available for large retrofits in a creative, responsible and transformative structure to suit the unique needs and current shortcomings of available financing on a deal-by-deal basis. Figure 5 below outlines the high-level quarterly spend plan.

Figure 5. Clean Energy Works Oregon Quarterly Spend Plan

QUARTERLY SPEND PLAN	YEAR 1				YEAR 2				YEAR 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sources												
EECBG Grant Funds	\$7.88	\$7.88	\$7.88	\$7.88	\$6.53	\$6.53	\$6.53	\$6.53	\$4.35	\$4.35	\$4.35	\$4.35
Leveraged Funds	\$21.50	\$21.50	\$21.50	\$21.50	\$37.25	\$37.25	\$37.25	\$37.25	\$50.75	\$50.75	\$50.75	\$50.75

RELEVANCE AND OUTCOMES/IMPACTS

Clean Energy Works Oregon will stimulate activities and investments that achieve US DOE's goals related to market transformation; quantitative impacts, including verified energy savings and greenhouse gas emission reductions; multi-jurisdictional and organizational participation and support; significant leveraging of grant funds; long-term program sustainability; job retention and creation; replicability; and direct community benefits, particularly for participating home and building owners, workers and job seekers in the construction trades.

Currently, the market for energy efficiency retrofits is immature in both service availability (supply) and consumer awareness (demand). The goal of Clean Energy Works Oregon is to permanently increase the expectations and capabilities of both consumers and suppliers. The transformed market will be served by multiple suppliers of retrofit services and financing options, driven by education and competition, and funded by energy savings and home equity returns.

This will require increased awareness of the value of efficiency by the market. Energy Performance Scores will enable appraisers and lenders to consistently price efficient real estate higher, and consumers to factor these returns into their investment decisions. Clean Energy Works Oregon will become a central portal for multiple financial and delivery products, including energy efficiency mortgages, serving a variety of point-of-sale needs for all segments of the marketplace.

The competitive entry of private firms at all levels of the market will enable public activity to phase out, ultimately resulting in a highly leveraged, self-sustaining energy retrofit program that no longer requires government subsidy. The exit of government programs from the market will be made easier by the participation of private and not-for-profit partners, including the ability to sell loans to a secondary market. The result will be an energy market in Oregon that is fundamentally and permanently transformed in a manner that enables long-term program sustainability.

Figure 6. Project Plan and Timetable

MAJOR ACTIVITIES	YEAR 1				YEAR 2				YEAR 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Overall CEWO Program Management												
3rd party entity feasibility study completion												
Program staff mobilization completion												
Reporting and compliance methodology and procedure finalization												
Administer sub-grantee awards												
Develop portfolio risk management procedures / software build out												
Implement IT, accounting, loan servicing platforms / execute contract												
Evaluate and continuously improve (through year 6)												
Clean Energy Works Oregon – Homes and Small Buildings												
Issue requests for proposals for fund manager(s)												
Select fund manager(s)												
Targeted neighborhood selection(s)												
Issue request for qualifications (RFQ) for participating contractors												
Select participating contractors												
Hire 15 Energy Advocates												
Implement M&V and communication protocols												
Integrate with EPS												
Complete 2,000 installs				★								
Initiate secondary market sale												
Hire additional 31 Energy Advocates												
Complete 4,000 installs								★				
Hire additional 62 Energy Advocates												
Explore integration of new measures (solar PV and thermal, windows)												
Integrate new measures into service delivery and marketing												
Complete 8,000 installs												★
Secondary market sales (ongoing)												
Clean Energy Works Oregon – Large Buildings												
Issue notice of funding opportunity statewide for project funds												
Analyze and conduct due diligence on proposed projects												
Vet and select qualified projects		★										
Structure CEWO financial participation and legal agreements												
Structure monitoring and verification agreements												
Project construction commencement and funding												
Project completion(s)												★
Issue notice of funding opportunity statewide for retro-commissioning												
Structure retro-commissioning matching grants								★				
Structure monitoring and verification agreements												
Retro-commissioning projects completion												
Workforce and Community Development												
Expand qualified training programs				★								
Expand qualified contractors and workforce												
Expand business support toolkit												
Continue convening Community Workforce Agreement Workgroups												
Marketing and Outreach												
Develop CEWO coordinated marketing strategy												
Launch neighborhood-based outreach campaigns												
Recruit from utility and Energy Trust databases												
Develop and maintain program website												
Convene CEWO summits for participating jurisdictions												

Milestones ★

Clean Energy Works Oregon will significantly leverage the existing participation, support and resources of a broad range of partners, including utilities, financial institutions, Energy Trust of Oregon, the Oregon Department of Energy, and multiple local and regional jurisdictions. CEWO will launch from Portland's pilot retrofit financing program and will capitalize on the new mechanisms enabled by EEAST, resulting in an integrated, effective and centralized retrofit program for the whole building stock and across a wide swath of urban and rural Oregon. The proposed approach will achieve economies of scale, broader market participation and greater efficiency savings by providing a centralized communication, marketing, administrative, loan origination and capital assembly platform for energy efficiency retrofits.

ROLES AND PARTICIPANTS

This section identifies the participating organizations that contributed to the development of this application. Many of these organizations were central to the development of the Portland program and all will be central to the success of Clean Energy Works Oregon. The collective experience, talent and knowledge of the people in these organizations and their proven ability to collaborate across sectors under every kind of constraint position CEWO to deliver a highly successful, replicable and sustainable initiative.

City of Portland. The City, represented by the Bureau of Planning and Sustainability (BPS) and the Portland Development Commission (PDC), brings leadership and oversight to the collaboration. Portland is recognized worldwide for its innovation and expertise in bringing policies and programs that provide environmental, economic and social benefits to residents, businesses and government. Portland has successfully implemented dozens of federal grants, including a number of ARRA awards, like the Portland-Multnomah Clean Diesel Partnership (EPA), Solar America Cities Special Projects (DOE), and Streetcar Loop Construction (FTA).

Derek Smith of BPS has led the start-up phase of Clean Energy Works Portland by drawing from his extensive private-sector experience in leading green ventures to successful market outcomes. Also with BPS, Andria Jacob brings an integrated, market-focused approach based on her broad range of public and private sector experience in residential and commercial energy efficiency and solar program management. With more than 20 years of senior housing resource development expertise, most recently with the Portland Development Commission, John Warner has been instrumental in modeling Clean Energy Works financial and resource development strategies.

Multnomah County. Encompassing Portland and other communities in the metro area, Multnomah County provides social and community services including delivery of the Weatherization Assistance Program. Multnomah County has been part of Clean Energy Works Portland since the program's inception.

Oregon Department of Energy. ODOE is the state energy office responsible for energy efficiency and renewables. ODOE offers loans, tax credits, information and technical expertise to households, businesses, schools and governments. ODOE is the implementing agency for EEAST, overseeing development of EEAST pilots in consumer-owned utility territory, selecting project managers and developing criteria for certifying participating contractors.

Bob Repine, assistant director of the Energy Incentives Division at ODOE, has over 30 years of experience in housing, construction and economic and community development.

Oregon Jurisdictions. In addition to Portland and Multnomah County, Clackamas County, Hillsboro, Gresham and Lake Oswego have committed funding to Clean Energy Works Oregon. Washington County, Metro and Beaverton have expressed support for a regional financially-conforming energy efficiency product. Eugene, Southern Central Oregon, Astoria and Hood River will be early expansion partners for Clean Energy Works Oregon. These jurisdictions will oversee functions including marketing, WAP integration and economic development.

Utilities. Three investor-owned utilities – NW Natural, Portland General Electric and Pacific Power – have

played an instrumental role in bringing the critical on-bill repayment mechanism to Portland's program. Eugene Water and Electric Board and the City of Eugene also collaborate closely on energy efficiency retrofit programs. Given their customer relationships, customer billing information and communications infrastructure, utilities have a crucial role in transforming the market for energy retrofits.

Energy Trust of Oregon. Energy Trust of Oregon has overseen the delivery of energy efficiency programs and services to residential ratepayers of Oregon investor-owned utilities since 2002. Energy Trust has invested in the development of Oregon's Home Performance with Energy Star program since 2006. Energy Trust manages delivery of the CEWP, including participant applicant screening, oversight of Energy Advocates, Home Performance contractor selection, tracking of savings and ongoing evaluation to document lessons learned and program improvements.

Steve Lacey, a senior manager at Energy Trust and designer of Clean Energy Works service delivery, has led residential, commercial and technology integration operations for more than two decades. Jonathan Tillman of CSG currently manages the service delivery of Clean Energy Works Portland and may continue in this role as the program scales throughout Energy Trust service territory.

Oregon Workforce Partnership. OWP represents the seven Workforce Investment Boards (WIBs) leading Oregon's workforce, training and job placement system to meet the needs of job seekers, workers and businesses. Worksystems is an OWP member and founding partner in Clean Energy Works Portland.

John Gardner is a workforce expert who directs investments by the regional WIB and leads Construction Apprenticeship and Workforce Solutions, a collaboration of developers, contractors, trade unions and community groups focused on ensuring a diverse and skilled construction workforce.

Community-Based Organizations. Community for Equity is a collaboration of community-based organizations that have come together to design a green career pathway system for low-income and people of color communities, working together with labor, training organizations, the workforce system, weatherization contractors and other employers. These groups bring significant, leveraged resources to the table. Many are active participants in the design and implementation of Clean Energy Works Portland and its Community Workforce Agreement and are implementing other ARRA programs.

ARRA OBJECTIVES

Clean Energy Works Oregon is a green jobs strategy that delivers energy savings and carbon reductions. It will create and retain over 11,000 career-pathway jobs over the next six years. In the first three years, 5,000 jobs will be created, 25 percent of which will be residential-sector jobs. This projection is based on conducting up to 16,000 home and small building retrofits and retrofitting 21 million square feet of commercial space in the program's first three years. In years four, five and six, residential and small commercial installations continue to ramp up, contributing to a continued escalation in job growth. Commercial sector job growth and installations plateau in years four through six as stable, high-quality, skilled jobs created in the first three years are retained. Beyond the grant period, Clean Energy Works Oregon will create another 6,100 jobs and retrofit another 60,000 small buildings and 21 million square feet of commercial space.

In keeping with ARRA objectives for accountability and transparency in the use of recovery funds, Clean Energy Works Oregon will have robust audit and oversight procedures and transparent accounting. As a recipient of formula EECBG funds and ARRA diesel emission retrofit funding, Portland already has established many of the required procedures and systems for ARRA compliance and reporting. We are committed to demonstrating financial accountability procedures and systems that can be replicated in other areas of the country.



December 10, 2009

851 SW Sixth Ave. #1200
Portland, OR 97204

Address

1.866.368.7878
503.546.6862 *fax*
energytrust.org

Dear Secretary Chu:

Energy Trust of Oregon is committed to the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). We offer this letter of commitment to confirm that we intend to contribute leverage for Clean Energy Works Oregon in the form of public purpose funds and resources as described in Portland's proposal.

Energy Trust has been working alongside the City of Portland throughout 2008 and 2009 to launch and deliver Clean Energy Works Portland. We coordinate service delivery and facilitate project success through Energy Advocates and Home Performance with Energy Star contractors who are part of our Trade Ally Network.

Because of our early experience in this arena, we are convinced progress with the Clean Energy Works Portland pilot shows significant promise in converting audits to retrofit projects. We believe this funding will spur a much faster activity rate when financing and project facilitation are coupled with quality delivery. We are also enthusiastic partners in the community workforce agreement to prepare a quality workforce that engages historically underserved populations for a rapid scale-up.

This work coincides with the Energy Efficiency and Sustainable Act, passed by the Oregon Legislature in 2009 that designates Energy Trust to operate pilots throughout the state that incorporate elements of the Clean Energy Work Portland pilot.

In conclusion, we believe the Clean Energy Works model is critical to the scale-up of energy efficiency in Oregon and throughout the country.

Sincerely,

A handwritten signature in black ink that reads "Margie Harris". The signature is written in a cursive, flowing style.

Margie Harris
Executive Director

Gregg S. Kantor
President & CEO
Tel: 503.220.2425
Fax: 503.220.2584
Toll Free: 1.800.422.4012
E-mail: gsk@nwnatural.com



December 8, 2009

The Honorable Stephen Chu
Secretary of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

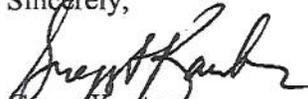
Dear Secretary Chu:

NW Natural is committed to the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). We offer this letter of commitment to confirm that we intend to provide on-bill repayment for Clean Energy Works Oregon, in alignment with administrative rules to be written for House Bill 2626.

NW Natural has been working alongside the City of Portland throughout 2009 to launch and deliver Clean Energy Works Portland. With our collaboration and a continued spirit of increasing cost-efficiency, we believe the Clean Energy Works model is critical to dramatically scaling up energy efficiency efforts in Oregon and the country.

Along with providing on-bill repayment, NW Natural also believes utilities could play a valuable role in raising capital for investment in energy efficiency. While utilities have been marshaled to raise low-cost capital for supply side infrastructure, they have been underutilized in efforts to expand investment in our energy savings infrastructure. Certainly, any effort to augment our current approach to funding efficiency needs to be designed in cooperation with our regulators and other stakeholders. As part of the opportunities presented by this Grant, NW Natural is anxious and willing to explore creative investment strategies as a way to broaden and deepen the state's efficiency efforts.

Sincerely,


Gregg Kantor



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
(503) 464-8982 • Facsimile (503) 464-2586

James J. Piro
President and CEO

December 8, 2009

Dr. Steven Chu, Secretary
United States Department of Energy
1000 Independence Ave, SW
Washington, DC 20585

Dear Secretary Chu:

Portland General Electric is committed to help implement the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). We offer this letter of commitment to confirm that we intend to provide on-bill repayment services for Clean Energy Works Oregon, assuming a favorable result to the Clean Energy Works Portland pilot.

Energy Efficiency is the least expensive resource in our utility's resource planning mix. PGE's Integrated Resource Plan calls for capturing all cost-effective and achievable energy efficiency potential over the next 20 years, almost 360aMW. In addition, PGE plans to gain 60 MW of peak shaving potential through Demand Response programs in the next few years.

PGE has worked alongside the City of Portland throughout 2009 to launch and deliver Clean Energy Works Portland. We believe the Clean Energy Works model is an important mechanism to accelerate the implementation of energy efficiency. Having Clean Energy Works technicians in a number of buildings we serve could also facilitate installation of onsite control equipment for our Demand Response programs. Expanding the Clean Energy Works model also appeals to PGE because doing so would build on the mechanisms we are establishing for on-bill repayment, rather than developing a slightly different operating system to meet the same end, which would burden participating utilities with additional operating costs.

PGE is currently installing smart meters throughout our service territory with completion scheduled in December 2010. These meters will allow increased interval data collection and monitoring, an important feature for maintaining energy savings. PGE hopes to support Clean Energy Works Portland and future programs with interval usage data for participating homes and businesses, and customer guidance on how to use the data to become and stay energy efficient.

PGE is also interested in other models of energy efficiency financing. We are hopeful that large commercial projects may be implemented because of credit enhancements provided with Energy Efficiency and Conservation Block Grant funding.

PGE believes the Clean Energy Works Portland model has the potential to increase and accelerate acquisition of energy efficiency savings here and throughout the nation. We urge you to grant the City of Portland monies in the Retrofit Ramp-up and General Innovation Fund Programs.

Sincerely,

Jim Piro

December 8, 2009

Dr. Steven Chu
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

RE: Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148)

Dear Secretary Chu,

As you know, energy efficiency is a top priority for our nation, our company and our customers. Pacific Power wants to support the City of Portland's proposal in response to the Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148) in any way we can.

First, let me say that Pacific Power enjoys an excellent working relationship with the Energy Trust of Oregon, Oregon's public purpose fund administrator since 2002, which is dedicated to helping our customers save energy. And more recently in 2009, we are also pleased to be engaged in a pilot project offering an on-bill loan repayment system within the City of Portland that is letting more customers afford energy efficiency projects that might otherwise be out of their reach. We are looking forward to determining what we can achieve by using our systems for the benefit of our customers throughout Oregon.

We understand that the City of Portland's action plan resulting from this application will reach a diverse selection of communities throughout Oregon. As the utility with the largest expanse of service territory in the state, serving multiple rural communities as well as Portland, this is very important to Pacific Power. In collaborating with the City of Portland and continuing a spirit of increasing cost-efficiency, we believe Portland's Clean Energy Works model could be a critical component to the scale-up of energy efficiency in Oregon and the country.

Pacific Power values the interest and effort to promote energy efficiency and looks forward to exploring additional on-bill repayment opportunities for the customers and communities we serve.

Sincerely,



Pat Egan
Vice President, Customer and Community Affairs
Pacific Power



SHOREBANK ENTERPRISE CASCADIA
Let's change the world.®

December 10, 2009

Dear Secretary Chu,

ShoreBank Enterprise Cascadia strongly endorses the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148).

As an original partner and collaborator of Clean Energy Works Portland, we are committed to ongoing innovation and participation in advancing a triple bottom line platform supported by a scalable financial product that aggregates resources, is available widely to people of all income levels, and by design can access liquidity of secondary markets.

Our confidence in this model effort is reflected in CEWP's achievements to date. The effort was featured at the Clinton Global Initiative in September, 2009 and warranted specific mention and recognition by President Bill Clinton. This CDFI-based model has also been featured by the Milken Institute and Ford Foundation in the last month. The earliest development work was supported by major regional foundations and negotiations are underway for philanthropic leverage that builds on our success to date. Living Cities has approved a second stage underwriting for up to \$3 million of early stage capital. Most importantly our confidence has led to our investing our own resources in testing early stage assumptions with real loans to real people and using the feedback from this experience to inform a second stage product. Portland has moved beyond planning and theory and into financing efficiency.

We will continue to devote our scarce resources to this initiative and urge the Department of Energy to do likewise.

Sincerely

John Berdes
President & CEO

J. Scott Andrews
Commission Chair

December 9, 2009

Bertha Ferran
Commissioner

To Whom It May Concern:

John C. Mohlis
Commissioner

Re: Portland Development Commission Letter of Commitment for City of Portland Energy Efficiency and Conservation Block Grant Application

Steven Straus
Commissioner

Portland Development Commission (PDC) strongly endorses the City of Portland's proposal in response to the Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148).

Charles A. Wilhoite
Commissioner

As Portland's economic development agency, PDC is responsible for implementing the city's strategy to create jobs and economic growth through a focus on clean technology and sustainable industries. The Clean Energy Works Oregon program, outlined in the above-mentioned proposal, is an instrumental part of Portland's efforts to grow its clean technology sector, by driving demand for local energy efficiency, construction and renewable energy products and services.

Sam Adams
Mayor

Bruce A. Warner
Executive Director

To support the expansion of the program, PDC is committed to providing funding of up to \$15MM over three years, subject to legal requirements associated with the use of Tax Increment Financing, to benefit low to moderate income households within our designated urban renewal areas and promote living wage job creation in the construction and clean energy trade sectors. In addition, PDC has proposed establishing a loan guarantee program to support banks that provide lines of credit to small contractors participating in the program. This new credit product will address the working capital issues that plague small contractors wishing to take advantage of opportunities to participate in the program.



www.pdc.us

In addition to direct financial support of this initiative, PDC will continue to provide staffing support for program operations and technical assistance to participating contractors.

222 Northwest
Fifth Avenue
Portland, OR
97209-3859

The PDC views the Clean Energy Works Oregon as a scalable, replicable and innovative model for accelerating small business growth and equitable access to pathways out of poverty through green collar jobs. We are proud to be a partner in this important initiative.

tel: 503.823.3200
fax: 503.823.3368
TTY: 503.823.3366

Sincerely,

Bruce A. Warner
Executive Director





December 7, 2009

Energy Secretary Steven Chu
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Secretary Chu,

The Home Performance Contractors Guild of Oregon, with a mission to disseminate Home Performance contracting, is committed to support the growth of our members in alignment with the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). We offer this letter of commitment to confirm that we intend to provide high-quality energy retrofits following the guidelines of Home Performance with Energy Star for Clean Energy Works Oregon.

The Guild has been working alongside the City of Portland throughout 2009 to launch and deliver Clean Energy Works Portland, including offering expertise on installation techniques, ways to improve the delivery of cost-effective energy savings, and support for creating opportunities for historically underserved populations, in alignment with the community workforce agreement.

With our collaboration and a continued spirit of increasing cost-efficiency, we believe the Clean Energy Works model is critical to the scale-up of energy efficiency in Oregon and the country. We appreciate the City's interest in and support of the growth of our businesses, and we look forward to building upon the success of Clean Energy Works Portland.

Sincerely,

Ryan Clemmer
Adam Zielinski
Jonathan Cohen



Letter of Commitment

December 10, 2009

US Department of Energy

RE: Retrofit Ramp-up and General Innovation Fund Programs
DE-FOA-0000148

To Whom It May Concern:

As an implementation partner, we strongly endorse the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148).

For 49 years, McKinstry has strived to best serve its clients by taking responsibility to design, build, and operate over \$3 billion of facility systems. McKinstry's vertically integrated structure results in a single point of accountability, thus allowing us to drive inefficiencies out of the construction process. While our technical competencies and financial strength have resulted in our status as one of sixteen "super ESCO's" affording us the chance to work on Department of Energy facilities worldwide, it is our core values (People, Customers, Financial Stability, Safety, Innovation, Reputation, and Community Involvement) that guide our decision making and yield a potent value proposition. Every opportunity we are presented with is critically evaluated with those beliefs in mind and we only embark on endeavors that are consistent with our philosophy.

With this in mind, we applaud Portland's proposal in recognizing the value and critical importance of ongoing monitoring and verification of building performance and energy savings as a central component of their strategy to retrofitting the commercial building stock. As a company, McKinstry remotely manages over 175 million square feet of commercial building stock, of that roughly 20% is monitored and verified to guarantee energy saving throughout the country on a daily basis. We have built a solid business model around the technologies that create certainty for both investors and building owners to upgrade their infrastructure while dramatically reducing their energy use, and in doing so guarantee that savings pay back the debt service.

We are currently engaged in numerous projects in the State of Oregon that we believe are "shovel-ready" but have proven to be extremely challenging to finance in the current economic circumstances. These projects are: City of Eugene, Oregon University Systems, and Oregon Health and Science University Campus to name a few. We believe deployment of EECBG dollars according to the parameters and strategy set forth in the Portland proposal can be the key to unlocking private capital/finance for these referenced projects. We are so committed to these identified projects that if necessary and appropriate, McKinstry will provide bridge financing and carry the construction costs on our balance sheet until incurred costs can be recovered.

I write this letter to you knowing that there are many other projects competing for this grant program and that awarding some (and not others) is a difficult task based on numerous factors. I want to convey to you that McKinstry is a qualified contractor capable of delivering these projects on time, within budget, and with a high level of quality through our pride of craftsmanship. Furthermore, we believe the project closely aligns with the evaluation criteria articulated in the specific Funding Opportunity Announcement as well as the general goals of quickly stimulating economic development through job creation and doing so with transparent reporting. As such, we believe this project is deserving of Stimulus Plan funds and hope you do too.

Thank you for considering this application.

Sincerely,

Dean Allen
Chief Executive Officer

Gerding Edlen

Honorable Steven Chu
Secretary
United States Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

December 9, 2009

RE: Retrofit Ramp-up and General Innovation Fund Programs - DE-FOA-0000148

Dear Secretary Chu,

As an implementation partner, Gerding Edlen Sustainable Solutions (GESS) strongly endorses the City of Portland's proposal in response to the Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148).

For 14 years, Gerding Edlen (GED) has pioneered the development of nearly \$5 billion dollars worth of green real estate. The firm specializes in mixed-use transit-oriented development and views each site and building as the beginning of a vision for a place that will thrive—economically, socially and environmentally. While the company's development achievements include 40 LEED certified/registered buildings (mostly platinum and gold), the firm's values drive success: environmental stewardship, teamwork and collaboration, and putting the clients' needs first. GESS was created to bring these values and development core competencies to projects in the existing built environment.

As such, GESS applauds the City of Portland's proposal for creating developer led retrofit projects. The renovation of existing facilities is complicated both technically and financially. As a retrofit development manager, GESS defines project success by delivering results on time and on budget, optimizing environmental performance, minimizing cost, and maximizing occupant satisfaction. We leverage the GED history of executing public-private partnerships that not only required innovative design philosophies and the management of extended teams of engineers and architects, but also necessitated innovative financial structuring to meet client needs and leverage capital budgets to the fullest extent possible.

GESS is involved in a variety of projects throughout the state of Oregon that are "shovel-ready", but have proven challenging to finance. These projects include: Portland Community College and Oregon Health Science University to name a couple. In addition to the current economic environment, the current financing mechanisms available for these projects limit the scope of the project from maximizing building performance, place the capital burden on building owners, and do not adequately engage utility partners. We believe the strategy set forth in the City of Portland's proposal would deploy EECBG dollars in a manner that could significantly unlock private capital for commercial retrofits.

GESS is a retrofit developer ready and capable of working with the City of Portland to not only ensure that these projects are executed in alignment with the evaluation criteria articulated in the Funding Opportunity Announcement, but also on time, on budget and to the highest environmental performance standards possible. GESS believes that our work creates a legacy of developments that will remain for 100 to 150 years. The Retrofit Ramp-Up program endeavors to do the same. The City of Portland proposal makes that happen.

Sincerely,


Kipp Baratoff
President, Gerding Edlen Sustainable Solutions

FINDING THE ECONOMIC OPPORTUNITY WITHIN UNDERPERFORMING BUILDINGS

Gerding Edlen

Sustainable Solutions

503.299.6000 t

503.299.6703 f

1120 NW COUCH ST #600

PORTLAND, OR 97209

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New York, NY 10027

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Washington, DC 20036

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www.LivingCities.org

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Prudential Financial, Inc.

The Rockefeller Foundation

Surdna Foundation

AFFILIATE MEMBERS

Cleveland Foundation

The Skillman Foundation

PRESIDENT & CEO

Ben Hecht

December 8, 2009

Dear Secretary Chu,

Living Cities supports the City of Portland's proposal in response to the Department of Energy's "Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-Up and General Innovation Fund Programs (DE-FOA-0000148)."

Living Cities is an innovative philanthropic collaborative of 22 of the world's largest foundations and financial institutions that invests in local initiatives that expand prosperity for low-income people and communities in the U.S. Since 1991, Living Cities has deployed more than \$600 million, which has generated more than \$16 billion in additional financing and economic development.

Living Cities is working with a number of local governments, financial institutions and nonprofit organizations to support large-scale vehicles for scaling up building energy retrofits. We are especially focused on retrofit programs that will deliver significant benefits – from lower utility bills to good jobs and careers – to low-income people.

In our experience, the City of Portland is a national leader in this area. The "Clean Energy Works Portland" program is a well designed initiative that addresses longstanding barriers to retrofits in the residential sector. In addition, the program includes a "Community Workforce Agreement" that we believe is a national model for connecting low-income workers to jobs in a local retrofit market.

Living Cities is considering two investments in Clean Energy Works Portland: 1) a grant to strengthen the capacity of the City and the lead local lender, ShoreBank Enterprise Cascadia, to scale up the program; and 2) a low-interest loan to supplement the retrofit financing vehicle the city has established in partnership with ShoreBank.

It is unusual for Living Cities to consider such dual investments in a single initiative. This speaks to our support for the City of Portland's potentially groundbreaking retrofit program. We encourage the Department of Energy to support the City's request for federal funding as well.

Please contact me with any questions.

Sincerely,



Bennett L. Hecht
President and Chief Executive Officer



THEODORE R. KULONGOSKI
GOVERNOR

December 8, 2009

The Honorable Steven Chu
Secretary of Energy
United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Chu:

I am writing to convey my strong support for Oregon's proposal for the Energy Efficiency and Conservation Block Grant (EECBG) – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148) funding opportunity available under the American Recovery and Reinvestment Act of 2009 (Recovery Act).

During my tenure as Governor, I have worked to position Oregon as a leader in the field of sustainability. Through partnerships with the private sector, local governments, educational institutions and many others, Oregon has successfully initiated a "green revolution," bringing many new businesses, green sector jobs, significant investments in renewable energy projects, and exciting innovations to the state.

This year, I signed into law Oregon's Energy Efficiency and Sustainable Technology legislation, which provides the state and local governments with new tools to finance energy efficiency retrofits. Additionally, the City of Portland has launched its Clean Energy Works program and is already retrofitting homes through a pilot program. Other communities in the state are poised to participate in similar efforts and many of our educational institutions have embarked on large scale building retrofits.

Recovery Act funds through the EECBG – Retrofit Ramp-up and General Innovations Fund Programs will allow Oregon to expand these efforts through a new program—*Clean Energy Works: Oregon*. This program will be delivered in jurisdictions throughout Oregon, retrofit structures of all types, and pair high-quality service delivery with innovative finance tools and strategies. Federal funds will be used as a credit enhancement to attract significant private capital investment.

Oregon has been particularly hard-hit by the economic recession, with unemployment rates among the highest in the country. I am committed to ensuring that we emerge from this

The Honorable Steven Chu
December 8, 2009
Page Two

economic downturn in a stronger position and believe that pursuing broad-scale energy efficiency retrofits through the *Clean Energy Works: Oregon* program is a template for economic recovery and job creation. Federal partnership through Recovery Act funding is critical in this effort.

I am confident that *Clean Energy Works: Oregon* provides a model that can be replicated in communities throughout the country, and will help to transform energy markets in a way that will prioritize energy efficiency options. I urge you to fully fund this proposal.

Sincerely,

A handwritten signature in dark ink, appearing to read "Theodore R. Kulongoski", with a long horizontal flourish extending to the right.

THEODORE R. KULONGOSKI
Governor

TRK:jb:beg



CITY OF GRESHAM
Office of the Mayor & City Council

December 8, 2009

Secretary Steven Chu
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Mayor

Shane T. Bemis

...

City Council

Dick Strathern
Council President
Position 4

Dave Widmark
Position 1

Mike Bennett
Position 2

Shirley Craddick
Position 3

Paul Warr-King
Position 5

Carol Nielsen-Hood
Position 6

Dear Secretary Chu:

The City of Gresham is committed to the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). Gresham is a committed partner of the proposal to develop the Clean Energy Works Oregon program.

Gresham offers an opportunity to test energy efficiency finance tools in urban and suburban areas that reflect the demographic and economic diversity of the State of Oregon. We recognize that investing in energy efficiency creates good jobs, promotes the local economy, and reduces energy bills. We also recognize that energy efficiency is among the most cost-effective approaches to reducing greenhouse gas emissions.

The City of Gresham has recently approved a Sustainability Policy and is currently engaged in a Sustainability planning process that will include targets to reduce greenhouse gas emissions and increase energy efficiency measures City wide. Further, Mayor Bemis has signed on to the Mayor's Climate Protection Agreement and the City is currently completing an assessment of our current emissions from City operations.

The City of Gresham applauds the legislative leadership by the State of Oregon and the program development leadership of the City of Portland and Multnomah County in encouraging and developing a residential energy efficiency loan program, Clean Energy Works. We also applaud the partnerships with the Energy Trust of Oregon, utilities, and Shorebank Enterprise Cascadia.

The City recognizes the Metro region shares the same contractor workforce, utilities, and energy efficiency incentives. Along with the City of Portland, Multnomah County, and other jurisdictions in the Metro region, we seek to use existing EECBG formula grants and other funds to leverage additional federal funding intended for energy efficiency improvements and job creation.

We understand that should federal grant funds be awarded under the above-identified Funding Opportunity Announcement, that a guiding principle in their earmarking for use in partnering jurisdictions will be proportionality to the funds contributed by partnering entities.

In supporting this grant application, the City of Gresham commits to:

1. Contribute at least \$200,000 from Energy Efficiency and Conservation Block Grant formula funds towards the implementation of a residential and commercial revolving loan fund across the Metro region in willing jurisdictions, including the City of Gresham.
2. Identify, following the grant's principles, areas for community or neighborhood based impact.
3. Support the establishment of an umbrella brand for such energy finance (e.g. 'Clean Energy Works Oregon,' or other) and partner with City of Portland, Multnomah County, Oregon Department of Energy, Energy Trust of Oregon, Portland General Electric, Pacific Power and Northwest Natural, to extend the Clean Energy Works revolving loan fund model for residential and small commercial applications in the Metro region and across the state;
4. Further develop energy efficiency finance mechanisms in the commercial sector, to develop innovative funding streams for commercial and institutional settings that complement efforts at residential and small commercial levels and broaden the covered building stock;
5. Promote economies of scale in the marketing, underwriting, issuance, and repayment of loans, as well as pursuing similar or 'conforming' loans, to improve the likelihood of attracting investment dollars in a secondary loan market; and,
6. Support the establishment of a single platform to aggregate capital dedicated to energy financing (e.g. efficiency and renewables), working on behalf of and open to funds from jurisdictions across the State of Oregon.

Sincerely,



Shane T. Bemis

Mayor, City of Gresham, Oregon

CITY OF HILLSBORO



December 8, 2009

Secretary Steven Chu
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Chu:

The City of Hillsboro is committed to the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp – up and General Innovation Fund Programs (DE-FOA-0000148). The City of Hillsboro is a committed partner of the proposal to develop the Clean Energy Works Oregon program.

In 2007, the City of Hillsboro signed the U.S. Conference of Mayors Climate Protection Agreement, which includes a commitment to reduce greenhouse gas emissions. We recognize that energy efficiency is among the most cost-effective approaches to achieving reductions. We are committed to provide opportunities for our citizens and businesses to reduce energy use and costs, as well as emissions, through energy efficiency. We recognize that investing in energy efficiency creates good jobs, supports the local economy, and reduces energy bills.

The City of Hillsboro applauds the legislative leadership by the State of Oregon, as well as the leadership of the City of Portland and Multnomah County, in establishing key partnerships with the Energy Trust of Oregon, power utilities, and Shorebank Enterprise Cascadia in the development of Clean Energy Works Portland. We are committed to the proposal to develop a statewide Clean Energy Works program that will help citizens and business owners all over Oregon reduce their energy bills and greenhouse gas emissions.

The City of Hillsboro recognizes that the Portland Metro region shares the same contractor workforce, power utilities, and energy efficiency incentives. Along with the City of Portland, Multnomah County, and other jurisdictions in the Metro region, we commit a portion of our existing Energy Efficiency and Conservation Block Grant (EECBG) formula grant funds to leverage additional federal funding intended for energy efficiency improvements and job creation in our region.

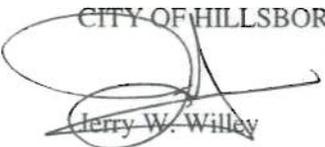
We understand that should federal grant funds be awarded under the above identified Funding Opportunity Announcement, that a guiding principle in their distribution to partnering jurisdictions will be proportionality to the funds contributed by the partnering entities.

In support of this grant application, the City of Hillsboro commits to:

1. Contribute at least \$100,000 from City EECBG formula funds towards the implementation of a residential revolving loan fund across the Portland Metro region in willing jurisdictions, including the City of Hillsboro;
2. Following the grant's principles, identify areas for community- or neighborhood-based impact. We propose to initially focus any grant dollars received through this application on residences and small businesses in our downtown core area, in alignment with our downtown planning efforts;
3. Support the establishment of an umbrella brand for such energy finance mechanisms (e.g., 'Clean Energy Works Hillsboro,' or other) and partner with the City of Portland, Multnomah County, Oregon Department of Energy, Energy Trust of Oregon, Portland General Electric, Pacific Power and Northwest Natural, to extend the Clean Energy Works revolving loan fund model for residential and small commercial applications in the Metro region and across the state;
4. Further develop energy efficiency finance mechanisms in the commercial sector, to develop innovative funding streams for commercial and institutional settings that complement efforts at residential and small commercial levels and broaden the covered building stock;
5. Promote economies of scale in the marketing, underwriting, issuance, and repayment of loans, as well as pursue similar or 'conforming' loans, to improve the likelihood of attracting investment dollars in a secondary loan market; and
6. Support the establishment of a single platform to aggregate capital dedicated to energy financing (e.g., efficiency and renewables), working on behalf of and open to funds from jurisdictions across the State of Oregon.

Sincerely,

CITY OF HILLSBORO



Jerry W. Willey

Mayor

CC: Hillsboro City Council
Sarah Jo Chaplen, City Manager



December 8, 2009

Secretary Steven Chu
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

CITY MANAGER'S
OFFICE

CITY OF
LAKE OSWEGO

380 A Avenue
P.O. Box 369
Lake Oswego
Oregon 97034

503-635-0215
Fax 503-697-6594
www.ci.oswego.or.us

Dear Secretary Chu:

The City of Lake Oswego is committed to the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). Lake Oswego is a committed partner of the proposal to develop the Clean Energy Works Oregon program.

As the largest city in Clackamas County, we aim to work with our county and regional partners to test energy efficiency finance tools in a suburban setting. We recognize that investing in energy efficiency creates good jobs, promotes the local economy, and reduces energy bills. We also recognize that energy efficiency is among the most cost-effective approaches to reducing greenhouse gas emissions.

Lake Oswego applauds the legislative leadership by the State of Oregon and the program development leadership of the City of Portland and Multnomah County in encouraging and developing a residential energy efficiency loan program, Clean Energy Works Portland. We also applaud Portland's partnerships with the Energy Trust of Oregon, utilities, and Shorebank Enterprise Cascadia.

Lake Oswego recognizes the Portland Metro region shares the same contractor workforce, utilities, and energy efficiency incentives. Along with the City of Portland, Clackamas County, Multnomah County, and other jurisdictions in the Metro region, we seek to use existing EECBG formula grants and other funds to leverage additional federal funding intended for energy efficiency improvements and job creation.

We understand that should federal grant funds be awarded under the above-identified Funding Opportunity Announcement, that a guiding principle in their earmarking for use in partnering jurisdictions will be proportionality to the funds contributed by partnering entities.

In supporting this grant application, Lake Oswego commits to:

1. Contribute \$20,000 from the City's Energy Efficiency and Conservation Block Grant formula funds towards the implementation of a residential revolving loan fund across the Portland Metro region in willing jurisdictions, including Lake Oswego. (This figure represents almost 13% of our total formula grant of \$157,900 authorized under the American Recovery and Reinvestment Act. The City will also be contributing \$10,000 toward Clackamas County's Energy Efficiency on Main Street program for a total of just under 20% of the City allocation allowed for loan funds.);
2. Support the establishment of an umbrella brand for such energy finance (e.g. 'Clean Energy Works Oregon,' or other) and partner with Clackamas County, City of Portland, Oregon Department of Energy, Energy Trust of Oregon, Portland General Electric, and Northwest Natural, to extend the Clean Energy Works revolving loan fund model for residential and small commercial applications in the Metro region and across the state;



3. Promote economies of scale in the marketing, underwriting, issuance, and repayment of loans, as well as pursuing similar or 'conforming' loans, to improve the likelihood of attracting investment dollars in a secondary loan market; and
4. Support the establishment of a single platform to aggregate capital dedicated to energy financing (e.g. efficiency and renewables), working on behalf of and open to funds from jurisdictions across the State of Oregon.

Sincerely,

A handwritten signature in black ink, appearing to read "David Donaldson". The signature is fluid and cursive, with the first name "David" and last name "Donaldson" clearly distinguishable.

David Donaldson,
Assistant City Manager



Ted Wheeler, Multnomah County Chair

501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Phone: (503) 988-3308
Email: mult.chair@co.multnomah.or.us

December 8, 2009

Secretary Steven Chu
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Chu:

Multnomah County is an engaged partner in the City of Portland's proposal for the Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). We are fully committed to the expansion of our Clean Energy Works program statewide.

Multnomah County offers an opportunity to test energy efficiency finance tools in urban, suburban and rural areas that reflect the demographic and economic diversity of the State of Oregon. Investing in energy efficiency creates good jobs, promotes the local economy, and reduces energy bills. We know that energy efficiency is among the most cost-effective approaches to reducing greenhouse gas emissions.

Multnomah County, in 2009, approved an updated joint Climate Action Plan with the City of Portland that includes goals to reduce greenhouse gas emissions through 2050.

Multnomah County applauds the legislative leadership by the State of Oregon. We are proud to be part of the broad coalition of Clean Energy Works Portland and the first-ever residential energy efficiency program under the framework of our state's EEAST law. Our partnership demonstrates game changing program development and leadership. Our project members include: the City of Portland, Energy Trust of Oregon, Portland General Electric, NW Natural, Pacific Power, Shorebank Enterprise Cascadia, Worksystems Inc., and Green For All.

The Portland Metro region (including Multnomah County) shares the same contractor workforce, utilities, and energy efficiency incentives. Consequently, with the City of Portland and other jurisdictions in the Metro region, we seek to use existing EECBG grants and other funds to leverage additional federal funding intended for energy efficiency improvements and job creation.

In supporting this grant application, Multnomah County will:

1. Contribute Energy Efficiency and Conservation Block Grant (EECBG) funds designated for Clean Energy Works Portland (\$1,125,000 requested), should we receive them through our Oregon Department of Energy statewide competitive EECBG request;
2. Identify, following the grant's principles, areas for community or neighborhood based impact;
3. Support the establishment of an umbrella brand for such energy finance (e.g. 'Clean Energy Works Oregon' or other) and collaborate with City of Portland, Oregon Department of Energy, Energy Trust of Oregon, Portland General Electric, Pacific Power, Northwest Natural, and regional partners to extend the Clean Energy Works revolving loan fund model for residential and small commercial applications in the Metro region and across the state;
4. Further expand energy efficiency finance mechanisms in the commercial sector, to develop innovative funding streams for commercial and institutional settings that complement efforts at residential and small commercial levels and broaden the covered building stock;
5. Promote economies of scale in the marketing, underwriting, issuance, and repayment of loans, as well as pursuing similar or 'conforming' loans, to improve the likelihood of attracting investment dollars in a secondary loan market;
6. Support the establishment of a single platform to aggregate capital dedicated to energy financing (e.g. efficiency and renewables) that advances our social equity goals; and,
7. Help convene our regional partners to work toward common underwriting, quality control, and loan processing protocols in order to leverage our efforts and attract private capital into the energy efficiency retrofit market.

Thank you for your consideration of this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ted Wheeler', with a long horizontal line extending to the right.

Ted Wheeler
Multnomah County Chair



Lynn Peterson
Chair

Commissioners
Bob Austin
Jim Bernard
Charlotte Lehan
Ann Lininger

BOARD OF COUNTY COMMISSIONERS

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

December 8, 2009

Secretary Steven Chu
United States Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

RE: Commitment and Support for City of Portland, OR, Application to the Competitive EECBG Retrofit Ramp-up Program (DE-FOA-0000148)

Dear Secretary Chu:

Clackamas County is a committed partner of the proposal to develop Clean Energy Works Oregon (DE-FOA-0000148). As elected leaders of Clackamas County, we would like to express our support.

Our county offers an opportunity to test energy efficiency finance tools in urban, suburban and rural areas that reflect the demographic and economic diversity of the State of Oregon. We recognize that investing in energy efficiency creates good jobs, promotes the local economy, and reduces energy bills. We also recognize that energy efficiency is among the most cost-effective approaches to reducing greenhouse gas emissions. Clackamas County, in 2008, approved an Action Plan for a Sustainable Clackamas County that includes goals to reduce greenhouse gas emissions through 2050.

Clackamas County applauds the legislative leadership by the State of Oregon and the program development leadership of the City of Portland and Multnomah County in encouraging and developing a residential energy efficiency loan program, Clean Energy Works Portland. We also applaud Portland's partnerships with the Energy Trust of Oregon, Pacific Power, and Shorebank Enterprise Cascadia.

Clackamas County recognizes the Portland Metro region shares the same contractor workforce, utilities, and energy efficiency incentives. Along with the City of Portland, Multnomah County, and other jurisdictions in the Metro region, we seek to use existing EECBG formula grants and other funds to leverage additional federal funding intended for energy efficiency improvements and job creation. We expect that if awarded in full, this EECBG grant will allow us to significantly increase the initial offering of loans for residential retrofits in the County.

We understand that should federal grant funds be awarded under the above-identified Funding Opportunity Announcement, that an advisory committee will guide the earmarking of funds for use in partnering jurisdictions in the Metro area, and that one of the guiding principles will be proportionality, that balances funds contributed, needs of the housing stock, and workforce and administrative capacity.

In supporting this grant application, Clackamas County commits to:

1. Contribute at least \$630,000 from Energy Efficiency and Conservation Block Grant formula funds towards the implementation of a residential revolving loan fund across the Portland Metro region in willing jurisdictions, including Clackamas County. (This figure represents the County's maximum contribution to a revolving loan fund, 20% of our total formula grant authorized under the American Recovery and Reinvestment Act).
2. Further leverage funding from at least one Urban Renewal District for retrofits among residents and small commercial businesses in that area.
3. Identify, following the grant's principles, areas for community or neighborhood based impact. We propose to focus any grant dollars received through this application in four communities representing a mix of unincorporated, incorporated, rural and urban areas.
4. Support the establishment of an umbrella brand for such energy finance (e.g. 'Clean Energy Works Oregon') and partner with City of Portland, Oregon Department of Energy, Energy Trust of Oregon, Portland General Electric, and Northwest Natural, to extend the Clean Energy Works revolving loan fund model for residential and small commercial applications in the Metro region and across the state;
5. Further develop energy efficiency finance opportunities in the commercial and institutional setting that complement efforts at residential and small commercial levels and broaden the covered building stock;
6. Promote economies of scale in the marketing, underwriting, issuance, and repayment of loans, through collaboration with partners in the Portland Metro area, and to pursue similar or 'conforming' loans as determined collaboratively, to improve the likelihood of attracting investment dollars in a secondary loan market; and,
7. Support the establishment of a single platform to aggregate capital dedicated to energy financing (e.g. efficiency and renewables), working on behalf of and open to funds from jurisdictions across the State of Oregon.

Sincerely,

CLACKAMAS COUNTY BOARD OF COMMISSIONERS



Lynn Peterson, Chair

On Behalf of the Clackamas County Board of Commissioners



SOUTH CENTRAL OREGON ***ECONOMIC DEVELOPMENT DISTRICT***

PO Box 1529 • 317 South 7th, 2nd Floor • Klamath Falls, Oregon 97601
Phone (541) 884-5593 • Fax (541) 884-6738

December 8, 2009

Secretary Steven Chu
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Chu:

South Central Oregon Economic Development District (SCOEDD) is committed to the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). SCOEDD is a committed partner of the proposal to develop the Clean Energy Works Oregon program.

Our region offers an opportunity to test energy efficiency finance tools in small metropolitan and rural areas of Oregon Combined with education and outreach, increased participation in financial incentives such as the Energy Trust of Oregon programs and a variety of region-wide efforts to heighten awareness, the program is designed to empower the residents and businesses in Lake and Klamath Counties to save money and energy by reducing energy consumption within the region.

This project is a component of a regional initiative spearheaded by the South Central Oregon Economic Development District in partnership with Team Energy Klamath and the Lake County Renewable Energy Working Group to help reach the region's goal to reduce the region's dependence on external energy sources by 10% in three years and create economic development opportunities resulting in diversification and job creation.

Along with the City of Portland, Multnomah County, and other jurisdictions in Oregon, we seek to use existing EECBG formula grants and other funds to leverage additional federal funding intended for energy efficiency improvements and job creation.

We understand that should federal grant funds be awarded under the above-identified Funding Opportunity Announcement, that a guiding principle in their earmarking for use in partnering jurisdictions will be proportionality to the funds contributed by partnering entities.

In supporting this grant application, SCOEDD commits to:

1. Support the establishment of an umbrella brand for such energy finance (e.g. 'Clean Energy Works Oregon,' or other) and partner with City of Portland, Oregon Department of Energy, Energy Trust of Oregon, and Pacific Power to extend the Clean Energy Works revolving

loan fund model for residential and small commercial applications across the state;

5. Further develop energy efficiency finance mechanisms in the commercial sector, to develop innovative funding streams for commercial and institutional settings that complement efforts at residential and small commercial levels and broaden the covered building stock;
6. Promote economies of scale in the marketing, underwriting, issuance, and repayment of loans, as well as pursuing similar or 'conforming' loans, to improve the likelihood of attracting investment dollars in a secondary loan market; and,
7. Support the establishment of a single platform to aggregate capital dedicated to energy financing (e.g. efficiency and renewables), working on behalf of and open to funds from jurisdictions across the State of Oregon.

Sincerely,



Betty Riley
Executive Director



CITY OF ASTORIA
Founded 1811 • Incorporated 1856

December 7, 2009

Secretary Steven Chu
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Chu:

The City of Astoria strongly endorses the City of Portland's proposal in response to Financial Assistance Funding Opportunity Announcement – Retrofit Ramp-up and General Innovation Fund Programs (DE-FOA-0000148). The proposal strengthens the existing Clean Energy Works Oregon program intended to enable owners and tenants of residential and commercial buildings to access low-interest, long-term financing for quick, easy and affordable investments in energy efficiency.

Jurisdictions throughout Oregon have contributed significantly to the region's global reputation as a leader on sustainability. Clean Energy Works Oregon provides a tremendous opportunity for the City of Astoria to participate in a program that looks to utilize economies of scale to bring these innovations to more rural areas of the state, such as ours.

We are interested in partnering on the regional job creation, energy savings and carbon reduction opportunities offered by Clean Energy Works Oregon. We recognize the need to transform the energy efficiency markets through innovative approaches to finance and delivery coupled with economies of scale. We intend to collectively explore the development of a regional conforming financial product with common underwriting, quality and loan processing protocols so that we can leverage our resources to multiply the benefits to all participating jurisdictions.

Sincerely,

Mayor Willis Van Dusen, City of Astoria