

MINUTES
Eugene City Council
Virtual Work Session
Eugene, Oregon 97401

November 17, 2021
12:00 p.m.

Councilors Present: Emily Semple, Matt Keating, Alan Zelenka, Jennifer Yeh, Mike Clark, Greg Evans, Claire Syrett, Randy Groves

Mayor Vinis opened the November 17, 2021, work session of the Eugene City Council in virtual format.

1. WORK SESSION: CAP2.0 Update

City Manager Sarah Medary introduced and gave background on the topic. Sustainability Manager Chelsea Clinton gave a presentation and update.

MOTION AND VOTE: Councilor Yeh, seconded by Councilor Syrett, moved to direct the City Manager to complete a community engagement process and schedule a work session to share feedback from that process and develop a framework of a draft ordinance requiring sellers of residential, single-family homes to obtain and disclose an energy performance rating prior to publicly listing the home for sale and to include the rating in sale listings. **PASSED 8:0**

Council Discussion:

- Councilor Zelenka - commented that he likes all of the programs and moving forward with other ideas other than the Northwest Natural franchise agreement; disclosed that the home energy scoring program was developed by his employer and administered in the division that he supervises, noting he wants to be clear and transparent and has no financial interest in this work; shared that Portland has received awards for adopting this policy and Eugene is ready to move forward on this path; said he hopes Council supports this proposal.
- Councilor Keating - commented that renters' interests are noticeably absent from the motion on the table and asked how they might be incorporated into this action; said he will strongly support the motion.
- Councilor Groves - shared his interest in implementing a home energy program on the front end of a real estate transaction; shared concerns expressed by people in the market about the number of assessors and Council should take this into consideration and not create more problems as this program rolls out; shared his concern about finding ways to support the 52 percent of the population who rent.
- Councilor Clark - appreciated the concept and functionality of this program, noting it is incredibly useful knowledge for a buyer; shared his concern about the cost of conducting this test and inquired how much it will cost per home; said that during a housing crisis, adding to purchase or rental costs seems unwise at this time.
- Councilor Zelenka - shared information about costs per assessment in Portland.
- Councilor Syrett - offered a counterpoint to Councilor Clark's concerns about the increasing costs of housing, noting that the impact of climate change will dramatically increase the cost of housing for all; said she believes this information can help a buyer make a wiser choice related to the cost of heating and maintaining a home.
- Councilor Clark - appreciated Councilor Syrett's comments; asked if Council will be doing a similar thing with cars since the largest percentage of carbon emissions comes from the transportation

sector; stated the DEQ in Portland does emission measurement before cars are registered and asked if this is anticipated to happen in Eugene; agreed that being able to measure home energy allows consumers to make more informed decisions and has cross application.

MOTION AND VOTE: Councilor Yeh, seconded by Councilor Syrett, moved to direct the City Manager to bring back an implementation plan including potential funding sources for the mandatory Home Energy Score Program.

PASSED 8:0

MOTION AND VOTE: Councilor Yeh, seconded by Councilor Syrett, moved to direct the City Manager to develop additional Home Energy Score Program options for renters in alignment with CAP2.0 Action B3. **PASSED 8:0**

Council Discussion:

- Councilor Clark - asked for more information before voting on implementation of such a program, noting he wants to know who bears the cost and when, and what the consequence and effect on the vacancy rate will be; expressed concern about how much harder or more expensive this action could make it for renters.
- Councilor Zelenka - stated the recently passed bipartisan federal infrastructure bill and the future infrastructure bill may have opportunities for funding around this issue and encouraged Council to be aware progress on potential legislation and work with partners to implement it for renters.
- Councilor Evans - asked if this action fits in with part one of the infrastructure package that just passed or if there's some other way to put resources together to move this forward in part two.
- Councilor Syrett – noted that in the infrastructure bill that was signed by President Biden there is a quite a bit of money for electric charging stations and said she is confident staff will look at what opportunities apply to the City; highlighted the healthy streets program in the bill and explained it was a discretionary grant program for addressing urban heat island affects such as urban tree canopies; supported further exploration of this grant opportunity as it will help meet climate recovery goals.
- Councilor Keating - honed in on the climate trust element and the carbon offsets; stated he would love to see those dollars spent locally and asked for thoughts about whether it is EWEB, State, or Federal government that could be a helpful partner to increase the offset purchase opportunities locally; commented that he would like to see a statewide or regional fix that would better regulate vehicular emission to meet the CRO goals to be carbon neutral; shared that neighborhood associations and advocates around the city are urging the council to reduce the use of gas-powered landscaping equipment and work with state, county and LRAPA partners for an electrification incentive to phase out gas-powered equipment; stated that one hour of use emits the same amount of emission as driving a car for 1,000 miles; asked if there are strategies or goals that the City can adopt in the interim as it advances towards electrification.
- Councilor Zelenka - commented the CAP2.0 actions on the list have commitments to get them done and other things that come up will need to get on the list and will need dedicated funding, especially in the transportation sector where most emissions come from; commented he would like to see work done on local offsets; said he knows how complex it is to create local offsets and implementing them takes a lot of time and effort; said he is hopeful the Sustainability Commission can create a local project list that can be certified for local offsets.
- Councilor Clark - added how entrepreneurial opportunities can be created by recycling plastics; stated there is real opportunity for the community to lead in this regard and organizing around that issue could be an economic boost; asked for more information about the specific actions and assumptions that would help reach the CAP2.0 goals around the behaviors of Northwest Natural Gas; asked if the agreements are being assumed and what would they require; asked how much of the 844-program work is dependent on the relationship with NW Natural to meet the CAP2.0

goals; commented that an adversarial relationship with NW Natural would make it harder to reach City goals and said it is better to have a more cooperative relationship with mutual goals to reduce carbon emissions.

- Councilor Yeh - stated she appreciated the recommendations around energy efficiency; asked if the topic will automatically be addressed in the December work session or if Council needed to take action to make sure energy efficiency will be included in the meeting.
- Councilor Groves - shared his support for the work the Sustainability Commission does; commented that most of his questions are around the upcoming motions and he will wait to discuss.
- Councilor Semple – stated the table provided is an incredible response to Council’s request and will be helpful going forward; appreciated the group realization that climate issues are a huge topic to cover and said she looks forward to continuing the good work.
- Councilor Syrett - commented that the perspective of the 844-program is pure speculation about what the carbon emission reductions would be and there is much uncertainty; stated that work with low-income customers will continue and will not be based on a positive or negative relationship with the City of Eugene.
- Councilor Zelenka - stated the City can work with the Energy Trust of Oregon to fund low to moderate income weatherization with or without NWNG.
- Councilor Clark- suggested what NW Natural may or may not do would be just as speculative and a lot of this has to do with the City’s relationship and how they view the City as a regulatory body; commented that if NW Natural views the City as an adversary and not a partner, he is unsure how NW Natural may behave in the future in service to its customers; stated the larger point was that the City will not meet its goals if the relationship with the 844-program and other agreements does not continue.
- Councilor Evans - said NW Natural is a private organization that has goals, stockholders and financial expectations; stated that if Council does not take a firm position, it could end up agreeing to something that will not be in the best interest of the community; shared lessons learned in the Midwest, noting the best strategy is to hold position and enhance position, and the opponent will be more likely to come up with a more agreeable and reasonable proposal.

MOTION AND VOTE: Councilor Syrett, seconded by Councilor Yeh, moved to direct the City Manager to schedule work sessions to discuss changes to City Code that would require all newly constructed commercial, industrial and residential buildings to be electric only beginning January 1, 2023. **PASSED: 8:0**

Council Discussion:

- Councilor Syrett - commented this is a revised motion that Councilor Evans put forward via email but was not put on the table, noting the differences between the original motion and the modifications made on the current motion; explained the need for a work session on the topic.
- Councilor Zelenka – said that when the climate recovery ordinance was written it included the goal to reduce fossil fuel use by 2035 and to transition away from natural gas; said the issue is not whether the City transitions away from gas use, but how; said his experience has been that collaboration is usually faster and he has been pushing hard for NW Natural to come up with a solution; encouraged the City to go into negotiations with eyes wide open and if it does not work out, there needs to be a Plan B; noted the City entered into negotiations almost three years ago and he thought that agreements and solutions would be in place by now; stated he has run out of patience with the process and does not have confidence it will happen soon; commented he feels it is time to start Plan B, noting he supports proposals for no new hookups for commercial and residential construction with exceptions, and working to reduce natural gas use in existing load and transition away from fossil fuel towards electrification.
- Councilor Clark - shared his concern about NW Natural’s customers because they are also Council’s constituents, noting costs change, lifestyles change and people in the community have to adjust or

accept the consequences; said he would like to move forward in a way that best serves the community and minimizes the consequences of Council's actions; said he would be interested to know the cost of electricity to scale when peak loads are reached.

- Councilor Groves - stated he supports the proposed motion to have a work session; said the council needs to have a planned, reasonable approach at a community level as it impacts the local economy; stated he would like to know what the affects will be for scheduled dam spills to help the salmon habitat, noting it will impact the hydroelectric generation capacity and breached dams; said it is good to have different sources of energy and power to rely on; said he does not have a good sense of where the community stands on this issue; asked for any available information from the community survey; stated that people have the choice to electrify, but the only barrier is cost.
- Councilor Yeh - appreciated the intent of the motions; stated that electrification of buildings will provide cleaner air, healthier homes, and will support good jobs in the community; stated that requiring electrification combined with funding to help low to moderate-income residents and the business community to switch fuel sources will create an equitable and feasible plan for decarbonizing buildings; commented that when this is combined with on-going energy efficiency improvements, it is easier to see how these actions are all aligned to support the triple bottom line of environment, equity, and economy.
- Councilor Keating - commented that not everyone can choose to electrify because renters of homes with gas hookups do not have an option to transition from an energy source that could be harmful to their health; asked if Council can guarantee an overall emissions reduction if the only action taken is the 844 project; concurred that under normal circumstances collaboration can achieve goals quicker but noted that swift regulatory action can also get fast results; said he strongly supports robust electrification and decarbonization strategies within the municipality with a moratorium on any new fossil fuels hookups.
- Councilor Evans - said he supports the modifications made to his original motion; stated there has not been movement from the partners on this issue as needed; said City needs to get serious in making the partners understand that the Council is in a position to develop a regulatory framework without them at the table; supported a work session on this topic, noting Council needs to be tough and get tough to do what is needed before time runs out and there is no turning back; encouraged Eugene to be a leader on this issue.
- Councilor Semple - said she is excited to have a work session on this topic; asked to add a friendly amendment to the motion to include industrial with residential and commercial buildings.

MOTION AND VOTE: Councilor Evans, seconded by Councilor Syrett, to extend the meeting by 15 minutes. **PASSED 8:0**

Council Discussion:

- Councilor Zelenka - stated energy efficiency works and does result in reductions to consumption; commented that when costs are being discussed, Council needs to make sure all costs are being included, and no action has a cost; stated mitigation in the end will be significantly cheaper than adaptation if nothing is done; said it needs to be determined if Council has the authority to do this or not and to be careful of language used around this issue; said he does not see the issues around the 844 project as mutually exclusive from new infrastructure, noting they work in parallel.
- Councilor Clark - noted that at issue for him is how the change happens; stated what Council does will have consequences; asked for information about the impacts of electrification.
- Councilor Groves - commented he is unsure how to manage volatility in the cost of electricity; reminded colleagues that the City Manager was recently given specific direction to reengage with NW Natural for the 844 project and the franchise agreement and a motion was made to amend to add the discussion around costs and capacity generation; expressed hope that additional information would be available in future work sessions.

- Councilor Syrett - clarified that this would be the first work session of many and an effort was made to keep the motions fair as possible, so the conversation can be initiated; stated the second motion is about impacts on the low-income community and the first is about new construction; said the friendly amendment would not be accepted and shared her reasons.
- Councilor Zelenka - asked clarifying question about costs; stated he would like to know that the various impacts will be all around; said there are a lot of questions that will come up in the next work session and not everything will be addressed; stated it is understood that the multiple work sessions will cover all of these topics and he hoped all can agree to this approach.
- Councilor Evans - stated the topic is very complicated and more work sessions need to be added with topics that all relate to the larger issue of new construction; stated conversations need to happen in a way that City staff resources are not overtaxed.
- Councilor Clark - asked if the motion can be refined to add some of the specifics that have been discussed and said he is willing to withdraw the second to the amended motion; stated that he understands the proper process and collaboration and hopes Council will work together for a better result for the entire community.
- Councilor Semple - stated she does not want to try to put too much into the first work session; stated this work needs to be done in steps.
- Councilor Groves - stated he is trying to find a way to get the information using a thoughtful approach; commented that he wants to take the time to dissect this issue and does not see how one work session can accomplish this; said he is willing to withdraw the motion if there is consensus that the information will be gathered.
- Councilor Syrett – agreed that if Councilor Groves withdrew his motion, she would change the motion to include work sessions as plural.

MOTION AND VOTE: Councilor Syrett, seconded by Councilor Yeh, moved to direct the City Manager to provide Council with a roadmap for how the City can achieve decarbonization of the existing commercial, industrial and residential building stock by 2045 with particular consideration for how low-income and historically marginalized households will be impacted and included in this process. This roadmap must include strategies for decarbonization of rental housing stock. A draft of this roadmap shall be provided to Council before June 30, 2022. **PASSED: 6:2,** Councilors Clark and Groves opposed.

Council Discussion:

- Councilor Syrett - shared this motion is patterned after Councilor Evans' motion and thanked him for his leadership and moving Council forward on this issue; stated she tried to keep it as simple as possible; said it is imperative to consider environmental justice and rental housing because of the extreme challenges that have been acknowledged over the years to get rental housing property owners to participate in energy efficiency programs and other things that already exist to help reduce energy consumption; stated she spoke with staff and understands that the City Manager will likely hire a consultant to develop this roadmap.
- Councilor Clark - asked if this motion includes the possibility of discussing consequences and scheduling additional work sessions.
- Councilor Zelenka - stated it is helpful to think of this initiative in two parts: the what and the how of accomplishing this transition; commented that the roadmap will help determine what will need to be done to make this transition happen, then the focus can shift to how to move forward on each recommendation.
- Councilor Keating - asked if a friendly amendment to include the word industrial can be added for consistency sake, to match the first motion.

- Councilor Evans - said would like to call on small businesses to learn more about the cost they will bear; stated he would like to avoid negatively impacting small businesses more than they already have been from the pandemic and Council needs to be aware of this.
- Councilor Syrett - appreciated Councilor Evans' concern about small businesses and sees this as a long-term project.
- Councilor Evans - suggested a consolidated, longer work session in the form of a full-day retreat to address all the issues associated with this topic and enable a deeper conversation.
- Mayor Vinis - pointed out that the Sustainability team uses approximately two thirds of their time on effective community engagement.

The meeting was adjourned at 2:05 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Brooke Freed', with a stylized, flowing script.

Brooke Freed
City Recorder, AIC

(Recorded by Niyah Ross)

Link to the webcast of this City Council meeting [here](#).

