

WS 1. 11/7/23
Presentation



CITY OF MILWAUKIE

Building Energy Discussion

City Council Regular Session
November 7, 2023

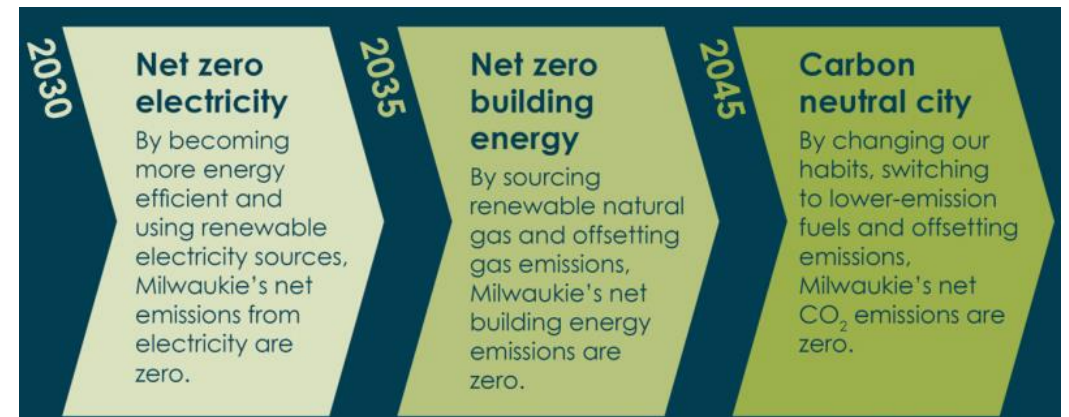
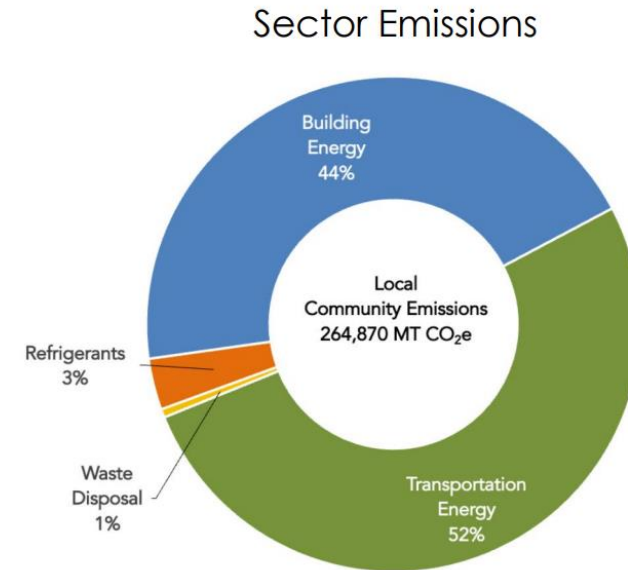
Natalie Rogers

Climate and Natural Resources Manager



Building Energy and Climate Goals

- Building energy top emission sector in community
 - Must reduce or offset to meet 2035 goal
- HB 2021 requires decarbonization of electricity utilities by 2040
 - Transition to solar, wind, and inclusion of large hydro
 - Does not regulate natural gas industry
- Burning renewable natural gas in buildings produces emissions at time of use, limited supply available



Decarbonization Resolutions

- City-owned buildings
 - Large investments in city buildings trigger electrification (\$500k purchase, \$200k renovation)
 - City chooses electric for individual asset replacement
 - Feasibility study in progress, contracting challenges
 - Due June 30, 2024
- New residential development
 - Ban on new connections to natural gas infrastructure – code by March 1, 2024
 - 9th Circuit court ruled Berkley's ban was in violation of federal law (energy choice)
 - Communities looking for alternative code or strategies to reduce natural gas usage



Ongoing decarbonization efforts

- Community green tariff
 - Tariff draft potentially by Q1 2024
- Building performance standards (existing buildings)
 - Finalizing budget
 - Three year project
 - First year discussions on statewide BPS
- Energy efficiency conservation block grant
 - ODOE distributed funds
 - Climate justice community prioritization
- Solar installation at JCB
 - \$450k project, \$375k funded by SB 5506
 - 120kW array – 65% of current JCB load



ROW Licensing Fee

- Franchise agreement expiration for PGE and NW Natural in 2024
- MMC 21.04 establishes existing right of way licensing requirement
 - For utilities w/o franchise agreement
 - Licensing fee in consolidated fee schedule
- Consider increasing fee or phased increase to 10% for utilities
 - New revenue opportunity
 - Increased fees passed to utility customers
 - Gresham increased from 5-7% in 2011, 7-10% in 2020

- Additional revenue could be spent on:
 - Climate programming
 - Community incentives
 - Undergrounding electric infrastructure
 - Other general fund purposes

City of Milwaukie - Franchise Fee Revenue for
Past Five Fiscal Years (Dollars)

		FY 19	FY 20	FY 21	FY22	FY 23
PGE	Rate					
Franchise Fee	5%	738,866	772,463	784,003	824,380	860,760
Privilege Tax	1.5%	311,875	328,934	337,381	352,892	368,638
NW Natural	Rate					
Franchise Fee	5%	236,064	244,749	255,022	286,042	383,687

Other opportunities for consideration

- Development process incentives
 - Electrification
 - Administrative process changes
 - Free reduction/payment by city
- NOx specific building emission regulation
 - Air quality emission specific regulation
 - Could be explored in BPS project
 - Potential risk for being first community to implement



Questions for Council

Should staff return to council with proposal to increase ROW licensing fees?

Does council have questions, interest or concerns regarding the ongoing or potential decarbonization opportunities for staff?



Thank you!

Natalie Rogers

Climate and Natural Resources Manager

RogersN@milwaukieoregon.gov

503 786 7668

Learn more at
milwaukieclimateaction.com

