

MINUTES

Eugene City Council Work Session Eugene, Oregon 97401

July 17, 2024
12:00 p.m.

Councilors Present: Emily Semple, Alan Zelenka, Jennifer Yeh, Mike Clark, Greg Evans, Lyndsie Leech, and Randy Groves
Councilors Absent: Matt Keating

Mayor Vinis opened the July 17, 2024, work session of the Eugene City Council in a virtual format.

1. **WORK SESSION: Overview of New Construction Decarbonization and Fossil Fuel Reduction Strategies**

City Manager, Sarah Medary, introduced Climate Policy Analyst, Ian Penn, who provided an overview of the policy and program options to reduce the use of fossil fuels, promote electrification, and decarbonize new buildings.

Councilor Discussion:

- Councilor Zelenka – noted the Biden Administration passed legislation making funds available to Oregon to incentivize climate actions; thinks the navigator position is key in assisting access to incentives; interested in the implementation work plan for the six themes and sixteen strategies; interested in the climate impact fee, carbon tax, and franchise fees funding climate actions; interested in having equity and avoiding inadvertent hardships for low-income residents; noted if Northwest Natural’s rate increase is approved in the fall, low-income gas users will see a 50 percent cost increase since 2020.
- Councilor Groves – interested in how this work will impact the local economy and low-income residents; noted concern that some efforts could discourage businesses from coming to or staying in Eugene and decrease jobs; noted his support and preference for incentives over restrictions; noted concern for the costs and the impact to local employers.
- Councilor Leech – interested in the strategy implementation, associated funding, and regulatory action requirements; interested in pursuing additional incentives and incentive navigation; interested in making City-owned and City-subsidized properties carbon-free; interested in the legal and community discussion on emission and appliance standards; interested in advocating at the State level for State policy on standards; interested in the impacts of increasing the supplier tax and climate impact fee.
- Councilor Clark – supports utilizing incentives instead of increasing expenses for residents; noted decarbonization and electrification are separate topics and lead to different policy recommendations; interested in focusing on decarbonization strategies; interested in measuring Eugene’s Water and Electric Board’s (EWEB) ongoing capacity.

- Mayor Vinis – noted the City can work with business community allies that are creating more resilient industry; noted inexpensive incentives, such as relationship building and information sharing across sectors, do not require a new system or funding; noted interest in building performance standards and communicating with businesses needing to comply; interested in exploring geothermal energy and other pilots and tracking the efforts of other communities.
- Councilor Yeh – asked if the benchmarking needed before building performance standards has already happened; noted other communities are supporting businesses and helping them meet their climate goals; noted electrification jobs are good jobs; asked if other cities are leveraging their climate goals to help support increasing local jobs.
- Councilor Zelenka – noted Oregon’s Transformational Integrated Greenhouse Gas Emission Reduction Analysis evaluated electrification and decarbonization actions and their net change in employment; noted the building performance standard program is usually cost-effective and provides incentives for early adopters in the process which the navigator position can help businesses receive; noted interest in adding in the Capital Improvements Program and the Transportation Plan, which have infrastructure built into them and must show they further the Climate Recovery Ordinance; cautioned against the City entering into the air regulatory business.
- Councilor Leech – noted reports indicate electrification as the most affordable decarbonization pathway; noted the City’s decarbonization work is a response to climate change; thinks recent heat waves highlight the need for residents to have air conditioning; interested in providing low-income residents with transition incentives for heat pumps that can both heat and cool homes.
- Councilor Clark – recalled that he supported a new franchise agreement with Northwest Natural a few years ago, and noted Eugene could be the first in the State to take advantage of an 844 Agreement; clarified that he was referencing Senate Bill 844; asked if the opportunity for the 844 Agreement is still available; noted that funds would be available from the State to help low-income residents weatherize their homes; noted the opportunity in resuming franchise agreement discussions, as gas prices and EWEB rates are expected to increase.
- Councilor Groves – prefers weatherization and incentive programs over bans and restrictions; stated the City’s strategy should be to reduce overall energy use; noted weatherization is an equalizer; noted most low-income residents live in pre-1995 construction which has some of the lowest energy ratings; believes the City should be working with utilities on incentives and weatherization programs.
- Mayor Vinis – thinks EWEB is a valuable partner and has done a lot of weatherization work; stated that people need air conditioning and weatherization cannot solve that problem; noted there are opportunities to take advantage of federal funds in addition to what Council decides to do locally; thinks Council needs to work closely with its partners and take advantage of those expertise.
- Councilor Semple – noted that she was part of the team that worked on the franchise agreement; supports restarting franchise agreement discussions; interested in helping low-income residents have more efficient energy use and finding money to support this work; thinks the City needs to focus on reducing energy use; noted weatherization is still helpful in the summer; thinks the City

- should be careful about banning gas, as some residents rely on it; thinks incentivizing electricity is important and will be more cost effective.
- Councilor Zelenka – noted that the pace and timing of the City’s actions matter, and that some actions have a longer time frame than others; stated that transitioning homes to heat pumps and changing out appliances will take years; noted the City has strong partners and should utilize the programs they already have in place to support this work; noted Council can continue to advocate at a State and local level for support.
 - Councilor Leech – agreed that weatherization is important; noted EWEB customers with gas heating cannot access incentives for weatherization until they transition to an electric energy source; interested in a dedicated source of funding for incentive programs to provide access to weatherization incentives and appliance replacement.
 - Councilor Semple – noted she has looked into incentive programs for her own home, but could not access the programs because her home is heated with gas; stated the importance of funding options for transitioning off of gas heat.

MOTION: Councilor Yeh, seconded by Councilor Zelenka, moved to direct the City Manager to return to Council prior to the end of 2024, for a discussion of the potential Revenue Sources that were identified by the Revenue Advisors for funding decarbonization and greenhouse gas emission reduction efforts with an emphasis on serving low-income households, Black, Indigenous, and People of Color and other disadvantaged households.

Councilor Discussion:

- Councilor Yeh – noted appreciation for identifying that low-income households need support; noted climate change adversely affects low-income households.
- Councilor Zelenka – noted to the importance of focusing on the equity impacts of Council’s decisions on disadvantaged community members; indicated the analysis should include how the plans are implemented, what revenue amount can be obtained, and the pros and cons of each option; noted he is looking for a more comprehensive analysis when this topic returns to Council.
- Councilor Clark – noted interest in supporting the motion; asked to clarify that the motion restricts staff’s review of potential revenue sources; offered a friendly amendment to have staff return with all potential revenue sources; asked if the motion allows special consideration for rental units; noted interest in a wider review of potential revenue sources, such as updating the franchise agreement with Northwest Natural; prefers to focus on incentives instead of disincentives; noted interest in other state and federal revenues sources so the City can expand its work (*friendly not accepted*).
- Councilor Zelenka – noted the motion references roughly forty-five revenue sources identified by the Revenue Advisors, not just the few that have been discussed as examples.
- Councilor Groves – stated interest in supporting the motion but noted concern in supporting a specific option unless Council receives the economic impacts of that

option; asked if the motion includes an analysis of the cost effect on individuals, the business community, and employers.

VOTE: 7:0 PASSED

MOTION: Councilor Leech, seconded by Councilor Zelenka, moved to direct the City Manager to return to Council prior to the end of 2024 to discuss a potential path forward and the potential consequences for: 1) implementing the strategies presented by staff to decarbonize homes and buildings in Eugene; 2) monitoring regulatory actions being taken by other jurisdictions for possible local adoption.

Councilor Discussion:

- Councilor Leech – noted the intent of the motion is to look at how the City would implement the ideas presented, what funding and resources are needed, the timeline for implementation, and the legal and community landscape for specific ideas, such as the emissions standards.
- Councilor Clark – offered a friendly amendment to add “and the potential consequences” (*friendly accepted*); gave an example about his questions regarding capacity of electrification as it relates to supporting incentives for transitioning to heat pumps.
- Councilor Zelenka – interested in the analysis staff will be providing to Council to make the strategies actionable; interested in the prioritization of the work plan’s themes and strategies.
- Councilor Groves – asked if Council will receive a legal analysis with this work; asked if a mandate to electrify is similar to a gas ban; noted interest in the legal interpretation of limiting residents to one energy type; noted there are still some constraints with the Federal Court ruling out of Berkeley, California regarding natural gas hookups in new homes.
- Councilor Clark – noted support for the motion due to the language referencing decarbonization, not electrification.

VOTE ON MAIN MOTION (with friendly amendment): 7:0 PASSED

Mayor Vinis adjourned the meeting at 1:19 p.m.

Respectfully submitted,



Katie LaSala
City Recorder

(Recorded by Natalie Venhuda)

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