

Community-Led Climate Investment: Lessons from Portland's Clean Energy Fund Home Energy Retrofit Program

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ABSTRACT

The Portland Clean Energy Fund's (PCEF) Community Grants Program demonstrates how community-led climate initiatives can expand access to energy efficiency, improve housing stability, and reduce energy burdens for historically underserved households. Established by a 2018 Portland ballot measure, the program provides a long-term, dedicated funding source for climate action and ensures that climate investments reflect community priorities and deliver social, economic, and environmental benefits.

Over its first five years in operation, the program has funded eight community-based organizations' self-designed, led, and implemented home energy retrofit programs for Rohingya, Pan-African, Latino/a/x, Black, Native, and immigrant communities. Collectively, these organizations have completed 540 projects—saving approximately 629,790 kWh, and 79,791 therms and 10,544 gal of fuel oil annually—lowering household energy and housing cost burdens while improving comfort and health outcomes. PCEF is now launching a new large strategic initiative to serve 3,100 low- and moderate-income households, building on its early success.

This paper describes the program's community-centered approach to nonprofit capacity building, equitable contractor and workforce development, where programs designed and delivered by trusted community organization reach households conventional systems miss. It also offers replicable lessons for localities seeking to establish similar funding models. Lessons learned illustrate how dedicated, equitable funding and community leadership can transform hard-to-reach household energy efficiency efforts—creating local expertise, sustaining trusted service delivery networks, and fostering benefits that extend beyond energy savings to housing stability, economic development, and resilience.

Introduction

Amid rising energy costs, harmful climate impacts and distrust of institutions, community-led energy efficiency program models matter now, more than ever. Traditional utility and institutional energy programs must provide greater relief of the affordability gaps and risk of housing insecurity that exist in our society, as well as reduce barriers to program access. Innovative local climate investment programs that center community, like the Portland Clean Energy Fund (PCEF), can support a whole-home retrofit approach that reaches low-income households and other historically underserved communities while also delivering measurable energy, housing, and workforce benefits.

PCEF is a community-driven climate investment program established by Portland, Oregon voters in November 2018. It dedicates revenue from large retailers to community-led climate investments serving front-line communities, those most impacted by the effects of climate change. The ballot measure passed with 65% approval and finances PCEF through a 1% surcharge on gross receipts from large retail businesses operating in the city, those with over \$1 billion in annual national sales and at least \$500,000 in Portland sales.

Over multiple grant cycles beginning in 2020, PCEF has allocated approximately \$732 million in grants to 262 community-based organizations for community-led projects that advance greenhouse gas reduction and equitable access to energy efficiency, transportation decarbonization, carbon sequestration, and workforce development. Approximately \$52 million has been allocated to ten organizations implementing home energy retrofit projects through 2025. When strategic programs, mini grants, and other climate resilience initiatives are added to community grants, as of 2025, the program had allocated nearly \$1 billion in PCEF funding for climate initiatives that also provide community benefits.

This paper focuses on PCEF's home energy retrofit programs, a cornerstone of the fund's work, and examines how the program's community-centered model that strengthens access and trust has enabled it to serve households that conventional efficiency programs have struggled to reach, such as low-income households and communities of color. The paper covers the following: the ballot measure and coalition that brought PCEF into existence; the climate plus social co-benefits framework; the historical context of why centering community matters; how PCEF's governance and program design operationalize that commitment; outcomes from the first four community grant cycles; the development of PCEF's Climate Investment Plan and the launch of Energy Friendly Homes; and replicable lessons for other jurisdictions.

The Ballot Measure: Origins, Coalition, and Structure

Portland's Clean Energy Fund initiative, known as Measure 26-201, was the first environmental ballot measure in Oregon's history created and led by communities of color. The initiative grew out of the convergence between culturally specific organizations and climate advocates who recognized that Portland's existing programs were failing to reach many of the households most vulnerable to climate impacts (Coalition of Communities of Color 2018; City of Portland BPS 2019a).

The core coalition that drafted and campaigned for the measure included the Asian Pacific American Network of Oregon (APANO), the Coalition of Communities of Color (CCC), the NAACP Portland Branch 1120, the Native American Youth and Family Center (NAYA), and Verde—an East Portland environmental justice organization. These groups were joined on the steering committee by environmental partners including 350PDX, Bird Alliance of Oregon (formerly Audubon Society of Portland), Oregon Physicians for Social Responsibility, and the Sierra Club Oregon Chapter. Collectively, the campaign assembled endorsements from over 200 organizations (Coalition of Communities of Color 2018).

These organizations shaped the measure's language, financing structure, and governance to elevate equity and community power. They led signature drives, coordinated advocacy campaigns, and mobilized endorsements. Their efforts ensured mechanisms for community accountability, a surcharge charged only to major retailers, and governance guided by justice, accountability, and community-powered climate action.

To ensure that community oversight remains central to the program's funding decisions, the ballot measure established a dedicated fund. Revenue from the gross receipts surcharge on Portland's largest corporate retailers flows into a dedicated fund administered by the City of Portland with oversight by a nine-member Grant Committee appointed by City Council (City of Portland BPS 2019a). The committee is charged with approving and recommending all funding allocations to City Council.

The Fund has generated nearly \$200 million annually. PCEF now distributes around \$60 million per year in community grant funding, a scale that enables the program to function as a

meaningful driver of residential decarbonization in communities that utility and government programs have historically underserved.

Climate and Social Co-Benefit Goals

Established through the ordinances enacting the ballot initiative, the social equity framework shapes how PCEF funds are allocated and evaluated. The ballot language directed that at least 50% of grant-funded energy efficiency and renewable energy projects specifically benefit low-income residents and communities of color, and that at least 20% of all grants be awarded to nonprofit organizations with a mission and track record of serving economically disadvantaged community members (City of Portland BPS 2019a). While subsequent code amendments have retained the 20% nonprofit floor intact, the 50% provision has been reworded in current City Code from a mandate to a directional priority—now expressed as projects “should benefit priority populations” (City of Portland City Council 2024b). Additionally, the program was impacted President Trump’s 2025 anti-diversity, equity and inclusion mandates. In July 2025, Portland Mayor, Keith Wilson issued an executive order requiring the City to adjust any programs or policies at risk of violating federal anti-discrimination laws – preserving federal funding that Portland relies on for housing, transportation and other community priorities. (City of Portland, 2025). Even as the precise legal framing for the Fund has evolved, the ballot measure institutionalized social benefit for underserved communities not as an aspiration but as a foundational program requirement embedded in statute.

PCEF’s purpose includes reducing greenhouse gas emissions, but the fund explicitly pairs climate mitigation with social benefit objectives. Investments are evaluated not only for carbon reduction potential but also for their ability to reduce energy and housing cost burden, create living wage jobs, and provide other benefits for households bearing the greatest burden.

This co-benefits framework distinguishes PCEF from traditional utility-administered home energy efficiency programs that prioritize cost-per-energy-unit savings as the dominant metric, screening households and measures primarily by their cost-effectiveness rather than their need. By incorporating social benefits into funding criteria, PCEF adopts a broader definition of climate return on investment. Key goals for PCEF’s home energy retrofit programs include: expanding participation in energy efficiency and electrification among low-income residents and underserved communities; reducing household energy burden; integrating home energy upgrades with housing preservation strategies; advancing workforce equity by creating pathways into clean energy careers for women and other underrepresented workers; and improving public health outcomes through better indoor air quality and thermal comfort.

Historical Context: Why Conventional Programs Can Fall Short

The fund was intentionally designed to address both greenhouse gas emissions and longstanding social and economic disparities in access to the benefits of climate investment that are rooted in Portland’s own planning history.

In Portland, the conditions that drive energy burden and limit access to clean energy programs are not incidental — they are the accumulated result of historic policy choices. Beginning with the city’s first zoning code in 1924, Portland systematically expanded single-family zoning in predominantly white neighborhoods while concentrating multi-family development in communities of color. Redlining by the federal Home Owners Loan Corporation in the 1930s reinforced this segregation by restricting lending in neighborhoods with Black,

Indigenous, and other residents of color, making it difficult or impossible for those residents to obtain home loans. Urban renewal in the 1950s and 1960s then displaced thousands of Black residents from North and Northeast Portland to make way for Interstate 5, Emanuel Hospital, the Veterans Memorial Coliseum, and other development projects, while predominantly white neighborhoods remained preserved. These policies produced the deteriorating, aging housing stock, with inadequate insulation, aging heating systems, deferred maintenance — concentrated in communities of color today and documented by the Bureau of Planning and Stability in its Historical Context of Racist Planning report (City of Portland BPS 2019b).

The design and delivery of most energy efficiency programs have not overcome this legacy. Utility-administered programs built around cost-effectiveness screening, reimbursement-based incentives, and English-only outreach were designed around a default customer who was English-speaking, financially stable, and a homeowner with good credit, effectively filtering out the households most in need of intervention. Institutional mistrust rooted in histories of discriminatory policy enforcement further suppressed participation among immigrant, Indigenous, and Black communities. As a result, the benefits of decades of public investment in energy efficiency have flowed disproportionately to wealthier, whiter households (Drehobl, Ross, and Ayala 2020).

Research on community trust and program uptake consistently finds that institutional mistrust—rooted in lived experience of discriminatory enforcement—is a meaningful predictor of non-participation in government programs, even among households that would benefit (Drehobl, Ross, and Ayala 2020). Language access alone is insufficient; households that have experienced adverse interactions with government agencies require sustained, culturally grounded relationships before they will engage with programs associated with municipal or utility institutions.

Housing and Energy Cost Burden in Portland

The urgency is reinforced by current conditions. Multnomah County has the largest number of energy-burdened households of any county in Oregon, with approximately 79,000 households spending 6% or more of their income on home energy costs (ODOE 2024). Portland General Electric residential rates have increased more than 47.5% since 2021, and in April and May 2024, PGE disconnected more than 9,000 households for nonpayment — a record in both months (Oregon Citizens' Utility Board 2024). Northwest Natural Gas rates similarly increased over 40%, with another 20–22% increase proposed for August 2026 (NW Natural 2026). Oregon's energy affordability gap is estimated at \$277 million annually — roughly eight times the federal assistance the state receives (ODOE 2024).

According to the Portland Housing Bureau's 2024 State of Housing in Portland report, 37% of homeowners and nearly half of all renters in Portland are housing-cost burdened, meaning they spend more than 30% of their income on housing-related expenses, and many spend over 50%. Racial disparities are stark: the average Black household in Portland could afford to rent a two-bedroom unit in only one of the city's 23 neighborhoods, additionally average Latino and Native American households face similarly constrained options.

Against this backdrop, PCEF's investments in whole-home retrofits for low-income households represent not only climate mitigation but a direct response to an acute and worsening affordability crisis, which translates directly into heightened displacement risk. When housing costs already consume more than 30% of household income, even modest increases in utility bills can tip households into financial crisis.

Households that are cost-burdened have less financial buffer to absorb unexpected expenses—including aging heating or cooling systems, water leaks, or the upfront costs of efficiency upgrades that could lower their bills over time. The convergence of high housing costs, aging housing stock, and limited access to energy efficiency resources makes low-income Portland households—particularly households of color—disproportionately vulnerable to the dual pressures of energy burden and displacement.

Deferred Maintenance

PCEF addresses the reality that many homes in frontline communities require repairs of deferred maintenance before energy efficiency measures can be effectively installed. In homes with moisture problems, old knob and tube wiring or inadequate electrical panels, for example insulation, heat pump, or other energy upgrades often cannot be safely installed without first addressing those underlying conditions. Many conventional efficiency programs exclude funding for deferred maintenance, effectively disqualifying households with the greatest need. Local nonprofit ratepayer energy efficiency administrator, Energy Trust of Oregon only provides funding for repairs in very rare circumstances, whereas PCEF includes deferred maintenance funds for all home energy upgrades. For a typical PCEF home energy retrofit, the fund provides a total budget of up to \$60,000 per home, of which up to 30% may be directed to enabling critical repairs. Even though this does not always address all home repair needs for the low-income households served by the program, it helps remove a structural barrier that would otherwise prevent them from accessing efficiency benefits.

Community-Centered Design: Governance and Guiding Principles

PCEF represents a municipally governed climate investment model grounded in a core conviction: people most affected by climate change and structural inequities are best positioned to define their own needs and identify effective solutions. Lived experience provides a form of understanding that external program designers cannot replicate. Community organizations rooted in specific cultural or social contexts hold knowledge about what interventions will actually work, which barriers are most acute, and how to bridge the dynamics of distrust or lack of access that characterize their communities' relationships with institutions.

Trust, in particular, is both a precondition and a product of community-led service delivery. When solutions are designed and delivered by members of one's own community, participation rates from those communities rise. PCEF's community centered approach has resulted in 89% of PCEF's community grant funding allocations going to organization serving PCEF Priority Populations by the end of 2025 (City of Portland BPS PCEF Dashboard 2026). This is not because the program has been better marketed, but because the fundamental relationship between the program and its intended beneficiaries has changed. Community members are better positioned to understand participation barriers because they have similar lived experience, speak the same language, and grasp the nuances and particular concerns within their cultural communities in ways that institutional actors operating from outside often cannot.

For PCEF, a community-centered approach is defined by one significant and deliberate principle: representation throughout every level of program governance and implementation. Community voice is not limited to an advisory role or to the initial design phase. It runs through grant scoring, staffing, outreach and implementation strategy, program designed initiatives, and the ongoing relationship between PCEF staff and its community.

The PCEF Grant Committee: Community Voice and Accountability

At the root of PCEF's community-centered model is the PCEF Grant Committee, a volunteer oversight body established through the original ballot initiative (City of Portland BPS 2019a) to ensure that climate investments are not shaped solely by traditional government or utility actors. Composed of nine Portland residents appointed to reflect diverse expertise and lived experience of the people the program serves, the committee was designed to keep community voice embedded in program decisions and guard against the common dynamic in which programs for underserved communities gradually drift toward the preferences of administering institutions. It serves as an ongoing accountability mechanism, ensuring PCEF's investments remain responsive to the groups whose votes created the fund and who bear the greatest need for its resources. (City of Portland BPS 2025b).

One of the first activities undertaken by the newly formed PCEF Grant Committee was the development of the fund's Guiding Principles: Justice Driven; Accountable; Community-powered; and focused on climate with multiple benefits (City of Portland BPS 2019b). Critically, the principles were developed through extensive stakeholder engagement and collaboration—the same participatory philosophy that guides program implementation. The principles emphasize: (1) climate action paired with racial and social justice; (2) community leadership and transparency; (3) living-wage job creation and workforce equity; and (4) delivery of holistic community benefits, including health and housing stability.

Community-Centered Implementation: Community Grants and Capacity Building

PCEF's ability to serve frontline communities is not accidental—it is the product of deliberate practices designed to embed inclusivity in its core functions and actions. The following sections will illustrate how PCEF centers community using its Community Grants model as a key component of its funding strategy.

Since its inception, PCEF has awarded approximately \$732 million to 262 community-based, non-profit organizations to fund their self-designed and led energy efficiency, transportation decarbonization, carbon sequestration, and workforce development projects across four community grant cycles (City of Portland BPS 2025a). While PCEF funds a range of climate mitigation sectors, this paper offers a closer look at PCEF's home energy efficiency grantees, their programs, and outcomes. Of their grant awards, approximately \$52 million has gone to ten organizations for their home energy retrofit initiatives. PCEF's grantees represent an intentional effort to channel climate investment through organizations with deep, pre-existing relationships in Portland's most underserved communities. Rather than contracting solely with regional energy service companies or large nonprofits experienced in government program administration, PCEF has funded organizations whose primary missions are rooted in community resilience, anti-displacement, and cultural self-determination.

Grant Scoring Criteria

Grant scoring criteria place high value on an applicant's demonstrated capacity to engage and serve PCEF Priority Populations—defined as groups under-resourced by sustainability and clean energy programs, which may include, but is not limited to people with low incomes, people with disabilities, and people of color (City of Portland BPS, 2026). Applications are scored not only on technical merit and project feasibility but on the depth and authenticity of community

relationships, organizational mission alignment, and history of delivering equitable outcomes. Grant applications are scored on how well the projects and organizational missions align with PCEF's Guiding Principles. Community representatives participate in scoring panels, and program design and delivery approaches proposed by applicants are honored—even when they differ from common government and utility approaches.

Capacity Building for Community-Based Organizations and Contractors

One of the most significant aspects of PCEF's community grants model is its explicit investment in organizational capacity. Many of the community-based organizations serving Portland's frontline populations have deep community trust and cultural expertise but limited prior experience with government grant administration, energy efficiency program design, or construction project management. PCEF treats this not as a barrier to funding but as a challenge the program itself must help address.

PCEF staff provide pre-application support through workshops, one-on-one office hours, and accessible materials that aim to help demystify the grant application process. Organizations new to PCEF or that have not previously succeeded in grant cycles receive targeted guidance on program requirements, eligible activities, and what constitutes a strong proposal.

PCEF offers \$5,000 mini-grants and planning grants up to \$200,000 as a mechanism to help organizations develop project proposals for activities they have not previously administered. A planning grant may fund a small organization to conduct community engagement, develop a project scope, or build the tools needed to implement a larger implementation grant in a future cycle. Smaller implementation grants are also available for organizations to simply test out their project concept on a small initial scale. This staggered approach recognizes that community capacity is itself a climate investment—it produces organizational infrastructure that will serve frontline communities for years beyond any single project cycle.

PCEF further invests in equitable contractor and workforce development to address a critical gap: the absence of contractors who are women or from communities of color engaged in performing energy retrofit work in their own communities. To ensure that they earn a living-wage, the program requires that every individual be paid either 180% of the area minimum wage or prevailing wage while doing that work. PCEF-funded workforce and contractor development programs have supported contractors and workers from Latino, Black, Native, and other underrepresented communities to enter the clean energy construction sector through training, apprenticeship pathways, and business development support.

Program Staff and Outreach

PCEF staff are intentionally recruited to reflect the communities the fund serves. Diverse staff members with roots in the program's funding areas provide application support, conduct outreach, support project success, and maintain ongoing relationships with grantees. This staffing philosophy reduces the bureaucratic distance between program administrators and community organizations, enabling more responsive and culturally competent program delivery. Members of the community are best served by members of their own communities, and organizations that embed this principle in their hiring practices create ongoing institutional knowledge about the needs and priorities of those they serve.

PCEF Home Retrofit Grantees: Who They Are and Who They Serve

While PCEF funds a wide range of climate resilience initiatives and strategic programs, community grants are the heart of PCEF and the original mechanism through which the fund was disbursed. Community grants are funded in green infrastructure and carbon sequestration sectors, transportation decarbonization, workforce development and energy efficiency.

All of PCEF's home energy retrofit grantees serve low-income households and all are deeply imbedded in communities that mainstream programs have historically struggled to reach. For example, the Northwest Native Chamber enables Native American and Indigenous business opportunity through a contractor development and home energy retrofit model, that supports contractor skill development and connects community members to retrofit programs in culturally grounded rather than institutionally imposed ways. The Rohingya Youth Association of Portland has leveraged its trusted position within Portland's refugee community to reduce participation barriers for recently resettled families navigating what can be an intimidating and bureaucratically complex process. Verde, an environmental justice organization has integrated a robust heat pump program into their anti-displacement and workforce development strategies. The African American Alliance for Homeownership and The Community Energy Project bring the same integrated philosophy to homeownership connecting energy efficiency upgrades to the broader project of wealth preservation and long-term housing security for Portlanders who have borne the brunt of gentrification in the city.

These community-based, non-profit organizations, and more, have received multiple rounds of funding from the program starting in 2021, and have designed, developed and implemented their own clean energy programs, many starting with no experience in the clean energy sector. They have learned how to provide home energy assessments and plan home energy retrofit scopes of work that protect the health and safety of the households served, and how to support the development of contractors from their communities as they also pivoted into this new line of work. Together, these organizations illustrate how community-based delivery not only reaches households missed by conventional programs but creates locally rooted networks of expertise and trust that will outlast any single grant cycle.

These community-based home energy programs align with PCEF's dual objectives of reducing greenhouse gas emissions and providing community benefits. The projects intentionally target households with high energy burdens, language and cultural access needs, and historical exclusion from traditional energy efficiency markets.

Table 1 shows outcomes broken out by grantee organization. Community Energy Project contributed the largest share of gas savings (45,251 therms annually) and lifetime GHG savings (7,540 MT CO₂e) across its two grant cycles. Verde delivered the highest project count (195 projects across three cycles), driven by its ductless heat pump only program, which generated 338,310 kWh in annual electricity savings. Most of the projects were whole home retrofits performed following Building Performance Institute (BPI) standards and diagnostic testing, and all projects were electrification focused, as PCEF will not fund any fossil fuel equipment. Several grantees show negative electricity savings in parentheses, indicating electrification outcomes: when households replace gas furnaces with electric heat pumps, electricity use rises while gas consumption and total emissions fall. In all cases, lifetime GHG savings remain positive, confirming that these projects reduce overall climate impact.

Table 1. PCEF-funded home energy retrofit grantees and 2021-2025 outcomes by grantee

Grantee organization	Core mission	Grant cycles	Number of Projects	Lifetime GHG savings (MT CO₂e)	Annual gas savings (therms)	Annual electricity savings (kWh)	Annual Fuel Oil Savings (gal)	Annual bill savings (per-home average)
African American Alliance for Homeownership (AAAH)	Homeownership preservation	2020, 2021	64	2,137	10,663	(11,349)	3,643	\$277
APANO Communities United Fund	Asian empowerment and economic resilience	2020	7	179	587	5,339	0	\$221
Community Energy Project (CEP)	Energy efficiency and anti-displacement	2020, 2021, 2023	185	7,540	45,251	288,002	6,901	\$690
Northwest Native Chamber (NWNC)	Native economic resilience	2021-2023	23	1,253	7,067	(14,216)	0	\$349
Portland Community Reinvestment Initiative (PCRI)	Affordable rental housing	2020, 2021	16	1,170	9,084	(26,107)	0	\$563
Proud Ground	Affordable homeownership	2021	25	149	0	60,171	0	\$413
Rohingya Youth Association of Portland	Refugee support and access navigation	2021, 2023	25	857	7,138	(10,361)	0	\$366
Verde	Environmental justice and anti-displacement	2020, 2021, 2023	195	957	0	338,310	0	\$271
Total / All grantees		—	540	14,242	79,791	629,790	10,544	\$438

Energy efficiency savings from completed single family energy upgrades were calculated based on available reporting data. For most of the projects, savings were calculated using pre-and-post retrofit Home Energy Scores (HES) or another energy modeling software, such as Snugg Pro. Savings from new construction projects were provided through Energy Trust of Oregon (ETO)'s EPS New Homes program. For projects where modeled savings were not available, deemed savings from Regional Technical Forum (RTF) and ETO, as well as industry research, were applied to measure data collected from the grantee projects. Emission factors were then applied to generate GHG estimates. These Portland-specific emission factors are a weighted average using utility sales shares and utility-specific emission factors from Oregon Department of Environmental Quality. They also account for the projected utility decarbonization per HB 2021 and line losses.

Program Outcomes, 2021–2025

Across its first four community grant cycles, PCEF's home energy retrofit programs have produced measurable outcomes in energy savings and household benefit. Collectively, participating community-based organizations have completed 540 retrofit projects, saving approximately 629,790kWh in electricity savings and 79,791 Therms of natural gas annually.

Table 2 summarizes energy and climate outcomes by grant cycle for completed single-family home retrofit projects. The 2021 cycle was by far the largest, accounting for 380 of the 540 total completed projects and 11,427 of the 14,242 lifetime metric tons of CO_{2e} in avoided emissions. Average annual utility bill savings per project grew from \$323 in the 2020 cycle to \$485 in 2021, reflecting both program maturation and the increase in comprehensive whole home retrofits.

Table 2. Home energy retrofit outcomes by grant cycle, PCEF community grants

Grant cycle	Year awarded	Projects	Lifetime GHG savings (MT CO _{2e})	Annual gas savings (therms)	Annual electricity savings (kWh)	Avg annual bill savings
2020 Community Grants	2021	121	2,141	8,628	136,130	\$323
2021 Community Grants	2022	380	11,427	66,641	456,734	\$485
2023 Community Grants	2024	39	674	4,522	36,926	\$334
Total / All cycles	—	540	14,242	79,791	629,790	\$438

Source: City of Portland BPS PCEF 2020-2025 Program Data. Electricity figures reflect net annual savings across all projects per cycle; negative values in individual grantee programs reflect electrification conversions from gas to electric heat pumps.

Figure 1 presents contractor demographics across all home energy retrofit grants through 2025, drawn from PCEF program contractor data. Across all cycles combined, 45% of contractors had leadership that included people of color. 35% included women or other

marginalized genders, although this group dropped to 13% for the 2023 grant cycle. Contractor leadership inclusive of individuals with disabilities was reported in 4% of contractors, however, only 27% reported any data about disability status for their leadership. The proportion of contractors that opted out of providing demographic data increased noticeably in grants awarded in the 2023 CG cycle, however, additional investigation is needed to understand the drivers of this shift. The program collects demographic information on contractor leadership to understand the organizations working on PCEF funded work. These data can be used to improve engagement and awareness of PCEF opportunities.

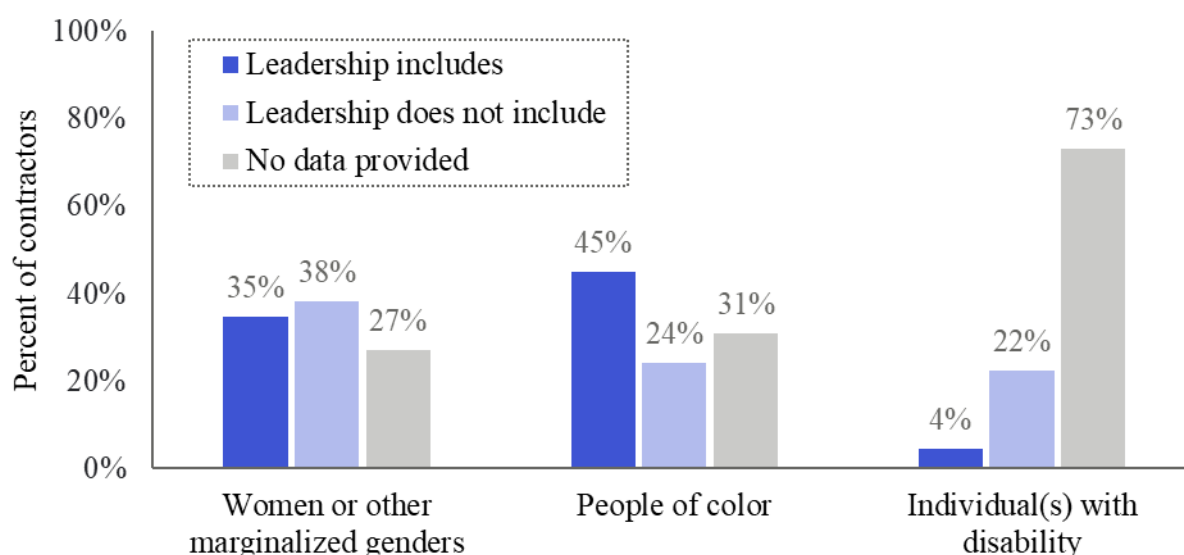


Figure 1. Contractor leadership demographics by priority population category, PCEF home energy retrofit grants, 2020–2023 grant cycles

Source: City of Portland BPS PCEF 2020-2025 Program Data. “No data” reflects contractors for whom ownership demographic information was not reported.

Taken together, these outcomes illustrate the impact of PCEF's community-centered model. Projects delivered by trusted community organizations have achieved high completion rates among populations that historically opt out of or are screened out of conventional programs. Households report not only energy savings but improved comfort, better indoor air quality, and reduced financial stress—outcomes that speak to the co-benefits embedded in PCEF's design.

Scaling Up: The Climate Investment Plan and Energy Friendly Homes

PCEF's community grants model is one pillar of a larger, community-shaped investment strategy. As the fund matured and revenue accumulated, PCEF had the opportunity to expand on lessons learned from their community grant program and increase the social benefit provided. While PCEF's community-based grantee organizations excelled in connecting with hard to reach communities, they were not developing the organizational capacity to meet the full community need at the speed that the Fund's increased balance warranted. In 2023 PCEF developed a five-year Climate Investment Plan (CIP) that would serve as a road map for the Fund's investments and guide larger-scale, strategic initiatives while maintaining the community-centered values that defined the grants program.

The Climate Investment Plan: A Community-Guided Process

The CIP development process was itself a model of participatory planning. PCEF staff conducted multiple rounds of engagement including an initial accessibility survey designed to identify and reduce barriers to participation; community visioning workshops to surface resident priorities; compensated expert roundtables—with priority given to participants with lived experience as members of PCEF priority populations—to develop goals, eligibility criteria, and funding levels for each program area; and a public comment period that generated over 500 submissions from community members, nonprofit organizations, contractors and other businesses, as well as government and utility program members. Two community review panels were convened specifically to ensure that frontline voices most impacted by climate change, including youth were reflected in the plan's final shape.

Specifically related to PCEF's home energy efficiency funding, the program heard that the community did not want to see business as usual. They wanted to see frontline communities at the center of who is served and who will implement the program – from program administrators and staff to the contractors performing the work. They cautioned against a first-come, first-served model that prioritizes those in the know, or with the language skills, capacity and institutional savvy to find and apply for the program. They stressed the need for full-cost funding that included resources for deferred maintenance, and they were clear that accountability is essential.

PCEF heard their requests, and all CIP programs were evaluated within PCEF's equity and climate framework, which considers benefits to frontline communities, community leadership, GHG reductions, implementation feasibility, and accountability.

Energy Friendly Homes: Strategic Program 3

One of the CIP's largest single investments in the residential sector—Strategic Program 3—builds directly on the lessons learned from PCEF's home retrofit community grantees (City of Portland City Council 2024b). Launched in January 2026 under the name Energy Friendly Homes Program, the program will invest \$140 million over five years to deliver whole-home energy upgrades to more than 3,100 low- and moderate-income households in single-family homes and small multifamily buildings across Portland.

The Energy Friendly Homes Program retains PCEF's commitment to community proximity even as it operates at a scale larger than any individual community grant. The program structure includes a dedicated Customer Navigator Provider that delivers culturally specific outreach to identify eligible households in PCEF priority populations. They also provide multilingual individualized support and guidance throughout the retrofit process. This role brings the trusted-intermediary function that PCEF's community-based grantees have played organically since 2021—ensuring that programmatic scale does not come at the cost of community access.

A community-based organization steering committee was created to ensure community voices and lived experience guide how the program is built and improved. The goal is to make sure the program reflects what community members actually need and to keep equity, accessibility, transparency, and accountability at the center of every decision. The steering committee includes eight CBOs that work directly with people across many ages, backgrounds, and housing needs. Because they have strong, trusted relationships in their communities, they bring forward real experiences and barriers that residents face. Their insight helps shape program

design, outreach, and services in ways that respond to those community realities. They also help share information about the program, support engagement, and refer people who may benefit from the program offerings including the home retrofits and the workforce development opportunities.

Energy Friendly Homes' workforce and contractor investment strategy reflects lessons learned across the community grant program. The program allocates \$3.5 million specifically to build a new contractor and workforce base that reflects the community being served. (City of Portland BPS 2025c). They follow PCEF-wide requirements, such as the PCEF minimum wage and respectful workplace training and policies, and they also offer equipment grants to help smaller, culturally specific and women-owned firms access the specialized tools needed for heat pump installations and weatherization work. The program supports on-the-job (OJT) pathways in partnership with PCEF's broader workforce inclusivity initiatives. OJT mentorship pairing experienced contractors with newer contractor entrants is also built into the program structure, drawing on peer-learning models for capacity building.

This investment reflects PCEF's recognition that the absence of contractors from communities of color is not a fixed condition but a structural gap that dedicated resources can close—and that building local contractor capacity within frontline communities creates durable economic benefit well beyond any single program cycle.

Lessons for Other Jurisdictions

PCEF's experience offers transferable lessons for jurisdictions and utilities seeking to replicate a community-centered approach to residential energy efficiency—though it also illustrates the real costs and tradeoffs that such an approach entails.

Community-Centered Delivery Strengthens Reach but Requires Patience and Investment

Shifting program design and implementation authority to community-based organizations is not a more efficient path to energy savings—it is a more equitable one, and the distinction matters for program planning. Organizations, such as the small community based, often culturally specific grantees that PCEF funds, that have not previously administered government grants, managed construction projects, or designed energy efficiency programs, for example, require time, support, and trust to develop those capabilities. PCEF has found that this investment pays returns: allowing time and providing support, mentorship and opportunities to learn new skills, while encouraging growth in manageable steps by starting small and transitioning to larger implementation grants, organizations new to energy efficiency, are able to bring a depth of community trust and cultural competency that conventional contractors and utilities rarely achieve. However, funders and program administrators must be prepared to accept slower early-stage timelines and to view organizational capacity as a legitimate climate investment in its own right.

Serving Low-Income Households Requires Full-Cost Funding

Household energy burden cannot be meaningfully addressed through partial incentives designed for households with the financial capacity to co-invest in efficiency upgrades. Low-income households typically lack the savings or credit access needed to supplement program support, and their homes frequently carry deferred maintenance that must be addressed before

energy measures can be installed. Programs that exclude deferred maintenance from eligible costs effectively disqualify the households most in need. PCEF's whole-home approach—which allows up to 30% of project budgets to address deferred maintenance—reflects the reality that deep, durable energy savings require whole-home thinking. Requiring living wages for all workers and investing in workforce development for underrepresented contractors also adds cost above what utility-administered programs typically pay per efficiency unit. Jurisdictions must budget for this reality rather than assume that inclusivity goals can be achieved within traditional cost-effectiveness frameworks.

Shifting Power Requires Institutional Willingness to Yield Control

A community-centered model asks program administrators to resist the impulse to overspecify program design and delivery. Honoring community-designed approaches—even when they differ from conventional government or utility practice—is essential. This means accepting that grantees may take paths that administrators would not have chosen, supporting them when those paths hit obstacles, and allowing communities to course-correct and learn without penalizing deviation from expected approaches. The organizations best equipped to serve Portland's frontline communities were not the ones highest in energy efficiency expertise—and the program had to support systems that could recognize and build upon community expertise.

Community Representation Must Extend Throughout Program Staffing and Governance

PCEF's experience suggests that hiring staff not just with subject matter expertise but importantly lived experience in the communities that the program serves is a programmatic necessity. Representative staff members reduce the bureaucratic distance between program administrators and the communities served in ways that are difficult to replicate through interpreters or community liaison roles. Members of the community are best served by members of their own communities, and organizations that embed this principle in their hiring practices create ongoing institutional knowledge and sensitivity.

Dedicated, Independent Funding Is a Structural Advantage Worth Replicating

PCEF's ability to operate with a long-term horizon, fund deferred maintenance, invest in organizational capacity, and prioritize social benefit along with cost-per-kilowatt-hour is inseparable from its funding structure. The 1% surcharge on large national retailers—a structure designed to ensure that the costs of climate investment are borne by large corporate actors rather than low-income households—provides a stable, growing revenue stream independent of annual budget cycles or utility rate cases. Other jurisdictions exploring replication should engage closely with the specific local political, economic, and legal conditions that shaped Portland's ballot measure success: the coalition of environmental justice organizations, labor groups, and environmental advocates; the framing of the measure around economic and social benefit alongside climate outcomes; and the ballot language's explicit protections against applying the surcharge to basic necessities. Success will depend on knowing one's community, identifying

where and on what issues people are already organized, and drafting measure language that directs benefits directly back to those most in need.

Conclusion

PCEF's community-centered model demonstrates that equitable climate investment is both achievable and measurable—and that the communities most burdened by climate change and structural inequity are not simply recipients of program benefits but essential architects of effective solutions.

Over its first four community grant cycles, PCEF has funded home energy retrofit and new construction programs designed and implemented by organizations serving Rohingya, Pan-African, Latino/a/x, Black, Native, Asian, and immigrant communities—populations that utility-administered programs have systematically underserved for decades. The results—more than 570 households served, approximately 629,790kWh in electricity savings and 79,791 therms of natural gas annually, and improvements in housing stability, indoor air quality, and household financial security—demonstrate what becomes possible when program design is guided by proximity to need rather than administrative convenience.

These outcomes were not achieved by simply targeting underserved populations within a conventional program framework. They required building organizational capacity in community-based nonprofits, investing in workforce and contractor development for historically excluded contractors and workers, providing deferred maintenance funding not typically included in conventional programs, and maintaining a governance structure that centers accountability to community at every level. They also required patience: the willingness to let communities develop their own approaches, fail and learn, and build the expertise and confidence that durable program delivery requires.

PCEF is now extending these lessons at greater scale through Energy Friendly Homes, a \$140 million strategic initiative designed to serve more than 3,100 low- and moderate-income households while building a new, diverse workforce and contractor base. The program carries forward PCEF's core commitments—community representation, culturally specific outreach, whole-home investment, and equitable workforce development—into a model that other jurisdictions can study and adapt.

The central lesson of PCEF's first years is not complicated: when communities most impacted by climate change are given the resources, authority, and trust to design and deliver their own solutions, the results exceed what top-down program models typically achieve. The harder work is building the political will and institutional culture to make that shift—and sustaining it as programs grow.

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