

Testimony of Eric Fruits, Ph.D.

Submitted to Portland City Council
September 19, 2023

Re: Agenda Item 798—Portland Clean Energy Community Benefits Fund (PCEF)

I am a Portland resident, business owner, and nonprofit board member. I urge you to:

- Reject this [ordinance](#);
- Eliminate the Portland Clean Energy Community Benefits Fund and transfer any current balance and future revenues into the city's General Fund;
- Use the Fall Budget Monitoring Process to reallocate PCEF funds to programs and projects that address Portlanders' biggest priorities and provide noticeable benefits to all Portlanders.

As elected city commissioners, you are well aware of the challenges facing Portland:

- The Portland Bureau of Transportation [claims](#) it has a \$32 million budget shortfall;
- Portland Parks and Recreation claims it does not have enough money for basic maintenance, such as maintaining the [Grant High School](#) practice fields, [tennis courts](#), or [light poles](#);
- The city's information technology systems are in [shambles](#);
- 911 response times are a national disgrace and may [never](#) recover to pre-pandemic levels;
- Almost every resident has had their car [stolen](#) or knows someone who has.

While many city bureaus plead poverty, one program is sitting on a gusher of cash: The Portland Clean Energy Community Benefits Fund, or "PCEF." The [exhibit](#) to this ordinance shows that PCEF is expected to bring in \$100-120 million a year in tax revenues for the foreseeable future.

PCEF money should be redeployed to provide vital services to benefit all Portlanders.

Figure 1. PCEF beginning balance vs. annual and cumulative tax revenue

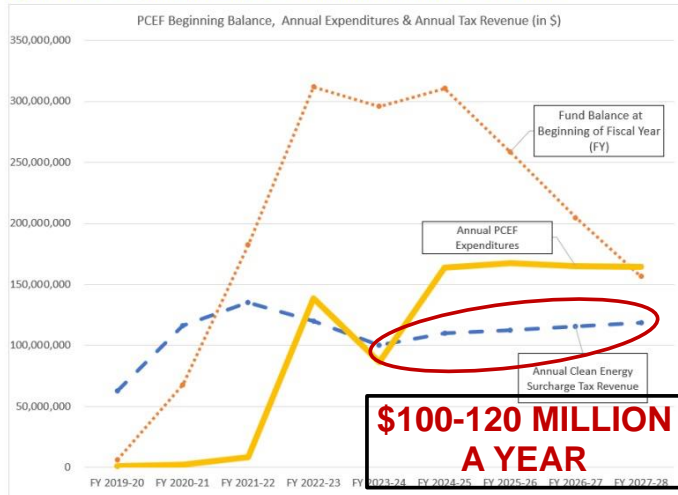


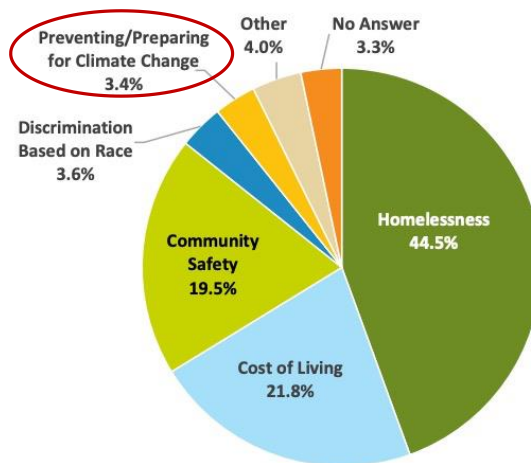
Figure 1 illustrates information on PCEF's annual revenues, fund balance, and annual expenditures looking back to the start of the program and projected out for the duration of this CIP.

You may hear from members of “frontline communities,” climate activists, and organizations hoping to get a piece of the enormous PCEF pie who will note that a majority of voters approved PCEF in Ballot Measure 26-201 five years ago.

But, in the wake of the COVID-19 pandemic, 2018 seems like a lifetime ago. Portland has changed, as well as Portlander’s priorities.

The city’s own [Portland Insights Survey](#) reports **only 1-in-30 Portlanders identify climate change as the city’s greatest challenge**. The numbers are even smaller among most of the frontline communities.

Figure 1: Portland’s Greatest Challenge (citywide)



Q4: What is the greatest challenge facing Portland?
Unweighted N=4,484

Table D2: Portland's Greatest Challenge by Race/Ethnicity (Report Figure 3)

Challenges	AIAN	Asian	Black	Latinx	MENA	NHPI	White	Other
Community safety	19.3%	32.7%	21.4%	19.8%	15.8%	17.0%	18.4%	31.9%
Cost of living	31.8%	20.0%	37.6%	25.5%	19.0%	36.0%	20.9%	21.9%
Discrimination based on race	9.9%	3.1%	11.8%	11.5%	5.3%	8.8%	1.9%	1.1%
Homelessness	26.2%	39.2%	23.6%	37.8%	44.6%	32.2%	50.7%	34.9%
Preventing and preparing for climate change	8.7%	1.7%	1.0%	3.1%	6.1%	0.0%	3.9%	1.5%
Other (please specify)	4.0%	3.2%	4.5%	2.3%	9.1%	6.1%	4.2%	8.7%

Today, Portlanders say homelessness, community safety, and cost of living are the city’s most significant challenges. Half of Portlanders are dissatisfied or very dissatisfied with the quality of the city’s roads, streetlights, and sidewalks.

PCEF is taking a huge toll on cost-of-living. The PCEF gross receipt taxes cost the average household \$400 a year.

That money is then doled out for projects with no discernible benefits to the vast majority of Portlanders. The [ordinance](#) itself admits that less than 1% of “PCEF priority populations” would benefit in any given year:

[C]ompleting all clean energy and green infrastructure projects benefiting PCEF priority populations would require approximately \$18 billion and take over 120 years.

PCEF is designed to entrench special interests. Everyone pays—\$400 a year per household—but very, very few benefit (less than one-half of 1% of the population).

As elected representatives of the entire city, you owe it to Portland and its residents to declare that the PCEF experiment is over.

- Reject this ordinance;
- Eliminate the Portland Clean Energy Community Benefits Fund and transfer any current balance and future revenues into the city’s General Fund;
- Use the Fall Budget Monitoring Process to reallocate PCEF funds to programs and projects that address Portlanders’ biggest priorities and provide noticeable benefits to all Portlanders.

Respectfully submitted by,

Eric Fruits, Ph.D.
eric.fruits@gmail.com