

**CITY COUNCIL AGENDA TOPIC**

Resolution authorizing execution of amendment to the Energy Smart Eastside Boost Heat Pump Reimbursement Contract with Hopelink, increasing the contract from \$4,810,090 to an amount not to exceed \$8,278,810 and extending the end date from December 31, 2025 to December 31, 2026.

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**EXECUTIVE SUMMARY**

The City of Bellevue contracts with Hopelink to fund 100 percent of the cost of purchase and installation of heat pumps for low-income households accepted into the Energy Smart Eastside Boost program. This action authorizes the increase to the contract by \$3,468,720 for a total not to exceed amount of \$8,278,810 and extends the end date by one year. Funding for this increase is sourced from grants awarded to Energy Smart Eastside.

**ACTION**

This is one of two actions on tonight's consent calendar related to the Energy Smart Eastside program. The other action under separate cover is an Ordinance to authorize the execution of an agreement with Puget Sound Energy to accept grant funding to implement heat pump incentives for income-qualified households and to amend the 2025-2026 budget of the Operating Grants, Donations, and Special Reserve Fund to increase the appropriation by \$400,000.

**RECOMMENDATION**

Move to adopt Resolution No. 10538

**BACKGROUND/ANALYSIS**

Energy Smart Eastside is a heat pump incentive program funded as a joint initiative of the Eastside Climate Partnership (comprised of the Cities of Bellevue, Issaquah, Kirkland, Mercer Island, Redmond and Sammamish) and managed by the City of Bellevue. The Energy Smart Eastside Boost program, which is administered by Hopelink under a separate contract, provides 100 percent cost coverage of heat pump installations for qualified households with a total income at or below 80 percent of area median income (AMI). Hopelink provides income verification services, case management, and pays contractors upon completion of heat pump installations. The program also leverages Hopelink's Energy Assistance program and expertise in providing support for the Eastside's most vulnerable residents who struggle to pay their energy bills. Through this partnership, Hopelink's existing Energy Assistance clients are eligible to apply to receive a heat pump in their home.

This amendment increases the Hopelink heat pump reimbursement contract amount for 2025-2026 by

\$3,468,720 to a total contract value of \$8,278,810 and extends the end date from December 31, 2025, to December 31, 2026, as laid out in the following table:

Contract	Amount	Effective Date	End Date
<i>Boost Heat Pump Reimbursement Contract</i>	<i>\$1,700,000</i>	<i>04/10/2024</i>	<i>02/01/2025</i>
<i>Amendment #1 - executed</i>	<i>\$2,710,090</i>	<i>10/01/2024</i>	<i>12/31/2025</i>
<i>Amendment #2 - executed</i>	<i>\$400,000</i>	<i>09/01/2025</i>	<i>12/31/2025</i>
<i>Amendment #3 - proposed</i>	<i>\$3,468,720</i>	<i>This action</i>	<i>12/31/2026</i>
<b>Total</b>	<b>\$8,278,810</b>		

## POLICY & FISCAL IMPACTS

### Policy Impact

The Resolution supports the following actions in the Sustainable Bellevue Plan.

- C.1.4: Climate equity. Prioritize climate mitigation and adaptation investments in historically underserved and underrepresented communities.
- C.1.7: Climate outreach and education. Develop a climate outreach and education campaign or program to support ongoing community engagement.
- E.2.2: Home energy retrofit program. Develop a home energy retrofit program to support retrofits and incentivize energy efficiency.
- E.2.3: Equitable access to energy programs. Improve access to energy efficiency programs for low-income and historically underserved and underrepresented populations.

### Fiscal Impact

Approval of this action obligates the city to pay an additional \$3,468,720 for a total not to exceed amount of \$8,278,810 to Hopelink for heat pump reimbursements.

This amendment is funded through grant agreements with Puget Sound Energy and the Washington State Department of Commerce and contributions from the Eastside Climate Partnership cities. These expenditures were anticipated and sufficient funding exists within the amended 2025-2026 budget in the Operating Grants, Donation and Special Reserve Fund and the Restricted Special Purpose Fund.

## OPTIONS

1. Adopt the Resolution authorizing execution of amendment to the Energy Smart Eastside Boost Heat Pump Reimbursement Contract with Hopelink, increasing the contract from \$4,810,090 to an amount not to exceed \$8,278,810 and extending the end date from December 31, 2025 to December 31, 2026.
2. Do not adopt the Resolution and provide alternate direction.

## **ATTACHMENTS**

Proposed Resolution No. 10538

## **AVAILABLE IN COUNCIL LIBRARY**

Hopelink – Energy Smart Eastside Boost Heat Pump Reimbursement Contract

Hopelink – Contract Amendment #1

Hopelink – Contract Amendment #2

Hopelink – Proposed Contract Amendment #3

Eastside Climate Partnership Interlocal Agreement

PSE – CCA Decarbonization Grant Agreement

Washington State Dept. of Commerce – HEAR AFH Grant Agreement

Washington State Dept. of Commerce – HEAR AFH Amendment #1