

District Energy Briefing to Seattle City Council Energy & Environment Committee

January 8, 2013

This briefing is intended to provide an update to the Council's Energy & Environmental Committee on OSE's work to advance district energy systems in Seattle. Specifically, this briefing provides updates on two district energy efforts: (1) the district energy analysis with Corix Utilities on First Hill; and (2) recent steps to facilitate district energy in South Lake Union and Denny Triangle in response to interest by developers. Each is described separately below.

First Hill District Energy

BACKGROUND: In OSE's 2011 District Energy Pre-Feasibility Study, First Hill was identified as the Seattle neighborhood with the greatest near-term potential for district energy (DE). This prompted to the City to actively pursue a partnership with a private sector district energy utility to analyze the opportunity and potentially develop a DE system. The City Council showed support for this course of action through Resolution 31354. Last spring, OSE released a Request for Qualifications and selected Corix Utilities to analyze options for district energy on First Hill to serve the Yesler Terrace redevelopment and, potentially, Harborview Medical Center. Seattle Housing Authority (SHA) is required to connect its Yesler Terrace developments to a district energy system if one results from this process, and Harborview is currently considering its options for future energy service to their campus.

STATUS: Corix is currently working with OSE, in coordination with other First Hill stakeholders, to analyze three options for DE service to Harborview and Yesler Terrace. Draft results are anticipated in February, with a final study complete in March. Results will be reviewed with the City Council. If a favorable option results from this initial analysis, Corix will conduct an investment grade analysis on the preferred option.

NEXT STEPS: OSE and Corix will continue coordinating with SHA and Harborview, as well as Seattle Steam as a potential heat provider. We expect to return to the Council this spring with a recommendation based on the results of the study.

South Lake Union & Denny Triangle District Energy:

BACKGROUND: The 2011 District Energy Pre-Feasibility Assessment also identified South Lake Union as one of the Seattle neighborhoods with the greatest potential for district energy service. Recently several developers have indicated an interest in waste heat for district heating systems in the neighborhood. These developments, combined with other new development in South Lake Union and Denny Triangle prompted OSE to take a more strategic look at district energy options for the neighborhood.

STATUS: Compass Resource Management is under contract to conduct a high-level screening study of the South Lake Union and Denny Triangle neighborhoods to help us understand:

- The ways a DE system could develop in South Lake Union, and what heat sources could be tapped (e.g. waste heat from data centers or sewage lines);
- How individual developers can design systems to facilitate or optimize their connection to a larger system; and
- What the City could do to facilitate the development of a larger DE system.

The study will be based on input from developers, DPD, SPU, Seattle Steam, and others about likely development patterns and potential heat sources in the neighborhood. Proposed concepts and draft recommendations for next steps are expected in February.

NEXT STEPS:

We will review draft concepts in late January with neighborhood stakeholders, with final recommendations expected in March. One expected recommendation will be what role the City should play in promoting district energy development in South Lake Union and Denny Triangle.