

Ordinance No. 122808

Council Bill No. 116338

AN ORDINANCE relating to the City Light Department; authorizing execution of a 15-year agreement with Redding Electric Utility for the exchange of renewable energy and environmental attributes.

CF No. _____

Date Introduced:	<u>9-15-08</u>	
Date 1st Referred:	To: <u>Energy & Technology (ETC)</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>8-0</u>	
Date Presented to Mayor:	Date Approved: <u>9-29-08</u>	
Date Returned to City Clerk:	Date Published: <u>2</u>	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Bruce A. Hamilton

Councilmember

Committee Action:

9/17/2008 BH, JAM, RC - Aye

9-22-08 Passed 8-0 (Absent: Rasmussen)

This file is complete and ready for presentation to Full Council. Committee: _____ (initial/date)

LAW DEPARTMENT

Law Dept. Review

OMP Review

City Clerk Review

Electronic Copy Loaded

Indexed



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

August 19, 2008

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that authorizes Seattle City Light (SCL) to execute a 15-year agreement with Redding Electric Utility for the exchange of renewable energy, consistent with City Light's Integrated Resource Plan.

In 2006 Washington State passed a renewable portfolio standard (Initiative 937), which established requirements regarding renewable energy. This proposed Council Bill allows SCL to exchange with the City of Redding, California, up to 10 MW of renewable energy for an equivalent amount of energy and environmental attributes from SCL's Cedar Falls or South Fork Tolt hydroelectric facilities. While Redding is unable to economically receive power from its new biomass resource located in the City of Weed, California, it can economically transmit it to Seattle. In turn, Seattle City Light can economically transmit an equivalent amount of its power to Redding.

The power received from Redding meets Washington's portfolio standard definition of a renewable resource and will help SCL meet its requirements established in I-937. The energy SCL is transmitting to Redding cannot be used to meet I-937's standards in Washington, but can be used by Redding to meet its requirements in California.

Passage of this legislation will help maintain greenhouse gas neutrality by providing access to green and renewable resources. Thank you for your consideration of this legislation. Should you have questions, please contact Ray Camacho at (206) 233-7889.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels", written over a large, faint circular stamp.

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 615-0476 Fax: (206) 684-5360, Email: mayors.office@seattle.gov

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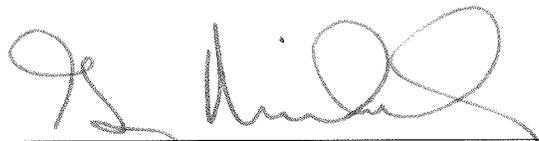


1 Section 3. This ordinance shall take effect and be in force thirty (30) days from and after
2 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days
3 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

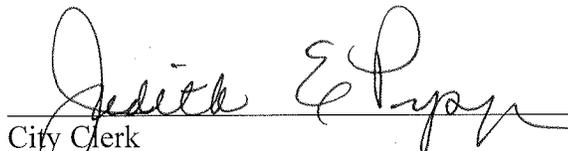
4 Passed by the City Council the 22nd day of September, 2008, and
5 signed by me in open session in authentication of its passage this
6 22nd day of September, 2008.

8 
9 _____
10 President _____ of the City Council

11 Approved by me this 29th day of September, 2008.

12 
13 _____
14 Gregory J. Nickels, Mayor

15 Filed by me this 2nd day of October, 2008.

16 
17 _____
18 City Clerk

19
20
21 (Seal)

22 Attachment 1: Confirmation Agreement for Renewable Energy Exchange.
23
24
25
26
27



ATTACHMENT 1

CONFIRMATION AGREEMENT

Between

City of Redding

And

The City of Seattle through its City Light Department

COVER SHEET

<p>Name: City of Redding All Notices:</p> <p>Street: <u>777 Cypress Ave</u></p> <p>City: <u>Redding, CA</u> Zip: <u>96001</u></p> <p>Attn: Electric Department Director Phone: <u>(530) 339-7350</u> Facsimile: <u>(530) 339-7389</u> Email: <u>jfeider@ci.redding.ca.us</u> Duns: <u>07-378-0413</u> Federal Tax ID Number: <u>94-6000401</u></p>	<p>Name: Seattle City Light All Notices:</p> <p>Street: <u>PO Box 34023</u></p> <p>City: <u>Seattle, WA</u> Zip: <u>98124-4023</u></p> <p>Attn: Contract Administration Phone: <u>(206) 684-3654</u> Facsimile: <u>(206) 386-4555</u> Email: <u>connie.fevold@seattle.gov</u> Duns: <u>009483629</u> Federal Tax ID Number: <u>91-6001275</u></p>
<p>Preschedule Attn: <u>Preschedule Desk</u> Phone: <u>(530) 245-7018 or 7015</u> Facsimile: <u>(530) 245-7010</u> Email: <u>mbriggs@ci.redding.ca.us</u></p>	<p>Preschedule Attn: <u>Doug Carmichael</u> Phone: <u>(206) 615-0963</u> Facsimile: <u>(206) 615-0969</u> Email: <u>doug.carmichael@seattle.gov,</u> <u>ali.rodol@seattle.gov, or</u> <u>sclpwrsched@seattle.gov</u></p>
<p>Real Time Marketing Attn: <u>Real-Time Desk</u> Phone: <u>(530) 245-7005</u> Facsimile: <u>(530) 245-7010</u> Email: <u>hrahead@reupower.com</u></p>	<p>Real Time Marketing Attn: <u>Real Time Desk</u> Phone: <u>(206) 615-0966</u> Facsimile: <u>(206) 615-0969</u> Email: <u>n/a</u></p>
<p>Confirms Attn: <u>Preschedule Desk</u> Phone: <u>(530) 339-7018 or 7015</u> Facsimile: <u>(530) 245-7010</u> Email: <u>mbriggs@ci.redding.ca.us</u></p>	<p>Confirms Attn: <u>Nhung Mach</u> Phone: <u>(206) 684-3535</u> Facsimile: <u>(206) 287-5138</u> Email: <u>nhung.mach@seattle.gov</u></p>
<p>Invoices Attn: <u>Settlements</u> Phone: <u>(530) 245-7044</u> Facsimile: <u>(530) 245-7010</u> Email: <u>settlements@reupower.com</u></p>	<p>Invoices Attn: <u>Linda Colby</u> Phone: <u>(206) 386-3545</u> Facsimile: <u>(206) 386-4555</u> Email: <u>sclpoweraccounts@seattle.gov</u></p>
<p>Payments Attn: <u>Settlements</u> Phone: <u>(530) 245-7044</u> Facsimile: <u>(530) 245-7044</u></p>	<p>Payments Attn: <u>Linda Colby</u> Phone: <u>(206) 386-3545</u> Facsimile: <u>(206) 386-4555</u></p>



Email: <u>settlements@reupower.com</u>	Email: <u>sclpoweraccounts@seattle.gov</u>
Wire Transfer BNK: <u>Wells Fargo Bank</u> ABA: <u>121000248</u> ACCT: <u>400-0055772</u>	Wire Transfer BNK: <u>Wells Fargo Bank</u> ABA: <u>121000248</u> ACCT: <u>4758359921</u>
Credit and Collections Attn: <u>Finance Manager – Electric Dept.</u> Phone: <u>(530) 339-7383</u> Facsimile: <u>(530) 339-7308</u> Email: <u>tgraves@ci.redding.ca.us</u>	Credit and Collections Attn: <u>Mike Yaley</u> Phone: <u>(206) 233-2756</u> Facsimile: <u>(206) 287-5120</u> Email: <u>mike.yaley@seattle.gov</u>
With additional Notices of an Event of Default, Termination or Potential Event of Default to: Attn: <u>Nicholas Zettel</u> Phone: <u>(530) 339-7309</u> Facsimile: <u>(530) 339-7308</u> Email: <u>nzettel@ci.redding.ca.us</u>	With additional Notices of an Event of Default, Termination or Potential Event of Default to: Attn: <u>Marilynn Semro</u> Phone: <u>(206) 386-4539</u> Facsimile: <u>(206) 386-4555</u> Email: <u>marilynn.semro@seattle.gov</u>
Contact Information Modification: Any modifications to the Contact Information shall be provided to the other Party in writing and shall be mailed, faxed or e-mailed to Contract Administration.	



CONFIRMATION AGREEMENT FOR

RENEWABLE ENERGY EXCHANGE

between

Seattle City Light and the City of Redding

Effective Date: xxxx

This Confirmation Agreement for Renewable Energy Exchange (“Confirmation” or “Agreement”) constitutes the arrangement reached between The City of Seattle, a municipal corporation of the State of Washington, acting by and through its City Light Department (“SCL”) and the City of Redding Electric Utility (“Redding”) regarding an exchange of up to 10 MW of renewable energy whereby Redding delivers capacity, energy and Environmental Attributes from its new biomass resource to SCL and SCL delivers energy and Environmental Attributes from its small hydroelectric resources to Redding. This Confirmation is made in accordance with the WSPP, Inc. Agreement effective March 16, 2007 (“WSPP Agreement”).

Recitals:

WHEREAS Redding is purchasing the capacity, energy and Environmental Attributes from the Roseburg Biomass Project, located in Siskiyou County, California, an Acceptable Renewable Resource; and

WHEREAS Redding is unable to economically transmit the power from this resource to its load due to transmission limitations but the power can be transmitted to SCL; and

WHEREAS SCL possesses an amount of Small Hydroelectric Resources and Environmental Attributes, an Acceptable Renewable Resource that SCL can deliver to Redding; and

WHEREAS both Redding and SCL desire to exchange these renewable resources and their Environmental Attributes such that each can be delivered to meet the others load obligation;

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this Confirmation, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:



TRANSACTIONS

1. Transaction 1 – Redding Delivery of Roseburg Biomass Project to SCL

A. Product.

Redding delivery of the Transaction 1C Delivery Quantity under WSPP Schedule B, unit commitment capacity and associated energy from the Roseburg Biomass Project and associated Environmental Attributes or Replacement Environmental Attributes. SCL shall take title of such energy at the Transaction 1E Delivery Point COB South to North.

B. Term.

This term shall have the meaning given to it in Exhibit A, Special Provisions, Section 2, Term; Termination.

C. Delivery Quantity.

Redding shall deliver and SCL shall receive the amount of the entire Roseburg Biomass Net Project Energy delivered at the Transaction 1E Delivery Point COB South to North. The annual Delivery Quantity shall not exceed 10 aMW except by mutual agreement.

The amount of power in each hour of the Term is estimated to be 7.5 MW per hour or 65,700 MWh per year scheduled in whole MWh. The Parties acknowledges that the actual Transaction 1C Delivery Quantity is dependent upon the actual operation of the Roseburg Biomass Project and will vary from the estimated amount.

D. Delivery Hour.

Hours ending 0100 through 2400, Mondays through Sundays, including NERC holidays, throughout the Transaction 1B Term.



E. Delivery Point.

COB South to North. The PacifiCorp interconnection point on the north side of the Malin 500 substation or other points as mutually agreed.

F. Price.

Except as otherwise stated herein, SCL shall not be required to make any monetary payment or return any losses to Redding for services or deliveries received in Transaction 1.

G. Scheduling.

(1) All deliveries pursuant to Transaction 1 shall be prescheduled in accordance with NERC, NAESB, WECC, and applicable third party transmission system operator scheduling guidelines as amended from time to time.

(2) Redding Notice for Scheduling. Redding shall provide (or cause to be provided) to SCL's preschedule contact no later than 5:30 AM PPT (or an alternative time as mutually agreed) on the applicable WECC prescheduling day, (a) a notice for scheduling that includes the expected Transaction 1C Delivery Quantity in whole MW from zero to 10 MW per hour for each hour for the next Day or Days on which the delivery of the Transaction 1C Delivery Quantity is to be made, and (b) the OASIS firm transmission reference number from the source to the Transaction 1D Delivery Point COB South to North, *provided, however*, that for the notice for scheduling of deliveries on weekends and holidays (as defined by the North American Electric Reliability Council) Redding and SCL or their respective designees shall follow prevailing scheduling practices within the WECC. Redding or its designee shall make commercially reasonable efforts to provide accurate forecasts of the Transaction 1C Delivery Quantity given then available information.

(3) SCL Schedule and Tag Obligation. To the extent not prevented by an event of Uncontrollable Force or curtailment of firm transmission, not later than noon (or an alternative time as mutually agreed) on the applicable WECC prescheduling Day or Days, SCL or its designee shall schedule the Transaction



1C Delivery Quantity as specified in Redding's notice for scheduling provided in Transaction 1G(2) to the Transaction 1E Delivery Point COB South to North.

(4) Either Party may make delivery day changes to the preschedule quantities to the extent caused by a Forced Outage, Uncontrollable Force or transmission curtailment but not for economic reasons.

(5) Except as mutually agreed otherwise, if the Roseburg Biomass Project experiences any Forced Outage of a duration greater than one day, resumption of the interrupted deliveries shall begin with the next delivery day for which prescheduling can reasonably be accomplished within the deadlines established by WECC, NAESB or NERC.

H. Availability Notification.

Redding is responsible for providing timely notification to SCL when a Forced Outage, event of Uncontrollable Force or transmission curtailment affecting the Roseburg Biomass Project occurs and when the Roseburg Biomass Project recovers from such contingency. Notice is deemed given by Redding if given by Owner or by Redding to SCL.

Redding shall also provide SCL as soon as reasonably possible advance notice of planned maintenance and overhaul outages.

I. Reserves.

Redding shall provide reserves to ensure firm delivery service within the hour by procuring appropriate ancillary services from PacifiCorp transmission. Redding may designate a 3rd party as provider of reserves.

J. Firm Transmission.

Unless otherwise agreed, Redding shall reserve or otherwise ensure that delivery of the Transaction 1C Delivery Quantity is made utilizing firm transmission from the Roseburg Biomass Project to the Transaction 1E Delivery Point COB South to North. Firm transmission means transmission that is sold as firm by the



transmission provider for the full duration and quantity of the delivery from the proposed source.

K. Transmission Charges.

Except for deliveries of energy to an alternate Delivery Point as provided for in Transaction 1E Delivery Point, Redding shall be responsible for all transmission charges incurred for transmission services required to transmit energy to the Transaction 1E Delivery Point. Subject to agreement between the Parties' deliveries may be made to alternate Delivery Points. The Party responsible for payment of any charges associated with deliveries to alternate Delivery Points shall be agreed upon in advance of the transaction by the Parties.

L. Transmission Losses.

Redding shall be responsible for all transmission losses incurred for transmission services required to deliver the Transaction 1C Delivery Quantity to the Transaction 1E Delivery Point.

M. Environmental Attributes.

Redding will annually deliver to SCL Roseburg Biomass Project Environmental Attributes, in the form of RECs reflecting the Roseburg Biomass Net Project Energy. Such RECs shall be in the form of Exhibit B, the REC Attestation and Bill of Sale and conveyed using the WREGIS database. The Roseburg Biomass Project shall meet the definition of an Acceptable Renewable Resource. See also Exhibit A, Special Provisions, Section 6, Environmental Attributes.



2. **Transaction 2 – SCL Firm Delivery to Redding.**

A. Product.

SCL delivery of the Transaction 2C Delivery Quantity under WSPP Schedule C energy and delivery of Environmental Attributes from SCL's Small Hydroelectric Resources or Replacement Environmental Attributes. Redding shall take title of such energy at the Transaction 2E Delivery Point COB North to South.

B. Term.

This term shall have the meaning given to it in Exhibit A, Special Provisions, Section 2, Term; Termination.

C. Delivery Quantity.

SCL shall deliver and Redding shall receive hourly energy equal to the Transaction 1C Delivery Quantity delivered by Redding to SCL seven days earlier. The amount of power in each hour of the Term is estimated to be 7.5 MW per hour or 65,700 MWh per year scheduled in whole MWh.

D. Delivery Hours.

Hours ending 0100 through 2400, Mondays through Sundays, including NERC holidays, October through March throughout the Transaction 2B Term.

E. Delivery Point.

COB North to South or other points as mutually agreed.

F. Price.

Except as otherwise stated herein, Redding shall not be required to make any monetary payment or return any losses to SCL for the energy delivered in Transaction 2.



G. Scheduling.

(1) All deliveries pursuant to Transaction 2 shall be prescheduled in accordance with NERC, NAESB, WECC, and applicable third party transmission system operator scheduling guidelines as amended from time to time.

(2) SCL Notice for Scheduling. SCL shall provide (or cause to be provided) to Redding's preschedule contact no later than 5:30 AM PPT (or an alternative time as mutually agreed) on the applicable WECC prescheduling day, (a) a notice for scheduling that includes the Transaction 2C Delivery Quantity that is equal in each hour to that which was delivered to SCL pursuant to the Transaction 1C Delivery Quantity seven (7) days earlier, and (b) the OASIS transmission reference number(s) from the source to the Transaction 2F Delivery Point COB North to South, *provided, however,* that for the notice for scheduling of deliveries on weekends and holidays (as defined by the North American Electric Reliability Council) Redding and SCL or their respective designees shall follow prevailing scheduling practices within the WECC.

Upon receipt by SCL of an Availability Notification that the Roseburg Biomass Project has experienced a Forced Outage, an event of Uncontrollable Force, a transmission curtailment, or the output is otherwise reduced, SCL may, at its option, reduce or eliminate deliveries to Redding for the period that the Roseburg Biomass Project is not delivering or has reduced deliveries to SCL. If SCL delivers more hourly energy to Redding than that delivered by Redding to SCL seven (7) days earlier, than SCL may reduce later deliveries to Redding in a manner that accounts for the discrepancy in like hours.

(3) Redding Schedule Obligation. To the extent not prevented by an event of Uncontrollable Force or curtailment of firm transmission, not later than noon or an alternative time as mutually agreed on the applicable WECC prescheduling Day or Days, Redding or its designee shall schedule the Transaction 2C Delivery Quantity as specified in the Transaction 2G(2) SCL Notice for Scheduling to the Transaction 2E Delivery Point COB North to South



(4) Either Party may make delivery day changes to the preschedule quantities to the extent caused by an event of Uncontrollable Force, Forced Outage, or transmission curtailment but not for economic reasons.

H. Contingency Notification.

SCL shall notify Redding and initiate Tag changes in the event an Uncontrollable Force or transmission curtailment affects deliveries to COB North to South under this Confirmation.

I. Reserves.

SCL shall provide reserves for the Transaction 2A Product.

J. Transmission Charges.

Except for deliveries of energy to an alternate Delivery Point as provided for in Transaction 2E Delivery Point, SCL shall be responsible for all transmission charges incurred for transmission services required to transmit energy to the Transaction 2E Delivery Point. Subject to agreement between the Parties' deliveries may be made to alternate Delivery Points. The Party responsible for payment of any charges associated with deliveries to alternate Delivery Points shall be agreed upon in advance of the transaction by the Parties.

K. Transmission Losses.

SCL shall be responsible for all transmission losses incurred for transmission services required to deliver the Transaction 2C Delivery Quantity to the Transaction 2E Delivery Point except when mutually agreed otherwise.

L. Environmental Attributes.

SCL will deliver annually to Redding Small Hydroelectric Resource Environmental Attributes in the form of RECs in an amount reflecting the monthly Transaction 2C Delivery Quantity. Such RECs shall be in the form of Exhibit B, the REC Attestation and Bill of Sale and conveyed using the Western Renewable Energy Generation Information System database. The Small Hydroelectric Resource RECs may be delivered from the RECs generated by the Small



Hydroelectric Resources in the immediately preceding calendar year. See also Appendix A, Special Provisions, Section 6, Environmental Attributes.

Each Party shall confirm that the terms stated in this Confirmation accurately reflect the agreement between Redding and SCL by returning an executed copy of this Confirmation by fax to Redding at (530) 245-7010 and by fax to SCL (206) 386-4555.

ACKNOWLEDGED AND AGREED TO:

Seattle City Light

City of Redding

By: _____

By: _____

Name: Jorge Carrasco

Name: _____

Title: Superintendent

Title: _____

Date: _____

Date: _____



Exhibit A
Special Provisions
Amending the WSPP Agreement

Attached to and forming a part of the Confirmation with an Effective Date of xxxxxx 2007 between SCL and Redding.

1. Definitions

Capitalized terms used but not otherwise defined herein have the meanings set forth in the WSPP Agreement, except that references in the WSPP Agreement to "this Agreement" shall be deemed to mean the WSPP Agreement as modified by these Special Provisions. The following terms shall have the meanings specified below for purposes of the WSPP Agreement, these Special Provisions, and any Confirmation Agreement hereunder:

Acceptable Renewable Resource. This term shall mean an Eligible Renewable Energy Resource (or designated portion thereof) that: (a) qualifies for the California Renewable Portfolio Standard for investor owned utilities as defined by the California Energy Commission's Renewable Portfolio Standard Eligibility Guidebook or any successor guidelines; provided that such energy is based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops do not include (i) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol; (ii) black liquor by-product from paper production; (iii) wood from old growth forests; or (iv) municipal solid waste; and for which Redding has obtained for the Roseburg Biomass Project either California Energy Commission certification or precertification (whichever is applicable), as an Eligible Renewable Energy Resource; or (b) SCL has obtained either California Energy Commission certification or precertification (whichever is applicable), as an Eligible Renewable Energy Resource.

Cedar Falls Hydroelectric Resource. This term shall mean the Cedar Falls hydroelectric generation facility with installed plant capacity of 20 MW located in King County, Washington and owned by the City of Seattle.

COB. California-Oregon Border.

Eligible Renewable Energy Resource. This term shall have the meaning given to it in California Public Utilities Code Section 399.12 as may be amended from time to time.



Environmental Attributes. This term shall mean any and all credits, benefits, emissions reductions, environmental air quality credits, offsets, and allowances, howsoever entitled, directly attributable to the generation from the project and its displacement of conventional energy generation. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄) and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (3) the reporting rights to these avoided emissions such as REC reporting rights. Environmental Attributes do not include (1) any energy, capacity, reliability or other power attributes from the project, (2) production tax credits associated with the construction or operation of the project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (3) fuel-related subsidies or "tipping fees" that may be paid to the Party delivering such Environmental Attributes ("REC Delivering Party") to accept certain fuels, or local subsidies received by the generator for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits, or (4) emission reduction credits encumbered, used or created by the project for compliance with or sale under local, state, or federal operating and/or air quality permits or programs. If the REC Delivering Party receives any such tradable Environmental Attributes based on the greenhouse gas reduction benefits attributed to its fuel usage for an Acceptable Renewable Resource under this Confirmation, it shall provide the other Party with sufficient Environmental Attributes to ensure that there are zero net emissions associated with the applicable production of electricity from such facility. The term Environmental Attributes includes any other environmental credits or benefits recognized in the future and attributable to the energy generated by the applicable Acceptable Renewable Resource during the Term, unless otherwise excluded herein.

Forced Outage. This term shall mean any outage or reduction in the capacity of Roseburg Biomass Project that is not a Planned Outage and is severe enough to affect the quantity of deliveries under Transaction 1 and which could not have been avoided by the exercise of prudent utility practice.

Guaranteed Annual Capacity Factor. This term shall mean an amount between 6.8 aMW and 7.5 aMW (except in the case of an event of Uncontrollable Force) guaranteed on an



annual basis by the Owner to Redding and shall determine the amount of Environmental Attributes guaranteed to SCL pursuant to Exhibit A, Special Provisions, Section 6, Environmental Attributes.

New Renewable Resource. This term shall mean an eligible renewable resource as defined in Chapter 19.285 of the Revised Code of Washington as it may be amended from time to time.

Owner. This term shall mean RLC Industries, an Oregon corporation, the owner of the Roseburg Biomass Project and the lumber manufacturing facility located in Weed, Siskiyou County, California, and any successor in title.

Pacific Northwest. This term shall have the same meaning as defined for the Bonneville Power Administration in Section 3 of the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2698; 16 U.S.C. Sec. 839a)

Parties. This term shall mean Redding and SCL collectively.

Party. This term shall mean Redding or SCL individually.

REC (Renewable Energy Credit). This term means a certificate of proof that one MWh of electricity was generated by a renewable energy resource. The REC shall represent all renewable and Environmental Attributes associated with electricity production by a renewable energy resource. RECs are accumulated on kWh basis and one REC represents the Environmental Attributes made available by the generation of 1,000 kWh or one (1) MWh of energy from a renewable energy resource. For purposes of this Confirmation, the term REC shall be synonymous with the term green tag, green ticket, tradable renewable certificates, Western Renewable Energy Generation Information System (WREGIS) certificate or any other term used to describe the documentation that evidences the renewable and Environmental Attributes associated with electricity production by a renewable energy resource.

Replacement Environmental Attributes. This term shall have the meaning given it in Exhibit A, Special Provisions, Section 6 (d).

Roseburg Biomass Net Project Energy. This term shall mean the real electrical energy produced by the Roseburg Biomass Project net of any on-site loads.

Roseburg Biomass Project. This term shall mean the 10 MW Roseburg biomass generation facility located in Weed in Siskiyou County, California, owned by the Owner.



Roseburg Biomass Project PPA. This term shall mean the power purchase agreement between the Owner and Redding whereby Redding has agreed to purchase and the Owner has agreed to sell certain energy generated by the Roseburg Biomass Project.

South Fork Tolt Hydroelectric Resource. This term shall mean the South Fork Tolt hydroelectric generation facility with installed plant capacity of 16.8 MW located in King County, Washington and owned by the City of Seattle.

Small Hydroelectric Resources. This term shall mean the Cedar Falls Hydroelectric Resource and the South Fork Tolt Hydroelectric Resource.

Tag. This term shall mean a tag that meets the requirements of both an e-Tag and a NERC tag.

Termination Notice. This term has the meaning set forth in Exhibit A, Special Provisions, Section 2 (b).

Transaction. This term means these Transactions 1 and 2, the Cover Sheet and these Special Provisions, incorporated as Exhibit A to the Confirmation between the Parties effective July 1, 2008 and the Confirmation itself.

WECC. This term shall mean the Western Electricity Coordinating Council or any successor organization.

WREGIS. This term shall mean the Western Renewable Energy Generation Information System.



2. **Term; Termination**

(a) Term. This Confirmation shall be effective on the later of the commencement of the Roseburg Biomass Project commercial operation (expected on November 1, 2008) or the date that all of the Conditions Precedent set forth in Section 3 (a) are met. This Confirmation shall terminate at 24:00 hours, 15 years after the date of commercial operation unless terminated earlier in accordance with this Confirmation.

(b) Termination by SCL.

SCL shall be entitled to terminate the Confirmation (which shall terminate both of Transactions 1 and 2 concurrently) by giving Redding at least 60 days notice of termination in writing ("Termination Notice") if the Roseburg Biomass Project has not generated electricity for a period of at least 1 year during the Term.

SCL may terminate the Confirmation if the Roseburg Biomass Project does not commence commercial operation by March 31, 2009.

(c) Termination by Redding.

Redding shall be entitled to terminate the Confirmation (which shall terminate both of Transactions 1 and 2 concurrently) by giving SCL at least 60 days notice of termination in writing ("Termination Notice") if the Owner is in material default of the Roseburg Biomass Project PPA, or a Redding termination right under the Roseburg Biomass Project PPA has otherwise been triggered, and Redding has given the Owner notice of termination of the Roseburg Biomass Project PPA;

(d) Effect of Termination.

In the event that any Transaction is terminated under this Confirmation, all Transactions are terminated. Upon the effectiveness of such termination neither party shall have any further liability to the other under the Confirmation, except that any liabilities incurred or accrued prior to termination shall continue until paid. Termination of the Confirmation in accordance with Exhibit A, Special Provisions, Sections 2 (b) or 2 (c) will not be a basis for terminating other confirmations between the parties under the WSPP Agreement.



- (e) Redding and SCL shall each give the other as much notice as possible of issues or concerns that might give rise to its decision to terminate this Confirmation.

3. Conditions Precedent

- (a) The Confirmation (including both Transactions 1 and 2) is conditional upon and shall not take effect or be enforceable against either Party until the later of the following to occur:
 - (i) The Confirmation has been executed by a properly authorized representative of Redding management,
 - (ii) The Confirmation has been approved by Redding's City Council,
 - (iii) The Confirmation has been executed by a properly authorized representative of SCL, and
 - (iv) The Confirmation has been approved by a lawfully enacted ordinance of the City of Seattle.

Each Party will advise the other Party of its progress from time to time in obtaining the conditions it has required and shall immediately notify the other Party of the waiver or satisfaction of each condition above that it has required. Each Party shall be obligated to make commercially reasonable efforts to obtain the approvals listed above as soon as reasonably possible given the briefing and meeting calendars of the applicable entities.

- (b) If the City of Seattle City Council or Redding's City Council propose modification to this Confirmation, the Parties shall exercise commercially reasonable efforts to either:
 - (i) Amend this Confirmation to comply with the changes, or
 - (ii) Negotiate a replacement Confirmation, that in either case provides benefits similar to those provided under this Confirmation to both Parties and that is expected to be acceptable to the City of Seattle, and Redding's City Council, or
 - (iii) Terminate discussions.



4. **Damages for Unexcused Failure to Deliver or Receive Energy**

Subject to the provisions of this Confirmation, in the event of a failure to deliver or receive contracted deliveries of energy not excused by an event of Uncontrollable Force, curtailment of firm transmission, or Forced Outage, the damages provisions set out in WSPP Agreement, Section 21.3, shall apply to such failure to deliver or receive contracted deliveries.

5. **Priority in Transmission Curtailment**

In the event that either party must curtail energy deliveries or receipts due to reduction in the transmission rating of the applicable transmission path, such party shall make reasonable efforts to treat transactions under this Confirmation with a transmission use priority similar to that of any other transactions and schedules such Party has for delivery of firm energy that simultaneously utilize the same transmission path.

6. **Environmental Attributes**

(a) Upon request each Party shall provide to the other Party evidence that an Acceptable Renewable Resource has been certified or precertified (whichever is applicable) by the California Energy Commission.

(b) Notification of Change in Status of Acceptable Renewable Resource.

(i) Redding shall notify SCL within 5 business days upon its knowledge that the Roseburg Biomass Project used by it for deliveries to SCL materially and on an on-going basis fails to meet the definition of an Acceptable Renewable Resource. In that event, Redding shall substitute replacement RECs as described in Exhibit A, Special Provisions, Section 6d (i), Replacement Environmental Attributes.

(ii) SCL shall notify Redding if it desires to replace or add renewable resources to the definition of an Acceptable Renewable Resources. SCL shall obtain California Energy Commission certification or precertification (whichever is applicable) for such new or replacement resource(s) as an Eligible Renewable Energy Resource.

(c) Redding Guarantee to SCL of Roseburg Biomass Project Environmental Attributes. Redding shall provide SCL with Replacement Environmental Attributes as described in Exhibit A, Special Provisions, Section 6d (i), Replacement Environmental Attributes, if the Roseburg Biomass Project fails to



meet its Guaranteed Annual Capacity Factor except in the case of an event of Uncontrollable Force or Termination as defined in this Exhibit A, Section 2 (c). Within 30 days after Redding provides notification to the Owner of failure to meet the Guaranteed Annual Capacity Factor, Redding shall provide SCL a copy of the notice to Redding.

(d) Replacement Environmental Attributes.

(i) If Redding is required to provide SCL with replacement RECs due to the Roseburg Biomass Project's failure to meet the Guaranteed Annual Capacity Factor, or the Roseburg Biomass Project no longer meets the definition of an Acceptable Renewable Resource, then Redding shall purchase RECs from a New Renewable Resource located within the Pacific Northwest in an amount sufficient to meet its obligation to SCL.

(ii) At SCL's option SCL may deliver to Redding Environmental Attributes from the Small Hydroelectric Resources from the immediately preceding calendar year and/or from the next calendar year. Or, at SCL's option, SCL may deliver to Redding Replacement Environmental Attributes providing that the Replacement Environmental Attributes are created from resources that meet the definition of an Acceptable Renewable Resource part (a) and for which the California Energy Commission has certified or precertified (whichever is applicable) the resource as an Eligible Renewable Energy Resource.

(e) Delivery of Environmental Attributes/RECs. Any Environmental Attributes provided under this Confirmation shall be documented by RECs, the cumulative total of which shall be transferred not later than the 31st day of January for the prior calendar year by each Party to the other through WREGIS and an Exhibit B REC Attestation and Bill of Sale(s). Each Party shall be responsible for complying, at their own expense, with any requirements imposed by WREGIS for the purpose of verifying its delivery and the other Party's receipt of renewable energy and RECs under this Confirmation.

(f) Sale or Use of Environmental Attributes. With respect to any Environmental Attributes delivered to or required to be delivered to the other Party hereunder, the delivering Party shall not assign, transfer, convey, encumber, sell, or



otherwise dispose of all or any portion of the Environmental Attributes generated from the applicable Acceptable Renewable Resource to any entity other than the receiving Party nor shall the delivering Party use such Environmental Attributes for their own purposes.

- (g) Damages for Unexcused Failure to Deliver Environmental Attributes. Failure to deliver Environmental Attributes in the form of RECs as required herein shall result in the failing Party being liable for the actual replacement costs for any RECs not delivered by such Party under this Confirmation. In the event that a Party intends to purchase RECs to replace any not delivered by the other Party, it shall provide the other Party with written notice of such intent. The Party failing to deliver RECs shall then have thirty (30) days to purchase and deliver RECs from an Acceptable Renewable Resource, after which the aggrieved Party may purchase replacement RECs in a commercially reasonable manner. Except as permitted by this Confirmation, each Party has an unqualified obligation to deliver the Environmental Attributes associated with their renewable power deliveries to the other Party and shall not rely on replacement costs as an alternative to delivery.
- (h) Once a resource is determined by applicable regulatory authorities to be an Acceptable Renewable Resource, changes in the determination will have no bearing on this Agreement.

7. Environmental Reporting

Each Party agrees to provide environmental reporting information as reasonably necessary to allow the other Party to comply with its respective state law reporting requirements.

8. Uncontrollable Force

“Uncontrollable Force” shall be deemed to have the meaning given to it in the WSPP Agreement with the following additional clarification with regard to curtailments of the California Oregon Intertie (COI). Failure to either deliver, or receive delivery of, energy as required hereunder due to curtailment of firm transmission being utilized by a Party, to either deliver energy to COB North to South, or transmit energy away from COB South to North, shall be deemed an Uncontrollable Force to the extent caused by a reduction in the transmission rating of the COI, provided and to the extent that such

Party does not at the time it is first informed of such curtailment, own rights to unused and uncommitted firm transmission capacity on the same path capable of providing for such deliveries. Neither party shall be required to attempt to purchase replacement of such curtailed firm transmission on the COI or to purchase replacement for, or resell the associated curtailed energy.

9. Billing

- (a) A Party may bill the other Party for the recovery of costs incurred as a result of delivering power to an alternate Point of Delivery pursuant to Transaction 1E and Transaction 2E.
- (b) Either Party may bill as necessary pursuant to Exhibit A, Special Provisions, Section 4 and Section 6 (g).
- (c) Except as provided for in Section 9 (a) and 9 (b), no other payments are to be made to either Party for the performance of obligations under this Agreement.

10. Notices; Contacts

- (a) All notices, requests, statements or payments from one Party to the other Party shall be made to the addresses and/or appropriate persons specified in the Cover Sheet. All notices, requests, statements or payments (other than scheduling requests) from one Party to the other Party shall be made in writing except where this Agreement expressly provides that notice may be made by telephone. Notices required to be in writing shall be delivered by hand delivery, overnight delivery, facsimile or e-mail. Notice from one Party to the other Party by facsimile shall (where confirmation of successful transmission is received) be deemed to have been received on the day on which it was transmitted (unless transmitted after 5:00 p.m. at the place of receipt or on a day that is not a Business Day, in which case it shall be deemed received on the next Business Day). Notice from one Party to the other Party by hand delivery or overnight delivery shall be deemed to have been received when delivered. Notices sent by e-mail must be confirmed by e-mail as received by the receiving Party. A Party may change its address by providing notice of the same in accordance herewith.

The Parties acknowledge and agree that those persons set forth in the Cover Sheet are designated by each Party as their respective authorized representatives to act on their behalf for the purposes described therein.



- (b) Notice from one Party to the other Party by telephone shall be deemed to have been received at the time the call is received. All notices by telephone required to be provided by one Party to the other pursuant to this Agreement, shall be given by recorded telephone conversation between an authorized representative of the Party delivering the notice and an authorized representative of the other Party. Each Party hereby consents to the recording of its authorized representatives' telephone conversations in connection with the giving of any notices by telephone pursuant to and in accordance with this Agreement. All recordings may be introduced into evidence and used to prove the content and sufficiency of the notice, under a rebuttable assumption of accuracy.

11. Remedies for Events of Default

Section 22.2 and 22.3 of the WSPP Agreement is amended to eliminate the requirement that a Non-Defaulting Party will be required to pay money to a Defaulting Party if the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, provided, however, that the Non-Defaulting Party shall be responsible for monies owed to the Defaulting Party for energy and REC deliveries scheduled prior to the date of termination of this Confirmation. In no case shall a defaulting Party be entitled to a mark to market based payment regardless of any language authorizing such a payment related to future deliveries in the WSPP Agreement or elsewhere.

12. Integration

This Confirmation, including the Cover Sheet and attached exhibits which are incorporated by this reference, contains the complete agreement of the Parties and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, and inducements with respect to the subject matter of this Confirmation.

13. WSPP Agreement

- (a) In the event of any conflict between the terms of the WSPP Agreement and this Confirmation, this Confirmation will govern.
- (b) The Parties agree that the withdrawal or expulsion of one or both Parties from the WSPP or the cessation of the existence or activities of the WSPP shall not affect the continued validity or enforceability of this Confirmation.



RENEWABLE ATTESTATION OF REC PROVIDER

I. REC Provider Information

Name of REC Provider: _____

Address of Provider: _____

Contact Person: _____ Title: _____

Telephone: _____ Fax: _____ Email Address: _____

II. Declaration

I, (print name and title) _____ declare that the (indicate with "x") _____ electricity bundled with renewable attributes / _____ renewable attributes only[†] listed below were sold exclusively from: (name of REC Provider) _____ ("Provider") to: (name of REC provider, utility or electric service provider) _____ ("Purchaser").

I further declare that:

- 1) all the renewable attributes (including CO₂ benefits), including any emissions offsets, reductions or claims, represented by the renewable electricity generation listed below were transferred to Purchaser;
- 2) to the best of the Provider's knowledge, the renewable attributes were not sold, marketed or otherwise claimed by a third party;
- 3) Provider sold the renewable attributes only once;
- 4) the renewable attributes or the electricity that was generated with the attributes was not used to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate by Provider, nor, to the best of the Provider's knowledge, by any other entity;
- 5) the electrical energy that was generated with the attributes was not separately sold, separately marketed or otherwise separately represented as renewable energy by Provider, or, to the best of the Provider's knowledge, by any other entity; and
- 6) the facilities that generated all of the renewable electricity / renewable attributes (as indicated above) sold to Purchaser are listed below by fuel type.

* Use separate forms to report electricity and REC sales.

† If Seller purchased electricity bundled with renewable attributes and has stripped off those attributes to sell in this transaction, and is selling the undifferentiated electricity to a utility or load-serving entity, see section III also.



Exhibit B – REC Attestation and Bill of Sale

List the renewable MWhs sold or transferred to Purchaser identified below by quarter of generation as a separate line item.

Generator Name	Generator ID Number (EIA or QF)	Nameplate Capacity (MW)	Fuel Type (if biomass, be specific; i.e. Landfill Gas)	# MWhs RECs / Elec. Sold	First Date of Generator Operation (mm/yy) [‡]	Period of Generation (quarter#/yy or mm/yy)

As an authorized agent of Provider, I attest that the above statements are true and correct.

Signature

Date

Place of Execution

III. Additional Statement required of Seller selling electricity to Purchaser

(Check box if not applicable: [])

I declare that the electricity listed above was delivered into the WECC region or California ISO.

IV. Additional Statement required if Seller is selling only RECs to Purchaser and selling the associated electricity to a utility or load-serving entity

(Check box if not applicable: [])

Please write the name of the utility or load-serving entity here: _____

By signing below, I attest to the accuracy of all Additional Statements above (III through IV):

Signature

Date

Place of Execution

[‡] For facilities that have added new renewable capacity, please indicate the amount and operational date of the new capacity and the existing capacity.



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
City Light	Marilynn Semro/ 206-386-4539	Karl Stickel/ 206-684-8085

Legislation Title: AN ORDINANCE relating to the City Light Department; authorizing execution of a 15-year agreement with Redding Electric Utility for the exchange of renewable energy and environmental attributes.

• **Summary of the Legislation:**

The legislation approves a 15-year exchange agreement for Seattle City Light ('SCL') to:

1. Receive up to 10 MW of new, renewable energy and the associated environmental attributes ("REC") from the Redding Electric Utility's new Roseburg biomass project, located in California. Redding has entered into a 15-year agreement with RLC Industries to purchase the power from this new, renewable resource. Up to 10 MW of the energy will then be transmitted to SCL. Roseburg is an eligible renewable resource under Washington State's Energy Independence Act (Chapter 19.285 RCW).
2. Return an amount of energy equivalent to what was delivered to SCL to the Redding Electric Utility. The energy will be delivered from SCL's system one week after the power is received from the Roseburg biomass project. An equivalent amount of environmental attributes will be delivered from SCL's Cedar Falls or South Fork Tolt hydroelectric resources. Cedar Falls and South Fork Tolt have been precertified by the California Energy Commission as renewable resources under California's renewable portfolio standard.

The Roseburg biomass project meets Washington's renewable portfolio standard definition of a renewable resource and will help SCL meet its I-937 targets. Until such time as the green energy is needed for meeting SCL's targets, it can be sold in the market or the RECs separated off and sold in the REC market. The RECs SCL is sending to Redding cannot be used to meet the Washington State renewable portfolio standard and have essentially no value in the Northwest. In addition, the agreement provides for a minimum production of RECs from Roseburg guaranteed to about 7.5 aMW annually. This agreement has a net present value to SCL of about \$3.3M.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

Washington state law requires SCL to acquire new renewable resources or RECs, to meet a renewable portfolio standard. California has a similar law. Redding entered into a power purchase agreement for the power output and RECs from the new Roseburg biomass project, located approximately 70 miles north of Redding in Weed, Siskiyou County, California, for the purpose of meeting its load, and the California renewable portfolio standard, but there is no transmission available between Weed and Redding. Weed is served by PacifiCorp. Its



transmission line transmits the power into southern Oregon to the north side of the Malin 500 kV substation on the California-Oregon border. Further, there is no transmission available across the Malin substation to deliver the Roseburg power back into California to Redding. The Roseburg power, however, can be economically delivered to Seattle and power from Seattle can be economically delivered to Redding at a net present value cost of about \$3.78/MWh. See Attachment A to Fiscal Note.

Because SCL has transmission into California, an exchange of resources adds value to SCL by providing SCL with about 65,700 MWh of Washington renewable portfolio standard qualifying renewable energy from Roseburg for 15 years. The exchange provides Redding with an equivalent amount of SCL energy and RECs from the Cedar Falls and/or South Fork Tolt small hydroelectric facilities.

- Please check one of the following:

This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

This legislation has financial implications. (Please complete all relevant sections that follow.)

Appropriations: This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation, please provide details in the Notes section below.

Fund Name and Number	Department	Budget Control Level*	2008 Appropriation	2009 Anticipated Appropriation
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Notes. The costs associated with this transaction are already included in the Department's existing baseline budget, which has not yet been adopted by Council.

Anticipated Revenue/Reimbursement: Resulting From This Legislation: This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Fund Name and Number	Department	Revenue Source	2008 Revenue	2009 Revenue
TOTAL				

Notes: While no budget item was included for this revenue potential, we would expect to have



the ability to sell the RECs at about \$6.00/MWh. At an annual production level of 65,700 MWh, there is revenue potential of about \$400,000 for 2009 and 2010 as these RECs are not needed as yet to meet SCL's renewable portfolio standard requirement. In addition, if we have the ability to bundle the RECs with energy and deliver it into California for a period of 2 or more years, the revenue potential increases substantially.

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation,

Including FTE Impact: *This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.*

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2008 Positions	2008 FTE	2009 Positions*	2009 FTE*
TOTAL							

* 2009 positions and FTE are total 2009 position changes resulting from this legislation, not incremental changes. Therefore, under 2009, please be sure to include any continuing positions from 2008.

Notes: None.

- **Do positions sunset in the future?** (If yes, identify sunset date): N/A

Spending/Cash Flow: *This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.*

Fund Name & #	Department	Budget Control Level*	2008 Expenditures	2009 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Notes: None.

- **What is the financial cost of not implementing the legislation?** (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented.)



The cost of not implementing this legislation is to increase the risk of SCL not meeting its renewable portfolio standard targets. SCL will be subject to a penalty for each MWh SCL is short of the target. Roseburg biomass meets Washington's renewable portfolio standard and SCL's small hydroelectric resources do not. In addition, the new Roseburg project (on-line November 1, 2008) has a higher value in the REC market than does SCL's small hydro resources, although they both have about equal value in the California market if the transmission constraints can be overcome and the green energy is delivered into California.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

SCL may be able to enter into alternative long-term renewable energy and/or REC purchases (RECs will satisfy the Washington's renewable portfolio standard). However, this transaction alone is insufficient to meet SCL's projected renewable portfolio standard requirements. SCL may be able to purchase RECs when they are needed. However, this appears highly unlikely given the very significant demand for renewable resources. Some small public power utilities may have RECs for sale (and SCL will be exploring those opportunities), but the price is likely to be steep. It is not generally believed there will be sufficient renewable resources and transmission to meet the renewable portfolio standard targets of the Western States in the time frames allowed. At a cost of \$3.78/MWh NPV cost SCL believes this transaction with Redding Utility to be in the utility's and its ratepayer's best interests.

- **Is the legislation subject to public hearing requirements:** *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future.)*

There have not been previous hearings, but in addition to the public notice and comment period, there will be an opportunity for public comment at the council meeting prior to council's vote to approve or reject the legislation.

- **Other Issues** *(including long-term implications of the legislation):*

None

Please list attachments to the fiscal note below:

Attachment A - Green Energy Exchange Agreement with Redding Electric Utility, Summary and Analysis

Attachment B – Redding Green Energy Exchange Economic Analysis Spreadsheet

Green Energy Exchange Agreement with Redding Electric Utility

Summary and Analysis

SUMMARY

Under this 15-year agreement, Seattle City Light (“**SCL**”) acquires from the City of Redding through Redding Electric Utility (“**Redding**”) energy and environmental attributes from a new 10 MW wood-fueled biomass generating resource located in northern California (“**Roseburg**”). In exchange, SCL will deliver an equivalent amount of energy and environmental attributes from its small hydroelectric renewable resources located in Washington and owned by the City of Seattle. The biomass resource meets Washington’s renewable portfolio standard (“**RPS**”) while SCL’s small hydroelectric resources meet California’s RPS. In addition, until needed to meet Washington’s RPS, estimated to be in 2016, the biomass environmental attributes will provide value through SCL’s ability to remarket them in the renewable energy credit (“**REC**”) market or remarket the energy with the environmental attributes. Attachment 1 is a summary of the Redding-SCL agreement terms and conditions. Attachment 2 is a summary of the Redding-RLC Industries agreement terms and conditions.

BACKGROUND

1. Redding entered into a fifteen year power purchase agreement with RLC Industries for the purchase of up to 10 MW of power and environmental attributes to be generated at the Roseburg softwood veneer mill in Weed, Siskiyou County, California in order to help them meet California’s RPS and load growth. This new resource is expected to go on-line in November 2008.
2. Roseburg is interconnected to PacifiCorp’s transmission system. The power is transmitted from Roseburg to the point of delivery at the north side of the Malin 500 kV substation (“**Malin**”) at the California Oregon Border (“**COB**”).
3. Redding found it uneconomic to transmit the power from the north side of Malin into California. The City of Redding proposed an exchange with SCL whereby SCL takes the biomass power, including the environmental attributes, at the north side of Malin and delivers it to Seattle and returns to Redding energy at the south side of Malin one week later a like amount of power and environmental attributes from SCL’s small hydro resources.

ECONOMIC ANALYSIS

1. The contract amount of energy delivery from Roseburg to SCL is 7.5 aMW, unit commitment flat across all hours. Roseburg has the right to deliver up to 10 MW during any hour.
2. In exchange for the energy delivered from Roseburg, SCL will deliver a like hourly amount of firm energy seven days later to Redding.
3. Cost: There are 3 costs to be considered, (a), loss return to BPA for transmitting the small hydro to the head of the intertie and John Day and loss return to SCL for transmitting Roseburg to SCL, (b) reserves, and (c) the opportunity of Point to Point (“**PtP**”) transmission

on BPA's system to and from John Day. There is only incidental cost for use of SCL's AC Intertie because the majority of the time the power is scheduled in both directions (for Roseburg from COB to John Day and for SCL's small hydro from John Day to COB) and can therefore be netted.

The cost analysis assumed the cost of

- a. return of losses to BPA @2 * 1.9% * Mid-C price (using GED April 2008 forecast), plus
- b. reserves of 5.5% at \$7.39 (real 2008\$), plus
- c. the opportunity of SCL's use of PtP transmission to John Day at \$1 (real 2008\$).

Table 1 shows the expected costs.

Table 1
Annual Cost of the Exchange (2008\$)

	MWh	BPA PtP Losses	Reserve Cost	PtP Opportunity Cost	Total Cost	Cost per MWh
2009	65,700	\$143,274	\$26,704	\$65,700	\$248,245	\$3.78
2010	65,700	139,570	26,704	65,700	244,217	3.72
2011	65,700	133,246	26,704	65,700	237,338	3.61
2012	65,880	132,260	26,777	65,880	236,486	3.59
2013	65,700	131,167	26,704	65,700	235,076	3.58
2014	65,700	134,127	26,704	65,700	238,297	3.63
2015	65,700	141,996	26,704	65,700	246,856	3.76
2016	65,880	148,378	26,777	65,880	254,015	3.86
2017	65,700	154,378	26,704	65,700	260,324	3.96
2018	65,700	154,794	26,704	65,700	260,776	3.97
2019	65,700	150,877	26,704	65,700	256,516	3.90
2020	65,880	139,224	26,777	65,880	244,059	3.70
2021	65,700	143,984	26,704	65,700	249,018	3.79
2022	65,700	150,369	26,704	65,700	255,963	3.90
2023	65,700	156,238	26,704	65,700	262,347	3.99
Average	65,736	\$143,592	\$26,718	\$65,736	\$248,636	\$3.78
NPV @ 3%		\$1,706,058	\$347,958	\$784,751	\$2,959,343	NA

* 2008 \$



4. The potential revenue resulting from this exchange to SCL is the market value of the Green Premium or RECs. The net benefit of the exchange is the market value of the green premium net of the cost. The net benefits analysis uses a starting green premium or REC value of \$5.50/MWh¹ (a recent market broker quote) and escalating it at 5% annually throughout the term.

Table 2 shows annual value of the gross and net benefits to SCL.

Table 2
Net Benefit of the Exchange (2008\$)

	Green Premium	Total Cost	Net Gain	MWH	Total Net Gain
2009	5.63	\$3.78	1.85	65,700	121,543
2010	5.92	3.72	2.20	65,700	144,490
2011	6.22	3.61	2.61	65,700	171,257
2012	6.54	3.59	2.95	65,880	194,168
2013	6.87	3.58	3.29	65,700	216,396
2014	7.22	3.63	3.60	65,700	236,274
2015	7.59	3.76	3.84	65,700	251,995
2016	7.98	3.86	4.13	65,880	271,768
2017	8.39	3.96	4.43	65,700	290,877
2018	8.82	3.97	4.85	65,700	318,626
2019	9.27	3.90	5.37	65,700	352,529
2020	9.74	3.70	6.04	65,880	397,867
2021	10.24	3.79	6.45	65,700	423,941
2022	10.77	3.90	6.87	65,700	451,426
2023	11.32	3.99	7.32	65,700	481,233
Average	8.17	\$3.78	4.39	65,736	288,293
NPV @ 3%					\$3,277,176

* 2008 \$

5. The present value of the net gain in the high cost/low benefit case is about \$3.3M with an estimated average Green Premium over the 15 year period of \$8.17.

RISK & RISK MITIGATION

This most significant risk related to wood biomass resources is the availability of the fuel supply which is most frequently impacted by economic conditions in the housing market, although temporary interruptions of supply can be brought on by forest fire hazards and winter snow conditions. In the case of Roseburg, the fuel supply is a by-product of their veneer plant operations. While the temporary conditions can be managed by proper planning, longer term economic cycles often cannot which could result in long-term closures of the Roseburg project. In addition, Roseburg will require maintenance outages and will likely occasionally experience forced outages. Short of shutting down on a more permanent basis due to poor economic

¹ Current market price quote from Evolution Market (Green Premium Broker) is \$6.00/ MWh bid for 2008 and between \$8 -\$14/MWh for 10 year contract.



conditions in the veneer business or for force majeure events, Roseburg must generate at about a 75% minimum capacity factor. Failure to meet this threshold will require Redding to provide Washington RPS compliant RECs to SCL.

If Roseburg has a forced outage, SCL has the option to return or not return energy that was received by it one week earlier and therefore has no energy risk.

If SCL's small hydro resources produce less than the Roseburg resource over the course of one-year, SCL may use any surplus small hydro RECs from the prior year or borrow from the future year or purchase RECs from any resource that qualifies under California's RPS. We expect Roseburg to generate about 65,700 MWh per year. Average annual generation from small hydro during 1986-2007 was about 134,149 MWh and the lowest generation was 87,717 MWh in 2005.

ALTERNATIVES

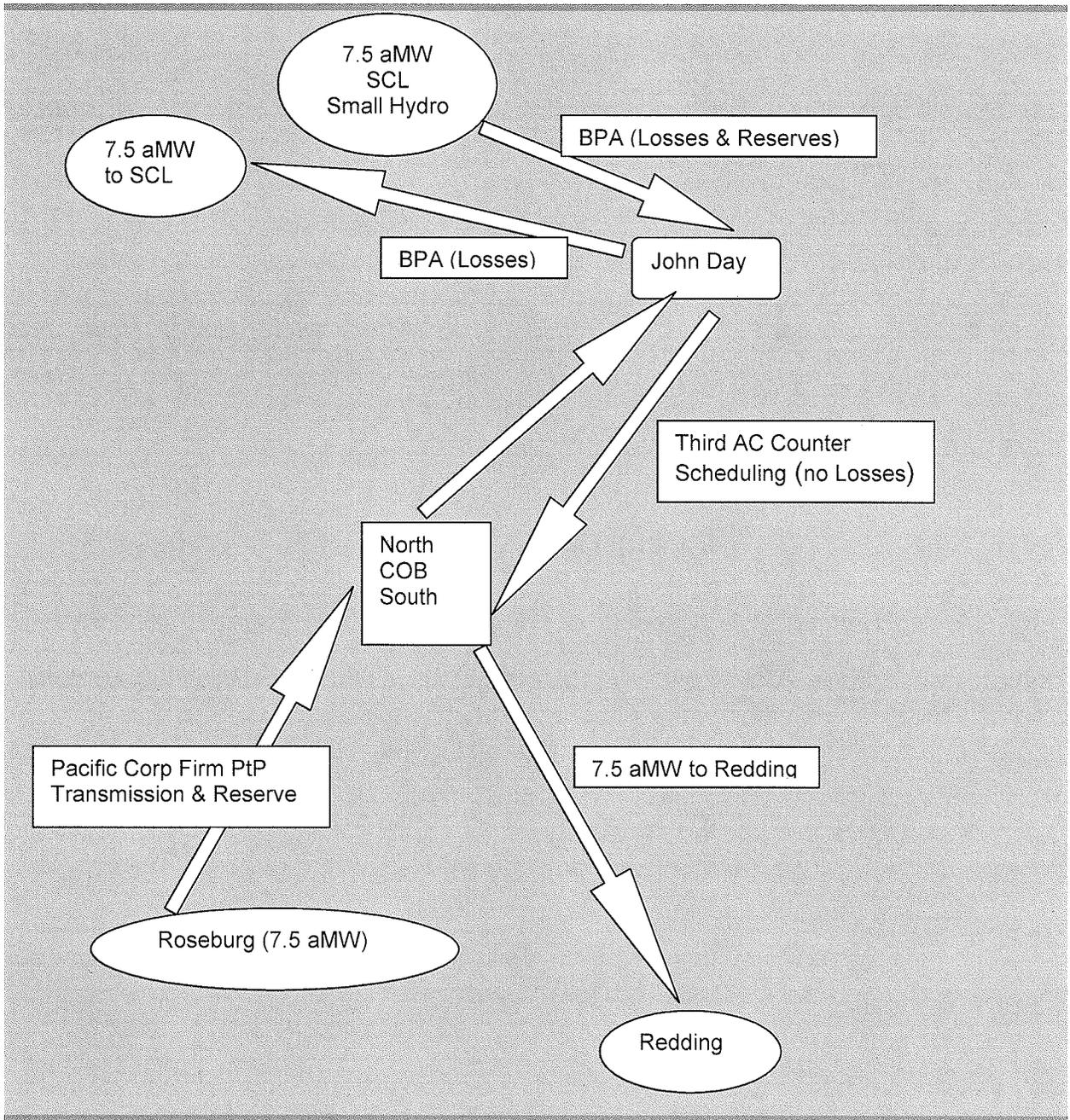
SCL may be able to purchase RECs in the market for the period when we expect to need them to meet the Washington RPS (estimated 2016). However, due to the lack of information on the market availability of RECs, planning to meet RPS by purchasing RECs is highly risky.

SCL could also simply market the small hydro output and associated environmental attributes to California providing the power can be delivered to California. In this case the cost will be higher than the cost for the Redding exchange because there is a cost for the use of the 3rd AC Intertie and associated losses.

CONCLUSION

This exchange is a win-win for both parties. SCL is acquiring a new long-term renewable resource that meets Washington's RPS for a net cost of about \$3.78/MWh. During the next seven years when resource is not needed for meeting Washington's RPS, there is a net financial benefit to SCL equal to the difference between the market value of the RECs and the low Cost of Redding exchange. At the time it is needed to meet Washington's RPS in 2016, it will contribute about 7% of SCL's requirement and will help SCL to avoid a penalty which will be about \$60/MWh (nominal) and avoids the need to purchase a new renewable resource at an even higher cost. In exchange, SCL will transmit to Redding at the south side of COB, an equal amount of energy and environmental attributes from its small hydroelectric resources (Cedar Falls and South Fork Tolt), both of which have been precertified by the California Energy Commission as renewable resources under California's RPS. These small hydroelectric resources do not qualify as renewable resources for meeting Washington's RPS.





SEATTLE CITY LIGHT AND REDDING ELECTRIC UTILITY RENEWABLE ENERGY EXCHANGE AGREEMENT

SUMMARY

DELIVERY BY REDDING TO SCL

1. Resource: Roseburg Biomass Project.
2. Location: Weed, Siskiyou County, California.
3. Term: 15 years, estimated November 1, 2008 through October 31, 2023.
4. On-Line Date: Expected November 1, 2008.
5. Fuel: Wood waste.
6. Includes Environmental Attributes ("REC"): Yes.
7. Meets Chapter 19.285 RCW Energy Independence Act ("RPS"): Yes.
8. Meets Chapter 80.80 RCW Greenhouse gases emissions: Yes.
9. Contract Capacity: Up to 10 MW.
10. Quantity: about 7.5 aMW (65,700 MWh/year).
11. Schedule: delivery firm within hour and essentially flat 24x7 – no seasonal or time of day variation. (no scheduled outage during June-August).
12. Capacity Factor: Baseload 75% capacity factor.
13. Interconnection: To PacifiCorp's transmission system.
14. Redding Firm Transmission Service: PacifiCorp's transmission system. Firm PtP service to the PacifiCorp interconnection point on the north side of the Malin 500 at COB.
15. Point of Delivery to SCL: COB South to North.
16. Price: Exchange – no money changes hands with a few exceptions.
17. Reserves: provided by Redding through ancillary services from PacifiCorp.
18. Losses: Paid by Redding to PacifiCorp from Roseburg to the POD.
19. Guarantees: output guarantee including RECs.



DELIVERY BY SCL TO REDDING

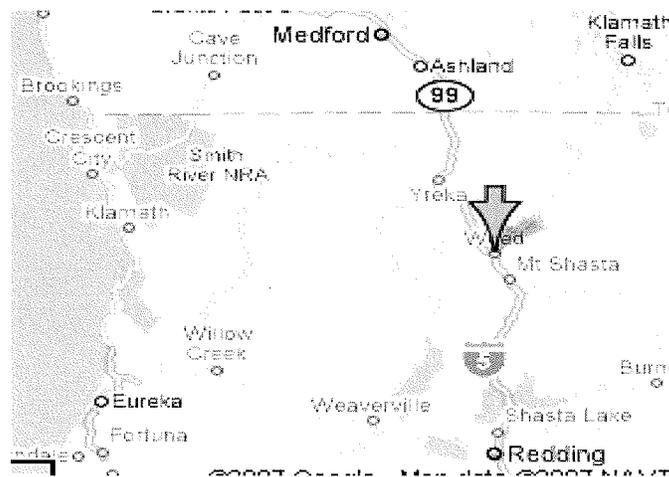
1. Resource(s): Cedar Falls and/or South Fork Tolt.
 2. Location: King County, Washington
 3. Term: 15 years, estimated November 1, 2008 through October 31, 2023.
 4. Fuel Type: Run of river small hydro.
 5. Includes Environmental Attributes (RECs): Yes.
 6. Meets Chapter 19.285 RCW Energy Independence Act: No.
 7. CEC Eligible Renewable Resource: Precertified as renewable resources under California's RPS by CEC May 2008.
 8. Quantity: Equal to what is delivered to SCL by Redding – Energy does not have to be delivered from Cedar or Tolt, but Cedar and/or Tolt must on an annual basis equal what is delivered to Redding. Delivery firm Schedule C.
 9. Delivery Schedule: Equal to what is delivered to SCL by Redding delayed by one week. SCL has option to not deliver if biomass is down in the delivery hour.
 10. Contract Delivery: 49% of expected average annual generation.
 11. Delivery Point to Redding: COB North to South.
 12. Price: Exchange – no money changes hands with a few exceptions.
 13. Cost: about \$3.78/MWh.
 14. Guarantees: If small hydro generation is insufficient to return energy, SCL can use small hydro RECs from the immediately preceding year or borrow from the following year.
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RLC INDUSTRIES AND REDDING ELECTRIC UTILITY RENEWABLE ENERGY PURCHASE AGREEMENT

SUMMARY

1. Contract Capacity: 8-10 MW firm by Roseburg's Scheduling Agent (PacificCorp).
2. Delivery Point: California-Oregon Border (COB) 500 kV
3. Term: 15 years from delivery start date (estimated October 1, 2008).
4. Plant Description: The Roseburg project has a refurbished 10 MW General Electric Turbine Generator that uses an existing 12,000 Lb/hr Foster Wheeler wood-fired boiler located at Roseburg's softwood veneer mill in Weed California. The operation will be 24-hours a day, 7 days a week. During weekly dryer cleanings, the steam demand will drop to 50,000 lb/hr. The project is expected to produce between 8 and 8.5 MW during normal operation, with an increase to 10 MW during weekly dryer cleaning including scheduled maintenance period the average annual energy is about 7.5 MW.



The project will interconnect with PacificCorp through a new 10 Mva, 13.8 kV, 69kV main transformer that is located in Roseburg's existing 69 kV substation. Redding has applied for firm transmission rights to move the power on PacificCorp's system to the COB.

5. Annual contract capacity: No less than ninety (90) days before the delivery date and each anniversary of the delivery date thereafter, Roseburg shall elect an annual contract capacity at a value no less than 8 MW and no greater than 10 MW and provide written notice to Redding.
6. Scheduled Outages: No later than January 30 each year, Roseburg shall submit to Redding Roseburg's schedule for the remainder of the year of scheduled outages. No outages shall be scheduled during June, July, August, and September.

7. Forced outages: Roseburg shall immediately notify Redding's Scheduling Agent of any forced outage of the project, which, such notice shall include, at a minimum, the amount of generation capability that will not be available because of the forced outage, the time at which the Forced Outage began, and the expected return date and time of such generation capability.

 8. Purchase and sale of Environmental Attributes: Roseburg represents and warrants that Roseburg holds the rights to all Environmental Attributes from the project, and Roseburg agrees to convey and hereby conveys all such environmental Attributes to Redding as included in the delivery of the electrical output from the project. Title to and risk of loss associated with the environmental attributes shall pass from Roseburg to Redding at the Project.
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ATTACHMENT B

2010	8	69.05	50.79	61.22	5580	341616	12981	2268	5580	1139	21968	3.94	5.95	33213
2010	9	65.24	52.11	59.61	5400	321868	12231	2195	5400	1073	20899	3.87	5.98	32275
2010	10	65.41	52.20	59.75	5580	333404	12669	2268	5580	1111	21629	3.88	6.00	33490
2010	11	65.93	55.60	61.49	5407.5	332526	12636	2198	5408	1108	21350	3.95	6.03	32590
2010	12	71.91	59.16	66.45	5580	370764	14089	2268	5580	1236	23173	4.15	6.05	33770
2011	1	64.45	51.82	59.03	5580	329414	12518	2268	5580	1098	21464	3.85	6.08	33911
2011	2	58.71	50.68	55.27	5040	278553	10585	2049	5040	929	18602	3.69	6.10	30757
2011	3	56.04	46.25	51.84	5572.5	288899	10978	2265	5573	963	19779	3.55	6.13	34148
2011	4	48.46	38.09	44.01	5400	237648	9031	2195	5400	792	17418	3.23	6.15	33229
2011	5	47.16	33.76	41.41	5580	231086	8781	2268	5580	770	17400	3.12	6.18	34479
2011	6	46.09	35.55	41.56	5400	224440	8529	2195	5400	748	16872	3.12	6.20	33506
2011	7	61.00	43.64	53.55	5580	298831	11356	2268	5580	996	20200	3.62	6.23	34767
2011	8	62.56	48.15	56.38	5580	314594	11955	2268	5580	1049	20851	3.74	6.26	34912
2011	9	61.36	48.56	55.87	5400	301689	11464	2195	5400	1006	20065	3.72	6.28	33927
2011	10	60.50	49.57	55.81	5580	311436	11835	2268	5580	1038	20721	3.71	6.31	35204
2011	11	63.25	54.69	59.57	5407.5	322138	12241	2198	5408	1074	20920	3.87	6.34	34258
2011	12	71.57	58.35	65.90	5580	367737	13974	2268	5580	1226	23048	4.13	6.36	35498
2012	1	64.23	53.64	59.69	5580	333053	12656	2268	5580	1110	21614	3.87	6.39	35646
2012	2	57.67	51.57	55.06	5220	287393	10921	2122	5220	925	19188	3.68	6.41	33485
2012	3	53.03	45.90	49.97	5572.5	278480	10582	2265	5573	928	19348	3.47	6.44	35895
2012	4	47.61	41.05	44.79	5400	241885	9192	2195	5400	806	17593	3.26	6.47	34929
2012	5	44.79	34.97	40.58	5580	226442	8605	2268	5580	755	17208	3.08	6.50	36243
2012	6	42.28	34.72	39.03	5400	210774	8009	2195	5400	703	16307	3.02	6.52	35220
2012	7	59.20	43.00	52.25	5580	291583	11080	2268	5580	972	19900	3.57	6.55	36546
2012	8	62.29	45.84	55.24	5580	308216	11712	2268	5580	1027	20588	3.69	6.58	36698
2012	9	59.76	47.88	54.66	5400	295168	11216	2195	5400	984	19795	3.67	6.60	35662
2012	10	61.36	50.52	56.71	5580	316450	12025	2268	5580	1055	20928	3.75	6.63	37005
2012	11	63.74	55.25	60.10	5407.5	324974	12349	2198	5408	1083	21038	3.89	6.66	36010
2012	12	71.03	58.39	65.61	5580	366112	13912	2268	5580	1220	22981	4.12	6.69	37314
2013	1	62.78	53.64	58.86	5580	328455	12481	2268	5580	1095	21424	3.84	6.71	37469
2013	2	57.25	49.62	53.98	5040	272076	10339	2049	5040	907	18334	3.64	6.74	33984
2013	3	51.48	44.69	48.57	5572.5	270636	10284	2265	5573	902	19024	3.41	6.77	37731
2013	4	48.01	39.71	44.45	5400	240017	9121	2195	5400	800	17516	3.24	6.80	36716
2013	5	44.48	34.93	40.39	5580	225351	8563	2268	5580	751	17162	3.08	6.83	38098
2013	6	45.03	36.84	41.52	5400	224185	8519	2195	5400	747	16861	3.12	6.86	37022
2013	7	57.88	42.26	51.19	5580	285614	10853	2268	5580	952	19653	3.52	6.88	38416
2013	8	62.48	46.83	55.77	5580	311212	11826	2268	5580	1037	20711	3.71	6.91	38576
2013	9	61.75	49.39	56.44	5400	304788	11582	2195	5400	1016	20193	3.74	6.94	37487
2013	10	60.28	48.48	55.22	5580	308131	11709	2268	5580	1027	20584	3.69	6.97	38898



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2013	11	63.39	55.27	59.91	5407.5	323940	12310	2198	5408	1080	20995	3.88	7.00	37853
2013	12	67.88	58.92	64.04	5580	357353	13579	2268	5580	1191	22619	4.05	7.03	39223
2014	1	62.12	53.88	58.59	5580	326914	12423	2268	5580	1090	21360	3.83	7.06	39386
2014	2	57.70	49.67	54.26	5040	273472	10392	2049	5040	912	18392	3.65	7.09	35723
2014	3	52.05	46.85	49.82	5572.5	277626	10550	2265	5573	925	19313	3.47	7.12	39662
2014	4	48.31	42.76	45.93	5400	248015	9425	2195	5400	827	17846	3.30	7.15	38594
2014	5	45.90	36.57	41.90	5580	233821	8885	2268	5580	779	17513	3.14	7.18	40047
2014	6	44.64	37.15	41.42	5400	223694	8500	2195	5400	746	16841	3.12	7.21	38916
2014	7	59.75	44.56	53.23	5580	297049	11288	2268	5580	990	20126	3.61	7.24	40381
2014	8	63.88	48.92	57.46	5580	320643	12184	2268	5580	1069	21101	3.78	7.27	40550
2014	9	63.94	50.94	58.36	5400	315158	11976	2195	5400	1051	20621	3.82	7.30	39405
2014	10	62.25	49.55	56.81	5580	316975	12045	2268	5580	1057	20950	3.75	7.33	40888
2014	11	63.55	54.71	59.76	5407.5	323140	12279	2198	5408	1077	20962	3.88	7.36	39789
2014	12	71.98	60.07	66.87	5580	373160	14180	2268	5580	1244	23272	4.17	7.39	41230
2015	1	65.30	55.53	61.11	5580	340993	12958	2268	5580	1137	21942	3.93	7.42	41401
2015	2	60.01	52.43	56.76	5040	286058	10870	2049	5040	954	18912	3.75	7.45	37551
2015	3	55.31	47.95	52.15	5572.5	290632	11044	2265	5573	969	19850	3.56	7.48	41691
2015	4	51.75	44.00	48.42	5400	261486	9936	2195	5400	872	18403	3.41	7.51	40569
2015	5	51.05	41.24	46.85	5580	261411	9934	2268	5580	871	18653	3.34	7.54	42096
2015	6	50.04	40.09	45.77	5400	247145	9392	2195	5400	824	17810	3.30	7.58	40908
2015	7	62.60	46.30	55.61	5580	310300	11791	2268	5580	1034	20674	3.70	7.61	42447
2015	8	67.67	50.88	60.47	5580	337420	12822	2268	5580	1125	21795	3.91	7.64	42624
2015	9	66.44	53.35	60.82	5400	328436	12481	2195	5400	1095	21170	3.92	7.67	41421
2015	10	66.18	52.88	60.48	5580	337471	12824	2268	5580	1125	21797	3.91	7.70	42980
2015	11	67.76	58.47	63.77	5407.5	344850	13104	2198	5408	1150	21859	4.04	7.73	41825
2015	12	75.17	63.09	69.99	5580	390545	14841	2268	5580	1302	23991	4.30	7.77	43339
2016	1	66.85	57.27	62.74	5580	350107	13304	2268	5580	1167	22319	4.00	7.80	43520
2016	2	63.35	56.06	60.22	5220	314373	11946	2122	5220	1012	20300	3.89	7.83	40881
2016	3	59.90	51.21	56.18	5572.5	313042	11896	2265	5573	1043	20777	3.73	7.86	43824
2016	4	54.60	47.57	51.58	5400	278552	10585	2195	5400	929	19108	3.54	7.90	42644
2016	5	50.77	42.08	47.04	5580	262506	9975	2268	5580	875	18698	3.35	7.93	44249
2016	6	50.02	40.80	46.06	5400	248743	9452	2195	5400	829	17876	3.31	7.96	43000
2016	7	66.15	50.21	59.31	5580	330977	12577	2268	5580	1103	21528	3.86	8.00	44619
2016	8	68.56	52.29	61.58	5580	343622	13058	2268	5580	1145	22051	3.95	8.03	44805
2016	9	68.02	54.24	62.10	5400	335351	12743	2195	5400	1118	21456	3.97	8.06	43540
2016	10	72.28	55.47	65.07	5580	363107	13798	2268	5580	1210	22856	4.10	8.10	45179
2016	11	71.22	61.77	67.17	5407.5	363204	13802	2198	5408	1211	22618	4.18	8.13	43965
2016	12	77.30	64.67	71.88	5580	401111	15242	2268	5580	1337	24427	4.38	8.16	45556
2017	1	72.18	61.94	67.79	5580	378255	14374	2268	5580	1261	23483	4.21	8.20	45746



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2017	2	66.64	57.97	62.92	5040	317128	12051	2049	5040	1057	20196	4.01	8.23	41491
2017	3	62.47	52.70	58.28	5572.5	324790	12342	2265	5573	1083	21262	3.82	8.27	46066
2017	4	58.83	48.25	54.29	5400	293174	11141	2195	5400	977	19713	3.65	8.30	44826
2017	5	53.26	42.64	48.71	5580	271779	10328	2268	5580	906	19082	3.42	8.34	46513
2017	6	56.47	44.27	51.23	5400	276663	10513	2195	5400	922	19030	3.52	8.37	45200
2017	7	67.21	50.98	60.25	5580	336198	12776	2268	5580	1121	21744	3.90	8.41	46902
2017	8	71.63	54.41	64.25	5580	358506	13623	2268	5580	1195	22666	4.06	8.44	47097
2017	9	70.95	56.43	64.72	5400	349488	13281	2195	5400	1165	22040	4.08	8.48	45768
2017	10	74.16	57.39	66.97	5580	373695	14200	2268	5580	1246	23294	4.17	8.51	47490
2017	11	72.60	62.36	68.21	5407.5	368822	14015	2198	5408	1229	22850	4.23	8.55	46214
2017	12	79.46	67.22	74.21	5580	414086	15735	2268	5580	1380	24964	4.47	8.58	47887
2018	1	71.16	60.69	66.67	5580	372030	14137	2268	5580	1240	23225	4.16	8.62	48087
2018	2	67.85	57.79	63.54	5040	320238	12169	2049	5040	1067	20325	4.03	8.65	43614
2018	3	61.64	53.36	58.09	5572.5	323692	12300	2265	5573	1079	21217	3.81	8.69	48423
2018	4	58.40	51.35	55.38	5400	299027	11363	2195	5400	997	19955	3.70	8.73	47119
2018	5	54.03	44.10	49.77	5580	277730	10554	2268	5580	926	19328	3.46	8.76	48893
2018	6	54.53	43.16	49.65	5400	268130	10189	2195	5400	894	18678	3.46	8.80	47513
2018	7	66.95	50.62	59.95	5580	334508	12711	2268	5580	1115	21674	3.88	8.84	49301
2018	8	70.91	55.34	64.23	5580	358408	13620	2268	5580	1195	22662	4.06	8.87	49507
2018	9	71.68	57.69	65.68	5400	354652	13477	2195	5400	1182	22254	4.12	8.91	48109
2018	10	73.93	57.40	66.84	5580	372966	14173	2268	5580	1243	23264	4.17	8.95	49920
2018	11	73.55	62.24	68.69	5407.5	371463	14116	2198	5408	1238	22959	4.25	8.98	48578
2018	12	81.31	67.50	75.39	5580	420678	15986	2268	5580	1402	25236	4.52	9.02	50337
2019	1	70.26	59.22	65.53	5580	365649	13895	2268	5580	1219	22961	4.11	9.06	50547
2019	2	64.20	55.46	60.45	5040	304688	11578	2049	5040	1016	19682	3.91	9.10	45845
2019	3	57.17	51.86	54.89	5572.5	305890	11624	2265	5573	1020	20481	3.68	9.13	50900
2019	4	53.84	47.90	51.29	5400	276982	10525	2195	5400	923	19043	3.53	9.17	49530
2019	5	57.74	46.09	52.75	5580	294327	11184	2268	5580	981	20013	3.59	9.21	51394
2019	6	54.64	44.77	50.40	5400	272171	10342	2195	5400	907	18845	3.49	9.25	49944
2019	7	64.22	50.44	58.31	5580	325381	12364	2268	5580	1085	21297	3.82	9.29	51824
2019	8	69.64	54.10	62.98	5580	351439	13355	2268	5580	1171	22374	4.01	9.33	52040
2019	9	69.04	55.79	63.36	5400	342130	13001	2195	5400	1140	21736	4.03	9.36	50571
2019	10	69.64	55.80	63.70	5580	355472	13508	2268	5580	1185	22541	4.04	9.40	52474
2019	11	73.81	62.35	68.89	5407.5	372535	14156	2198	5408	1242	23003	4.25	9.44	51064
2019	12	77.86	65.04	72.37	5580	403798	15344	2268	5580	1346	24538	4.40	9.48	52912
2020	1	63.09	54.24	59.30	5580	330877	12573	2268	5580	1103	21524	3.86	9.52	53133
2020	2	59.02	52.72	56.32	5220	293988	11172	2122	5220	946	19459	3.73	9.56	49912
2020	3	54.15	49.95	52.35	5572.5	291736	11086	2265	5573	972	19896	3.57	9.60	53504
2020	4	50.49	47.50	49.21	5400	265726	10098	2195	5400	886	18578	3.44	9.64	52064



ATTACHMENT B

2020	5	51.69	42.90	47.92	5580	267407	10161	2268	5580	891	18901	3.39	9.68	54024
2020	6	49.06	41.50	45.82	5400	247409	9402	2195	5400	825	17821	3.30	9.72	52499
2020	7	59.18	46.74	53.84	5580	300455	11417	2268	5580	1002	20267	3.63	9.76	54475
2020	8	64.73	51.24	58.95	5580	328927	12499	2268	5580	1096	21444	3.84	9.80	54702
2020	9	64.52	51.83	59.08	5400	319010	12122	2195	5400	1063	20781	3.85	9.84	53158
2020	10	63.53	51.41	58.33	5580	325499	12369	2268	5580	1085	21302	3.82	9.89	55159
2020	11	63.59	56.24	60.43	5407.5	326801	12418	2198	5408	1089	21113	3.90	9.93	53676
2020	12	69.94	59.78	65.58	5580	365948	13906	2268	5580	1220	22974	4.12	9.97	55619
2021	1	64.23	56.63	60.97	5580	340224	12929	2268	5580	1134	21911	3.93	10.01	55851
2021	2	61.78	55.27	58.99	5040	297296	11297	2049	5040	991	19377	3.84	10.05	50656
2021	3	54.88	51.11	53.26	5572.5	296797	11278	2265	5573	989	20105	3.61	10.09	56242
2021	4	51.60	47.73	49.93	5400	269647	10247	2195	5400	899	18740	3.47	10.13	54728
2021	5	53.05	45.27	49.72	5580	277414	10542	2268	5580	925	19314	3.46	10.18	56788
2021	6	53.51	45.21	49.95	5400	269729	10250	2195	5400	899	18744	3.47	10.22	55185
2021	7	61.33	48.21	55.71	5580	310837	11812	2268	5580	1036	20696	3.71	10.26	57262
2021	8	67.13	53.22	61.17	5580	341311	12970	2268	5580	1138	21956	3.93	10.30	57501
2021	9	65.14	53.44	60.12	5400	324654	12337	2195	5400	1082	21014	3.89	10.35	55878
2021	10	64.74	52.44	59.47	5580	331834	12610	2268	5580	1106	21564	3.86	10.39	57981
2021	11	67.57	58.43	63.65	5407.5	344182	13079	2198	5408	1147	21832	4.04	10.43	56423
2021	12	73.67	62.82	69.02	5580	385123	14635	2268	5580	1284	23766	4.26	10.48	58465
2022	1	69.07	60.13	65.24	5580	364022	13833	2268	5580	1213	22894	4.10	10.52	58709
2022	2	63.74	55.43	60.18	5040	303294	11525	2049	5040	1011	19625	3.89	10.57	53248
2022	3	57.48	53.46	55.76	5572.5	310705	11807	2265	5573	1036	20680	3.71	10.61	59119
2022	4	54.86	51.04	53.22	5400	287403	10921	2195	5400	958	19474	3.61	10.65	57528
2022	5	54.42	45.19	50.46	5580	281573	10700	2268	5580	939	19486	3.49	10.70	59693
2022	6	53.30	45.04	49.76	5400	268690	10210	2195	5400	896	18701	3.46	10.74	58008
2022	7	64.31	50.53	58.40	5580	325898	12384	2268	5580	1086	21318	3.82	10.79	60192
2022	8	69.80	56.10	63.93	5580	356723	13555	2268	5580	1189	22593	4.05	10.83	60443
2022	9	67.68	56.03	62.68	5400	338483	12862	2195	5400	1128	21585	4.00	10.88	58736
2022	10	67.68	55.34	62.39	5580	348129	13229	2268	5580	1160	22237	3.99	10.92	60947
2022	11	74.12	61.89	68.87	5407.5	372422	14152	2198	5408	1241	22999	4.25	10.97	59309
2022	12	76.04	65.77	71.64	5580	399740	15190	2268	5580	1332	24371	4.37	11.01	61456
2023	1	71.48	62.31	67.55	5580	376945	14324	2268	5580	1256	23428	4.20	11.06	61712
2023	2	66.58	58.06	62.93	5040	317162	12052	2049	5040	1057	20198	4.01	11.11	55972
2023	3	59.85	55.30	57.90	5572.5	322651	12261	2265	5573	1076	21174	3.80	11.15	62144
2023	4	57.23	52.88	55.36	5400	298967	11361	2195	5400	997	19952	3.69	11.20	60471
2023	5	57.52	47.63	53.28	5580	297320	11298	2268	5580	991	20137	3.61	11.25	62747
2023	6	56.23	47.12	52.32	5400	282543	10737	2195	5400	942	19273	3.57	11.29	60976
2023	7	66.56	52.65	60.60	5580	338122	12849	2268	5580	1127	21824	3.91	11.34	63271



ATTACHMENT B

2023	8	72.00	58.05	66.02	5580	368382	13999	2268	5580	1228	23074	4.14	11.39	63535
2023	9	70.17	58.12	65.00	5400	350997	13338	2195	5400	1170	22103	4.09	11.43	61742
2023	10	69.88	57.32	64.50	5580	359894	13676	2268	5580	1200	22724	4.07	11.48	64065
2023	11	76.18	63.90	70.91	5407.5	383440	14571	2198	5408	1278	23454	4.34	11.53	62344
2023	12	79.09	68.14	74.39	5580	415107	15774	2268	5580	1384	25006	4.48	11.58	64600



ATTACHMENT B

	Market Price	Green Prem.	Trans.	Net Gain	Total Net Gain
2009	57.4	5.63	3.78	1.85	121,543
2010	55.9	5.92	3.72	2.20	144,490
2011	53.4	6.22	3.61	2.61	171,257
2012	52.8	6.54	3.59	2.95	194,168
2013	52.5	6.87	3.58	3.29	216,396
2014	53.7	7.22	3.63	3.60	236,274
2015	56.9	7.59	3.76	3.84	251,995



STATE OF WASHINGTON – KING COUNTY

--ss.

229958
CITY OF SEATTLE, CLERKS OFFICE

No. 122788-122812

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

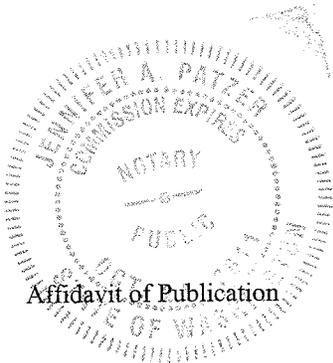
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLEDONLY ORDINANCE

was published on

10/07/08

The amount of the fee charged for the foregoing publication is the sum of \$ 196.70, which amount has been paid in full.



Affidavit of Publication

[Signature]

Subscribed and sworn to before me on
10/07/08 *[Signature]*

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council

on September 22, 2008, and published here by title only, will be

mailed, at no cost, on request for two months after this publication.

For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 122788

AN ORDINANCE approving and confirming the plat of "Bitterlake Townhomes Addition to the City of Seattle" in a portion of Section 19, Township 26 North, Range 4 East, W.M. in King County, Washington.

ORDINANCE NO. 122797

AN ORDINANCE relating to the municipal water system of The City of Seattle; adopting a system or plan of additions or betterments to or extensions of the existing municipal water system; authorizing the issuance and sale of water system revenue bonds, in one or more series, for the purposes of paying part of the cost of carrying out that system or plan, providing a bond reserve and paying the costs of issuing and selling the bonds; providing for the terms, conditions, covenants and manner of sale of those bonds; describing the lien of the bonds; and creating certain accounts of the City relating to those bonds.

ORDINANCE NO. 122799

AN ORDINANCE relating to reviewing the status of Neighborhood Plans and updating Neighborhood Plans where transit stations are or will be located and removing a budget proviso that restricted spending of a 2008 budget appropriation.

ORDINANCE NO. 122801

AN ORDINANCE relating to the City Light Department; authorizing an amendment to the Power Purchase and Sale Contract for the Lucky Peak Power Plant Project, which simplifies the calculation of the Royalty Payment made by City Light.

ORDINANCE NO. 122803

AN ORDINANCE related to the City of Seattle's 2007 LTGO bonds; amending the 2008 Adopted Budget by changing appropriations to various funds, departments, and budget control levels; and ratifying and confirming certain prior acts.

ORDINANCE NO. 122804

AN ORDINANCE relating to the City Light Department; authorizing the acquisition of real property located in the North Downtown area of Seattle and legally described as Lots 17, 18 and 19, all in Block 13, Pontius Fourth Addition to the City of Seattle, according to the plat thereof recorded in Volume 7 of Plats, Page 8, Records of King County, Washington, for electric system purposes.

ORDINANCE NO. 122805

AN ORDINANCE relating to the City Light Department; authorizing the Superintendent or his designee to enter into a seventeen-year power purchase agreement with the Bonneville Power Administration and related agreements.

ORDINANCE NO. 122806

AN ORDINANCE relating to the City Light Department, accepting various easements for overhead and underground electrical rights in King County, Washington; and placing said easements under the jurisdiction of the City Light Department.

ORDINANCE NO. 122807

AN ORDINANCE relating to the electric system of The City of Seattle; authorizing the issuance and sale of municipal light and power revenue bonds for the purposes of providing funds for certain additions and betterments to and extensions of the existing municipal light and power plant and system of the City, paying the costs of issuing and selling those bonds and providing for the reserve fund requirement; providing for the terms, conditions, covenants and manner of sale of those bonds; and describing the lien of those bonds.

ORDINANCE NO. 122808

AN ORDINANCE relating to the City Light Department; authorizing execution of a 15-year agreement with Redding Electric Utility for the exchange of renewable energy and environmental attributes.

ORDINANCE NO. 122810

AN ORDINANCE relating to economic and community development; authorizing a loan of federal Section 108 loan proceeds to finance acquisition and development of 9800 40th Avenue South and refinance existing debt; appropriating and authorizing the disbursement of Brownfields Economic Development Initiative grant ("BEDI Grant") funds to provide loan loss reserves on the loan and to finance project costs; authorizing loan documents, amendments, replacements and related documents and actions; appropriating and authorizing the collection of loan origination fees associated with the loan; and authorizing amendments to the City's 2005-2008 Consolidated Plan to reflect the transactions contemplated by this ordinance; all by a three-fourths vote of the City Council.

ORDINANCE NO. 122811

AN ORDINANCE relating to economic and community development; authorizing a loan of federal Section 108 loan proceeds to finance a portion of the costs of a community economic development project at 3333 Rainier Avenue South; appropriating and authorizing the disbursement of Brownfields Economic Development Initiative grant ("BEDI Grant") funds to provide loan loss reserves on the loan and to finance project costs; authorizing loan documents, amendments, replacements and related documents and actions; and authorizing amendments to the City's 2005-2008 Consolidated Plan to reflect the transactions contemplated by this ordinance.

ORDINANCE NO. 122812

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Date of publication in the Seattle Daily Journal of Commerce, October 7, 2008.

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