

Ordinance No. 123500

Council Bill No. 117058

AN ORDINANCE relating to the City Light Department; authorizing execution of a transaction-specific confirmation of a 7-year agreement with Holy Cross Energy for the purchase of environmental attributes in the form of renewable energy certificates that are necessary or convenient for meeting the requirements of the Washington State Energy Independence Act.

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Bruce A. Hurrell

Councilmember

Committee Action:

12/9/2010 PASS BH, RC

CF No. \_\_\_\_\_

Date Introduced:	<u>Nov. 29, 2010</u>	
Date 1st Referred:	To: (com	<u>Energy, Technology, and Civil Rights</u>
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote:	
<u>12.13.10</u>	<u>9-0</u>	
Date Presented to Mayor:	Date Approved:	
<u>12.14.10</u>	<u>12.20.10</u>	
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
<u>12.20.10</u>		
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

12.13.10 Passed 9-0

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

ORDINANCE 123500

AN ORDINANCE relating to the City Light Department; authorizing execution of a transaction-specific confirmation of a 7-year agreement with Holy Cross Energy for the purchase of environmental attributes in the form of renewable energy certificates that are necessary or convenient for meeting the requirements of the Washington State Energy Independence Act.

WHEREAS, the Revised Code of Washington ("RCW") Chapter 19.285 (the "Washington State Energy Independence Act") requires City Light to acquire renewable resources and/or environmental attributes, and City Light also purchases environmental attributes for its retail voluntary green power programs pursuant to RCW Chapter 19.29A; and

WHEREAS, Holy Cross Energy has the marketing rights to the environmental attributes of the Raft River Energy I geothermal facility; and

WHEREAS, the Raft River Energy I's environmental attributes meet the requirements of RCW Chapter 19.285; and

WHEREAS, Holy Cross Energy wishes to sell and City Light wishes to purchase such environmental attributes created by the Raft River Energy I geothermal facility; and

WHEREAS, by separate ordinance the City Council has authorized City Light's use of a Master Renewable Energy Certificate Purchase and Sale Agreement; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The Superintendent of the City Light Department, or his designee, is hereby authorized to execute for and on behalf of The City of Seattle, a transaction-specific 7-year Confirmation Agreement, substantially in the form attached hereto as Exhibit A. The agreement with Holy Cross Energy sets forth the terms under which Holy Cross Energy will deliver environmental attributes in the form of renewable energy certificates ("RECs") to City Light.

Section 2. The Superintendent of the City Light Department, or his designee is hereby further authorized to execute for and on behalf of The City of Seattle additional agreements



1 necessary for use of the Western Renewable Energy Generation Information System or any  
2 successor system for tracking and transferring the RECs to City Light and other necessary and  
3 convenient agreements to enable City Light to use the RECs purchased hereunder to meet its  
4 regulatory requirements.

5           Section 3. Upon determining the availability of surplus environmental attributes within  
6 City Light's portfolio, and in order to minimize the cost to City Light's customers of compliance  
7 with the Washington State Energy Independence Act when the Superintendent believes it is cost-  
8 effective to acquire RECs in advance of need, the Superintendent, or his designee, is further  
9 authorized to execute for and on behalf of The City of Seattle agreements for the sale of all or a  
10 portion of the environmental attributes purchased under the Renewable Energy Certificate  
11 Purchase and Sale Agreement with Holy Cross Energy, on terms and conditions that the  
12 Superintendent deems in the best interests of City Light provided, however, that no such sale  
13 shall jeopardize the City Light's compliance with the Washington State Energy Independence  
14 Act.  
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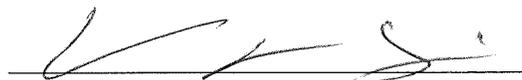


1 Section 4. This ordinance shall take effect and be in force 30 days from and after its  
2 approval by the Mayor, but if not approved and returned by the Mayor within ten days after  
3 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 13<sup>th</sup> day of December, 2010, and  
5 signed by me in open session in authentication of its passage this  
6 13<sup>th</sup> day of December, 2010.

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9  
10   
President \_\_\_\_\_ of the City Council

11 Approved by me this 20<sup>th</sup> day of December, 2010.

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14   
15 Michael McGinn, Mayor

16 Filed by me this 20<sup>th</sup> day of December, 2010.

17  
18  
19   
20 City Clerk

21 (Seal)

22 Exhibit A: Confirmation Agreement – Renewable Energy Certificates – Raft River Energy I  
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EXHIBIT A

<b>Seller: Holy Cross Energy</b>	<b>Buyer: Seattle City Light</b>
Contract ID:	Contract ID:
Deal Maker:	Deal Maker:
Phone:	Phone:
E-mail:	E-mail:
Fax:	Fax:

**CONFIRMATION AGREEMENT  
 RENEWABLE ENERGY CERTIFICATES  
 RAFT RIVER ENERGY I**

This Confirmation Agreement ("**Confirmation**") dated as of \_\_\_\_\_ ("**Trade Date**") is entered into by and between Holy Cross Electric Association, Inc. dba Holy Cross Energy, a Colorado electric cooperative ("**Seller**") and The City of Seattle, a Washington municipal corporation, by and through its City Light Department ("**Buyer**"), each referred to herein individually as a "**Party**" and collectively as the "**Parties**".

The following describes a Transaction between Buyer and Seller for the sale, purchase and delivery of Product pursuant to the terms of the Master Renewable Energy Certificate Purchase and Sale Agreement between them dated \_\_\_\_\_ ("**Master Agreement**"). The Master Agreement and this Confirmation, including the Special Terms & Exceptions described in Section 8 below, shall be collectively referred to herein as the "**Agreement**."

- 1. Product:** Renewable Energy Certificates ("RECs") that include all Environmental Attributes arising as a result of the generation of electricity associated with the REC. The REC is generated from the Unit Specific Renewable Energy Facility that, as of the Trade Date, meets the requirements of the Renewable Portfolio Standard ("RPS") of Washington State, the definition of a Renewable Resource under the Revised Code of Washington ("RCW") 19.285.030 (18) and is eligible for certification under Section II.A.3. of the Green-e Energy National Standard for Renewable Electricity Products, National Standard Version 1.6. Such Product is created by a facility that meets the requirements of a Certified Renewable Energy Facility. Buyer shall have the right to disaggregate, retain or separately sell the RECs or Environmental Attributes purchased under this Agreement.
- 2. Term:** The Term of this Transaction shall commence upon the Effective Date and shall continue through June 30, 2018, in order to complete any Transaction with respect to 2017 RECs; provided that, for avoidance of doubt, Seller shall have no obligation to deliver 2018 RECs, and until all obligations of the Parties under this Agreement have been satisfied, unless an Early Termination Date of this Agreement is established pursuant to Section 5.2 of the Master Agreement.



**3. Unit Specific Certified Renewable Energy Facility Information:**

- a. Name of Facility: Raft River I
- b. Location of Facility: Cassia County, Idaho
- c. Facility ID Number: 50147  EIA or  QF? (check one)
- d. Fuel Type: Geothermal Energy
- e. Initial Operating Date: October 3, 2007
- f. Nameplate Capacity (MW): 18

**4. Contract Quantity:** Seller agrees to sell and Buyer agrees to buy the Environmental Attributes generated by the Renewable Resource during the Term up to the maximum volume of 87,600 RECs/year.

- a. Unit Contingent up to a maximum annual volume of: 87,600
- b. Expected Volume (estimated): 65,000
- c. Guaranteed Minimum Volume: None

**5. Purchase Price:**

Year	Unit Price
2011	\$8.00/REC
2012	\$9.00/REC
2013	\$10.00/REC
2014	\$11.00/REC
2015	\$15.00/REC
2016	\$16.00/REC
2017	\$17.00/REC

**6. WREGIS Generator Information:**

- a. Generating Unit Identification Number: W228
- b. Generating Unit Name: Raft River Energy I
- c. Primary Facility Name: Raft River Energy I
- d. Facility Owner Name: Raft River Energy I, LLC

A completed Generator Attestation in the form of Attachment 2 to this Confirmation will be provided as soon as reasonably practicable.

**7. Delivery Date:** By WREGIS REC electronic tracking and transfer system. Seller shall comply with all laws, including, without limitation, the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates. Within 10 Business Days after receipt by Seller of RECs from WREGIS, Seller shall deliver such RECs to Buyer's WREGIS account ID 217. After such delivery of



RECs to Buyer's WREGIS account, Seller shall invoice Buyer for such RECs in accordance with Section 2.3 of the Master Agreement. Each invoice will include a Wholesale Provider Renewable Attestation in the form of Attachment 1 to the Confirmation. **Special Terms and Exceptions:**

### 8.1 Marketing and Media Rights

Seller shall provide to Buyer marketing and media rights including the ability to obtain, document and publish project information and photos. Buyer shall not represent that it is the only purchaser of Renewable Energy Credits from the Geothermal Facility.

Buyer's Marketing Contact:

Name:  
Phone:  
Fax:  
Email:

Mailing Address

Seattle City Light  
Attn:  
PO Box 34023, Room #3200  
Seattle, WA 98124-4023

Overnight mail

Seattle City Light  
901 Fifth Avenue, Suite 1800  
Seattle, WA 98124

Seller's Marketing Contact:

Name:  
Phone:  
Fax:  
E-mail:

Mailing Address:

Holy Cross Energy  
Attn:  
P.O. Box 2150  
Glenwood Springs, CO 81602-2150

Overnight mail

Holy Cross Energy  
3799 Highway 82  
Glenwood Springs, CO 81601

### 8.2 Miscellaneous

Where the terms of this Confirmation conflict with the Master Agreement, the Confirmation shall control.

The Parties are subject to all WREGIS Operating Rules dated June 4, 2007, as may be amended, supplemented or replaced (in whole or in part) from time to time.

Verification may be requested by Buyer. If Buyer makes such a request for, or the Certification Authority requires documentation from Buyer that is in the possession of Seller or that Seller may readily attain, Seller shall use reasonable efforts to help Buyer comply with the documentation requirements of the Certification Authority.

### 8.3 Changes to the Master Agreement



Robert W. Cromwell, Jr./MLS  
SCL HCE REC Purchase Authorization Ord EXH A  
October 1, 2010  
Version #3

- a. Reference Section 2.3: Seller shall send to Buyer with each invoice a Wholesale Provider Renewable Attestation in the form of Attachment 1 to the Confirmation.
- b. Reference Section 2.6: In regards to WREGIS Transfer Fees, Buyer agrees



to reimburse Seller for half of the transfer fees only (and not any registration fees) incurred by Seller in transferring the Product from Seller's WREGIS account to Buyer's WREGIS account as invoiced to Buyer by Seller. Currently, Seller is charged WREGIS Transfer Fees of \$0.005/REC to transfer RECs from one WREGIS account to another WREGIS account.

c. Reference Section 2.7: The following provision in the last sentence in Section 2.7 of the Master Agreement is not applicable to this Agreement, "[T]o the extent that any Transaction is for Product not yet generated at the time of the Transaction, Seller agrees to make and Buyer agrees to accept actual Delivery of the Product, unless sooner netted out pursuant to opposite purchases and sales between the Parties."

d. Reference Section 3.2: Seller purchases the RECs from Raft River Energy I LLC pursuant to a Renewable Energy Credit Purchase and Sale Agreement entered into on July 29, 2006, as amended December 3, 2008, and Seller's rights and interests in the RECs arise from that agreement as amended. Seller has received an Attestation from Raft River Energy I LLC with respect to the RECs and routinely receives Transfer Certificates.

e. Reference Article 4: Sections 4.2 and 4.3 are not applicable to Seller.

**The parties agree to the Transaction set forth herein.**

<b>Seller: Holy Cross Energy</b>	<b>Buyer: The City of Seattle, City Light Department (dba "Seattle City Light")</b>
By:	By:
Name:	Name:
Title:	Title:



## ATTACHMENT 1 TO CONFIRMATION AGREEMENT

### Sample Form: WHOLESALE PROVIDER RENEWABLE ATTESTATION

#### I. Wholesale Provider Information

Name of Wholesale Provider: Holy Cross Electric Association, Inc., dba Holy Cross Energy  
Address of Provider: 3799 Highway 82, Glenwood Springs, CO 81601  
Contact Person:  
Title: Member Services and Marketing Administrator  
Telephone: Fax:  
E-mail:

#### II. Declaration

I, (print name and title) \_\_\_\_\_ declare that the (indicate with "x") \_\_\_ electricity bundled with renewable attributes/  x  renewable attributes only listed below were sold exclusively from: Holy Cross Electric Association, Inc., dba Holy Cross Energy ("Provider"), to Seattle City Light ("Purchaser").

I further declare that:

- 1) the environmental attributes (including CO<sub>2</sub> benefits), including any emissions offsets, reductions or claims, represented by the renewable electricity generation listed below ("RECs") were transferred to Purchaser;
- 2) to the best of my knowledge, the environmental attributes were not sold, marketed or otherwise claimed by a third party;
- 3) the environmental attributes were sold only once by Provider to Purchaser, and to the best of my knowledge, the environmental attributes were sold only once by Raft River Energy I LLC ("Generator") to Provider as part of the transactions listed below;
- 4) the environmental 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 my knowledge, by Generator or 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 my knowledge, by Generator or any other entity.



**List the renewable MWhs sold and transferred to Purchaser identified below by period 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	Selling as Green-e Energy Certified Wholesale? (Yes/No)
Raft River Energy I LLC	50147	18 MW	Geothermal Energy	MWhs	1/2008	2009	No

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Place of Execution

***The information on this form is held strictly confidential and will not be shared with any other party except in aggregate form.***



## ATTACHMENT 2 TO CONFIRMATION AGREEMENT

### ATTESTATION FROM GENERATOR PARTICIPATING IN WREGIS

This Attachment 2 governs generation at the Facility during the Term. Any changes shall be provided to Seller as soon as reasonably practicable by providing a revised Attachment 2.

#### 1. Renewable Energy Facility Owner Information

- a. Name of Owner: *Raft River Energy I LLC*
- b. Address of Owner: *1505 Tyrell Lane, Boise, ID 83706*
- c. Contact person: \_\_\_\_\_ Title: *CFO, U.S. Geothermal Inc.*
- d. Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_
- e. Email: \_\_\_\_\_

#### 2. Renewable Energy Facility and WREGIS Registration Information

- a. Name of Facility: *The Raft River Unit 1 Geothermal Power Plant*
- b. Location/Address of Facility: *15 miles southeast of Malta, ID; Section 23; Township 15: Range 26 East; Cassia County, ID*
- c. Facility ID Number: *Entity 50147, Plant 56317*  EIA or  QF? (check one)
- d. Fuel Type: *Geothermal*
- e. Initial Operating Date: *10/03/2007*
- f. Nameplate Capacity (MW): *18*

#### 3. WREGIS Information

- a. Generating Unit Identification Number: *W228*
- b. Generating Unit Name: *Raft River Energy I LLC*
- c. Primary Facility Name: *Raft River Energy I*

#### 4. Other

- a. Is the Facility owner reporting its direct greenhouse gas emissions in a legally binding cap and trade program for the time period of generation listed on this form?  
 Yes; list the cap and trade program: \_\_\_\_\_  
 No



- b. If Seller is providing only RECs to Purchaser and selling the associated electricity to a utility or load-serving entity, please write the name of the utility or load-serving entity here: *Idaho Power Company*
- c. If Facility has been registered in a Tracking System by an entity other than Owner, complete items 1 – 3 immediately below and have an agent of the company or individual designated in WREGIS to manage Facility's account in WREGIS complete and sign this form. For the purposes of this form, such a company or individual is referred to as an "Account Manager".<sup>1</sup>
- (i) Name of Account Manager as appears in WREGIS:
  - (ii) Date that account management rights assigned to Account Manager expire.<sup>2</sup>
  - (iii)  Account Manager has attached documentation<sup>3</sup> accepted by WREGIS authorizing Account Manager to register Facility in Tracking System.

## 5. Declaration

I, (print name and title) \_\_\_\_\_, CFO ("Signatory"), authorized agent of  Owner /  Account Manager (check one) declare that I have sufficient knowledge and authority to make the following attestation for the Effective Period of this document. I also declare the following regarding Facility's participation in WREGIS and regarding Renewable Attributes (also called "Certificates", "Renewable Energy Certificates" or "RECs") generating by Facility and tracked in Tracking System:

- a. all renewable and environmental attributes associated with the production of electricity from Facility, including any and all CO2 benefits, emissions offsets, reductions or claims, are transferred to purchasers within the WREGIS Tracking System;
- b. for Transactions made within WREGIS only fully aggregated Environmental Attributes are traded:
- c. the Environmental Attributes of a particular MWh are sold by the Owner only once;
- d. to the best of my knowledge, the Environmental Attributes or the electricity that is generated with the Environmental Attributes are not used to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate by any entity other than the party to whom the Environmental Attributes are sold by the Owner;

<sup>1</sup> Only fill in this section if Owner and Account manager have signed the appropriate bi-lateral form required by WREGIS to designate Account Manager as the sole manager of Facility's Tracking System account and sole recipient of Facility's Environmental Attributes. If there is no Account Manager, and Owner manages Facility's account, this section should be left blank, and Owner must complete this attestation.



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SCL HCE REC Purchase Authorization Ord EXH A  
October 1, 2010  
Version #3

- e. the electricity that was generated with the attributes is not separately sold, separately marketed or otherwise separately represented as renewable energy attributable to Facility by Seller, or, to the best of my knowledge, any other entity other than the Buyer(s) of the RECs.



## 6. Signature

As an authorized agent of Owner or Account Manager, Signatory declares that they have the knowledge and authority to attest that the statements on this form are true and correct. By signing this form, Signatory is attesting that the statements and declarations herein will remain true for the Effective Period.

If any conditions change related to the information on this form prior to Expiration Date, Signatory agrees to inform Buyer in writing as far in advance of the change as commercially practicable.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Chief Financial Officer

Title

U.S. Geothermal Inc.

Organization

1505 Tyrell Lane, Boise, ID 83706

Place of Execution



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
City Light	Robert W. Cromwell, Jr./206-684-3856	Calvin Chow/206-684-4652

**Legislation Title:**

AN ORDINANCE relating to the City Light Department; authorizing execution of a transaction-specific confirmation of a 7-year agreement with Holy Cross Energy for the purchase of environmental attributes in the form of renewable energy certificates that are necessary or convenient for meeting the requirements of the Washington State Energy Independence Act.

**Summary of the Legislation:**

This legislation approves a seven year purchase of renewable energy certificates to allow the City Light Department to comply with state law.

**Background:**

This legislation approves a transaction-specific confirmation of a 7-year renewable energy certificates ("RECs") purchase for the City Light Department to receive environmental attributes in the form of RECs from Holy Cross Energy who has the REC marketing rights to the Raft River Energy I geothermal facility located in Cassia County, Idaho. The facility is expected to produce about 65,000 RECs annually. City Light will receive 100 percent of the RECs associated with the 18 MW facility starting in 2011. The RECs will be delivered to City Light through the Western Renewable Energy Generation Information System. Raft River I is an eligible renewable resource under Washington State's Energy Independence Act (Chapter 19.285 of the Revised Code of Washington) and City Light intends to use them to partially meet this requirement and to meet the requirements of City Light's voluntary retail green power programs through 2014.

X **This legislation has financial implications.**

**Appropriations:**

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
<b>TOTAL</b>			<b>0</b>	<b>See note</b>

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

**Appropriations Notes:** The cost will be approximately \$520,000 and Seattle's voluntary Green Up program customer revenues will be used to fund the acquisition of the RECs from this facility in 2011 through 2014. The RECs from this facility will be used to meet City Light's regulatory obligations under the Washington State Energy Independence Act between 2015 – 2017. The cost in each of 2015 through 2017 is expected to be \$1 million. City Light's 2011-12 budget proposal now before the City Council includes sufficient budget authority for this transaction.



**Anticipated Revenue/Reimbursement: Resulting from this Legislation:**

Fund Name and Number	Department	Revenue Source	2010 Revenue	2011 Revenue
<b>TOTAL</b>				

Revenue/Reimbursement Notes:

None.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2010 Positions	2010 FTE	2011 Positions*	2011 FTE*
<b>TOTAL</b>							

\* 2010 positions and FTE are total 2010 position changes resulting from this legislation, not incremental changes. Therefore, under 2010, please be sure to include any continuing positions from 2009.

Position Notes:

None.

**Do positions sunset in the future?**

Not Applicable.

**Spending/Cash Flow:**

Fund Name & #	Department	Budget Control Level*	2010 Expenditures	2011 Anticipated Expenditures
<b>TOTAL</b>				

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



Spending/Cash Flow Notes:

**What is the financial cost of not implementing the legislation?**

The cost of not implementing this legislation would increase City Light's risk of not meeting its regulatory obligations. During the period 2015 – 2017 the penalty cost is three times greater than the acquisition cost of the RECs. This facility will meet approximately 7 percent of City Light's regulatory requirement under the Washington State Energy Independence Act.

**Does this legislation affect any departments besides the originating department?**

No.

**What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

Alternatives would include RECs from other renewable resources and/or energy plus RECs from new renewable resources. City Light is acquiring and will continue to acquire both to meet its regulatory obligation and its retail customer load requirements, although City Light will not be acquiring energy for its voluntary green power programs. Renewable resources that include energy and RECs currently cost approximately six times more than RECs alone.

**Is the legislation subject to public hearing requirements?**

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:**

None.

**List attachments to the fiscal note below:**

None.





City of Seattle  
Office of the Mayor

November 9, 2010

Honorable Richard Conlin  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Ordinance that authorizes the City Light Department to execute a transaction-specific confirmation of a 7-year agreement with Holy Cross Energy for the purchase of environmental attributes in the form of renewable energy credits from their Raft River I geothermal facility. City Light is required to purchase renewable resources and/or environmental attributes under Chapter 19.285.030 (18) of the Revised Code of Washington. This agreement will facilitate meeting this requirement.

By acquiring the "renewable energy certificates" from the Raft River I geothermal project we are not only taking a meaningful step to assure City Light's compliance with "I-937" for a number of years in the future, we are helping to support and promote the development of new, renewable electric generating resources in the Northwest. This agreement is fully consistent with not only our shared goals of promoting a sustainable community, but it does so in a very cost-effective manner.

Thank you for your consideration of this legislation. Should you have questions, please contact Robert W. Cromwell, Jr. at 684-3856.

Sincerely,

Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor  
Office of the Mayor  
600 Fourth Avenue, 7<sup>th</sup> Floor  
PO Box 94749  
Seattle, WA 98124-4749

Tel (206) 684-4000  
Fax (206) 684-5360  
TDD (206) 615-0476  
mike.mcgin@seattle.gov



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STATE OF WASHINGTON – KING COUNTY

--SS.

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264919  
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

**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 12<sup>th</sup> 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:123496,498-123509

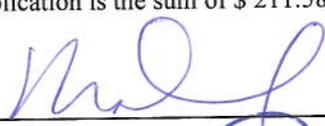
was published on

12/24/10

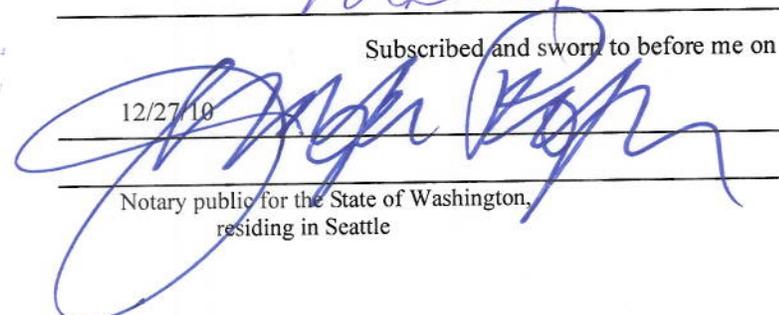
The amount of the fee charged for the foregoing publication is the sum of \$ 211.58, which amount has been paid in full.



Affidavit of Publication

  
\_\_\_\_\_  
Subscribed and sworn to before me on

12/27/10

  
\_\_\_\_\_  
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 December 13, 2010, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For further information, contact the Seattle City Clerk at 684-8344.

#### ORDINANCE NO. 123496

AN ORDINANCE relating to Seattle Public Utilities' Lake Forest Park Reservoir; declaring fee ownership of a portion of real property adjacent to the reservoir to be surplus to the City of Seattle's utility needs; and authorizing Seattle Public Utilities to sell the surplus property to the Lake Forest Park Water District and to execute documents and agreements necessary to complete the sale.

#### ORDINANCE NO. 123498

AN ORDINANCE relating to the City Light Department, authorizing the Superintendent or his designee to grant an easement for road purposes to the County of Snohomish over a portion of the City's fee-owned Bothell to Newhalem Transmission Corridor located in unincorporated Snohomish County, Washington; and accepting payment for the true and fair value of the easement from Washington Federal Savings.

#### ORDINANCE NO. 123499

AN ORDINANCE relating to the City Light Department; authorizing the execution of enabling agreements with separate counterparties that establish general terms and conditions for the purchase and sale of renewable energy certificates in the form of a common master agreement.

#### ORDINANCE NO. 123500

AN ORDINANCE relating to the City Light Department; authorizing execution of a transaction-specific confirmation of a 7-year agreement with Holy Cross Energy for the purchase of environmental attributes in the form of renewable energy certificates that are necessary or convenient for meeting the requirements of the Washington State Energy Independence Act.

#### ORDINANCE NO. 123501

AN ORDINANCE relating to the City Light Department; authorizing execution of a transaction-specific confirmation of a 15-year agreement with Idaho Winds LLC for the purchase of environmental attributes

in the form of renewable energy certificates that are necessary or convenient for meeting the requirements of the Washington State Energy Independence Act.

#### ORDINANCE NO. 123502

AN ORDINANCE relating to Seattle Public Utilities and Seattle Department of Parks and Recreation; authorizing the Director of Seattle Public Utilities and the Superintendent of Parks and Recreation to enter into easement agreements granting and conveying easement rights under and across portions of Cal Anderson Park to the Central Puget Sound Regional Transit Authority and to accept payment therefor; finding that the grants of temporary and permanent subsurface easements meet the requirements of Ordinance 118477, adopting Initiative 42, to the extent applicable; exempting the grant of a temporary surface easement from the requirements of Ordinance 118477, to the extent applicable; and authorizing the Director of Seattle Public Utilities to accept a storm drain access easement from the Central Puget Sound Regional Transit Authority.

#### ORDINANCE NO. 123503

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent of Parks and Recreation to grant and convey easement rights under portions of Volunteer Park and Interlaken Park to the Central Puget Sound Regional Transit Authority for the purposes of installing, repairing, maintaining, and operating tunnels for light rail service, and to accept payment therefor; and finding that the grants of permanent subsurface easements meet the requirements of Ordinance 118477, adopting Initiative 42.

#### ORDINANCE NO. 123504

AN ORDINANCE, relating to City employment, to be known as the 2011 Pay Zone Ordinance; adjusting the pay zone structures for the City's discretionary pay programs for the year 2011.

#### ORDINANCE NO. 123505

AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of Finance and Administrative Services to execute an amendment to an existing parking lot management agreement between the City of Seattle and the Pike Place Market Preservation and Development Authority and ratifying and confirming certain prior acts.

#### ORDINANCE NO. 123506

AN ORDINANCE relating to City employment, to continue to provide a wage supplement and insurance benefits for employees who are mobilized by the United States Armed Forces for active military service; and ratifying and confirming prior acts.

#### ORDINANCE NO. 123507

AN ORDINANCE authorizing, in 2010, acceptance of funding from non-City sources; authorizing the heads of the Department of Information Technology, Department of Neighborhoods, Department of Parks and Recreation, Department of Finance and Administrative Services, the Human Services Department, the Office of Economic Development, the Office of Intergovernmental Relations, the Office of Sustainability and Environment, the Office of the Mayor, Seattle Center, Seattle Department of Transportation, the Seattle Fire Department, the Office for Civil Rights, the Seattle Police Department, the Seattle Public Library, and Seattle Public Utilities to accept specified grants and private funding and to execute, deliver, and perform corresponding agreements; and ratifying and confirming certain prior acts.

#### ORDINANCE NO. 123508

AN ORDINANCE amending Ordinance 123177, which adopted the 2010 Budget, including the 2010-2011 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; revising project allocations for certain projects in the 2010-2015 CIP; adding new projects; making transfers between various City funds; and making cash transfers between funds; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

#### ORDINANCE NO. 123509

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

Publication ordered by the City Clerk  
Date of publication in the Seattle Daily  
Journal of Commerce, December 24, 2010.  
12/24(264919)

fidavit

RR 11 05

<b>Seller: Holy Cross Energy</b>	<b>Buyer: Seattle City Light</b>
Contract ID:	Contract ID: <del>RR-10-10</del> RR 11 05
Deal Maker: Stephen B. Casey	Deal Maker: Marilyn Semro
Phone: (970) 947-5430	Phone: (206) 386-4539
E-mail: <a href="mailto:scasey@holycross.com">scasey@holycross.com</a>	E-mail: <a href="mailto:Marilynn.semro@seattle.gov">Marilynn.semro@seattle.gov</a>
Fax: (970) 947-5455	Fax: (206) 386-4555

**CONFIRMATION AGREEMENT  
RENEWABLE ENERGY CERTIFICATES  
RAFT RIVER ENERGY I**

This Confirmation Agreement ("**Confirmation**") dated as of Feb 9, 2011 ("**Trade Date**") is entered into by and between Holy Cross Electric Association, Inc. dba Holy Cross Energy, a Colorado electric cooperative ("**Seller**") and The City of Seattle, a Washington municipal corporation, by and through its City Light Department ("**Buyer**"), each referred to herein individually as a "**Party**" and collectively as the "**Parties**".

The following describes a Transaction between Buyer and Seller for the sale, purchase and delivery of Product pursuant to the terms of the Master Renewable Energy Certificate Purchase and Sale Agreement between them dated Feb 9, 2011 ("**Master Agreement**"). The Master Agreement and this Confirmation, including the Special Terms & Exceptions described in Section 8 below, shall be collectively referred to herein as the "**Agreement**."

- 1. Product:** Renewable Energy Certificates ("RECs") that include all Environmental Attributes arising as a result of the generation of electricity associated with the REC. The REC is generated from the Unit Specific Renewable Energy Facility that, as of the Trade Date, meets the requirements of the Renewable Portfolio Standard ("RPS") of Washington State, the definition of a Renewable Resource under the Revised Code of Washington ("RCW") 19.285.030 (18) and is eligible for certification under Section II.A.3. of the Green-e Energy National Standard for Renewable Electricity Products, National Standard Version 1.6. Such Product is created by a facility that meets the requirements of a Certified Renewable Energy Facility. Buyer shall have the right to disaggregate, retain or separately sell the RECs or Environmental Attributes purchased under this Agreement.
- 2. Term:** The Term of this Transaction shall commence upon the Effective Date and shall continue through June 30, 2018, in order to complete any Transaction with respect to 2017 RECs; provided that, for avoidance of doubt, Seller shall have no obligation to deliver 2018 RECs, and until all obligations of the Parties under this Agreement have been satisfied, unless an Early Termination Date of this Agreement is established pursuant to Section 5.2 of the Master Agreement.

**3. Unit Specific Certified Renewable Energy Facility Information:**

- a. Name of Facility: Raft River I
- b. Location of Facility: Cassia County, Idaho
- c. Facility ID Number: 50147  EIA or  QF? (check one)
- d. Fuel Type: Geothermal Energy
- e. Initial Operating Date: October 3, 2007
- f. Nameplate Capacity (MW): 18

**4. Contract Quantity:** Seller agrees to sell and Buyer agrees to buy the Environmental Attributes generated by the Renewable Resource during the Term up to the maximum volume of 87,600 RECs/year.

- a. Unit Contingent up to a maximum annual volume of: 87,600
- b. Expected Volume (estimated): 65,000
- c. Guaranteed Minimum Volume: None

**5. Purchase Price:**

Year	Unit Price
2011	\$8.00/REC
2012	\$9.00/REC
2013	\$10.00/REC
2014	\$11.00/REC
2015	\$15.00/REC
2016	\$16.00/REC
2017	\$17.00/REC

**6. WREGIS Generator Information:**

- a. Generating Unit Identification Number: W228
- b. Generating Unit Name: Raft River Energy I
- c. Primary Facility Name: Raft River Energy I
- d. Facility Owner Name: Raft River Energy I, LLC

A completed Generator Attestation in the form of Attachment 2 to this Confirmation will be provided as soon as reasonably practicable.

**7. Delivery Date:** By WREGIS REC electronic tracking and transfer system. Seller shall comply with all laws, including, without limitation, the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates. Within 10 Business Days after receipt by Seller of RECs from WREGIS, Seller shall deliver such RECs to Buyer's WREGIS account ID 217. After such delivery of RECs to Buyer's WREGIS account, Seller shall invoice Buyer for such RECs in accordance with Section 2.3 of the Master Agreement. Each invoice will include a

Wholesale Provider Renewable Attestation in the form of Attachment 1 to the Confirmation. **Special Terms and Exceptions:**

### 8.1 Marketing and Media Rights

Seller shall provide to Buyer marketing and media rights including the ability to obtain, document and publish project information and photos. Buyer shall not represent that it is the only purchaser of Renewable Energy Credits from the Geothermal Facility.

Buyer's Marketing Contact:

Name: Leslie Brazeau  
Phone: 206-684-3864  
Fax: 206-733-9866  
Email: [leslie.brazeau@seattle.gov](mailto:leslie.brazeau@seattle.gov)

Seller's Marketing Contact:

Name: Stephen B. Casey  
Phone: (970) 947-5430  
Fax: (970) 947-5455  
E-mail: [scasey@holycross.com](mailto:scasey@holycross.com)

Mailing Address

Seattle City Light  
Attn: Leslie Brazeau  
PO Box 34023, Room #3200  
Seattle, WA 98124-4023

Mailing Address:

Holy Cross Energy  
Attn: Stephen B. Casey  
P.O. Box 2150  
Glenwood Springs, CO 81602-2150

Overnight mail

Seattle City Light  
901 Fifth Avenue, Suite 1800  
Seattle, WA 98124

Overnight mail

Holy Cross Energy  
3799 Highway 82  
Glenwood Springs, CO 81601

### 8.2 Miscellaneous

Where the terms of this Confirmation conflict with the Master Agreement, the Confirmation shall control.

The Parties are subject to all WREGIS Operating Rules dated June 4, 2007, as may be amended, supplemented or replaced (in whole or in part) from time to time.

Verification may be requested by Buyer. If Buyer makes such a request for, or the Certification Authority requires documentation from Buyer that is in the possession of Seller or that Seller may readily attain, Seller shall use reasonable efforts to help Buyer comply with the documentation requirements of the Certification Authority.

### 8.3 Changes to the Master Agreement

a. Reference Section 2.3: Seller shall send to Buyer with each invoice a Wholesale Provider Renewable Attestation in the form of Attachment 1 to the Confirmation.

b. Reference Section 2.6: In regards to WREGIS Transfer Fees, Buyer agrees

to reimburse Seller for half of the transfer fees only (and not any registration fees) incurred by Seller in transferring the Product from Seller's WREGIS account to Buyer's WREGIS account as invoiced to Buyer by Seller. Currently, Seller is charged WREGIS Transfer Fees of \$0.005/REC to transfer RECs from one WREGIS account to another WREGIS account.

c. Reference Section 2.7: The following provision in the last sentence in Section 2.7 of the Master Agreement is not applicable to this Agreement, "[T]o the extent that any Transaction is for Product not yet generated at the time of the Transaction, Seller agrees to make and Buyer agrees to accept actual Delivery of the Product, unless sooner netted out pursuant to opposite purchases and sales between the Parties."

d. Reference Section 3.2: Seller purchases the RECs from Raft River Energy I LLC pursuant to a Renewable Energy Credit Purchase and Sale Agreement entered into on July 29, 2006, as amended December 3, 2008, and Seller's rights and interests in the RECs arise from that agreement as amended. Seller has received an Attestation from Raft River Energy I LLC with respect to the RECs and routinely receives Transfer Certificates.

e. Reference Article 4: Sections 4.2 and 4.3 are not applicable to Seller.

**The parties agree to the Transaction set forth herein.**

<b>Seller: Holy Cross Energy</b>	<b>Buyer: The City of Seattle, City Light Department (dba "Seattle City Light")</b>
By: <i>Delvan D Worley</i>	By: <i>Jorge Carrasco</i>
Name: <i>Delvan D Worley</i>	Name: Jorge Carrasco
Title: <i>CEO</i>	Title: Superintendent

**ATTACHMENT 1 TO CONFIRMATION AGREEMENT**

**Sample Form: WHOLESALE PROVIDER RENEWABLE ATTESTATION**

**I. Wholesale Provider Information**

Name of Wholesale Provider: Holy Cross Electric Association, Inc., dba Holy Cross Energy  
Address of Provider: 3799 Highway 82, Glenwood Springs, CO 81601  
Contact Person: Stephen B. Casey  
Title: Member Services and Marketing Administrator  
Telephone: (970) 947-5430 Fax: (970) 947-5455  
E-mail: [scasey@holycross.com](mailto:scasey@holycross.com)

**II. Declaration**

I, (print name and title) \_\_\_\_\_ declare that the (indicate with "x") \_\_\_ electricity bundled with renewable attributes/ x renewable attributes only listed below were sold exclusively from: Holy Cross Electric Association, Inc., dba Holy Cross Energy ("Provider"), to Seattle City Light ("Purchaser").

I further declare that:

- 1) the environmental attributes (including CO<sub>2</sub> benefits), including any emissions offsets, reductions or claims, represented by the renewable electricity generation listed below ("RECs") were transferred to Purchaser;
- 2) to the best of my knowledge, the environmental attributes were not sold, marketed or otherwise claimed by a third party;
- 3) the environmental attributes were sold only once by Provider to Purchaser, and to the best of my knowledge, the environmental attributes were sold only once by Raft River Energy I LLC ("Generator") to Provider as part of the transactions listed below;
- 4) the environmental 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 my knowledge, by Generator or 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 my knowledge, by Generator or any other entity.

**List the renewable MWs sold and transferred to Purchaser identified below by period 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)	# MWs RECs/ Elec. Sold	First Date of Generator Operation (mm/yy)	Period of Generation	Selling as Green-e Energy Certified Wholesale? (Yes/No)
Raft River Energy I LLC	50147	18 MW	Geothermal Energy	MWhs	1/2008	2009	No

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Place of Execution

***The information on this form is held strictly confidential and will not be shared with any other party except in aggregate form.***

**ATTACHMENT 2 TO CONFIRMATION AGREEMENT**

**ATTESTATION FROM GENERATOR PARTICIPATING IN WREGIS**

This Attachment 2 governs generation at the Facility during the Term. Any changes shall be provided to Seller as soon as reasonably practicable by providing a revised Attachment 2.

**1. Renewable Energy Facility Owner Information**

- a. Name of Owner: *Raft River Energy I LLC*
- b. Address of Owner: *1505 Tyrell Lane, Boise, ID 83706*
- c. Contact person: *Kerry D. Hawkley* Title: *CFO, U.S. Geothermal Inc.*
- d. Telephone: *(208) 424-1027* Fax: *(208) 424-1030*
- e. Email: [khawkley@usgeothermal.com](mailto:khawkley@usgeothermal.com)

**2. Renewable Energy Facility and WREGIS Registration Information**

- a. Name of Facility: *The Raft River Unit 1 Geothermal Power Plant*
- b. Location/Address of Facility: *15 miles southeast of Malta, ID; Section 23; Township 15: Range 26 East; Cassia County, ID*
- c. Facility ID Number: *Entity 50147, Plant 56317*  EIA or  QF? (check one)
- d. Fuel Type: *Geothermal*
- e. Initial Operating Date: *10/03/2007*
- f. Nameplate Capacity (MW): *18*

**3. WREGIS Information**

- a. Generating Unit Identification Number: *W228*
- b. Generating Unit Name: *Raft River Energy I LLC*
- c. Primary Facility Name: *Raft River Energy I*

**4. Other**

- a. Is the Facility owner reporting its direct greenhouse gas emissions in a legally binding cap and trade program for the time period of generation listed on this form?
  - Yes; list the cap and trade program: \_\_\_\_\_
  - No
- b. If Seller is providing only RECs to Purchaser and selling the associated electricity to a utility or load-serving entity, please write the name of the utility or load-serving entity here: *Idaho Power Company*

11 2010 SEP 17 11 38 AM

c. If Facility has been registered in a Tracking System by an entity other than Owner, complete items 1 – 3 immediately below and have an agent of the company or individual designated in WREGIS to manage Facility's account in WREGIS complete and sign this form. For the purposes of this form, such a company or individual is referred to as an "Account Manager".<sup>1</sup>

- (i) Name of Account Manager as appears in WREGIS:
- (ii) Date that account management rights assigned to Account Manager expire:<sup>2</sup>
- (iii)  Account Manager has attached documentation<sup>3</sup> accepted by WREGIS authorizing Account Manager to register Facility in Tracking System.

## 5. Declaration

I, (print name and title) *Kerry D. Hawkey, CFO* ("Signatory"), authorized agent of  Owner /  Account Manager (check one) declare that I have sufficient knowledge and authority to make the following attestation for the Effective Period of this document. I also declare the following regarding Facility's participation in WREGIS and regarding Renewable Attributes (also called "Certificates", "Renewable Energy Certificates" or "RECs") generating by Facility and tracked in Tracking System:

- a. all renewable and environmental attributes associated with the production of electricity from Facility, including any and all CO2 benefits, emissions offsets, reductions or claims, are transferred to purchasers within the WREGIS Tracking System;
- b. for Transactions made within WREGIS only fully aggregated Environmental Attributes are traded:
- c. the Environmental Attributes of a particular MWh are sold by the Owner only once;
- d. to the best of my knowledge, the Environmental Attributes or the electricity that is generated with the Environmental Attributes are not used to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate by any entity other than the party to whom the Environmental Attributes are sold by the Owner;
- e. the electricity that was generated with the attributes is not separately sold, separately marketed or otherwise separately represented as renewable energy attributable to Facility by Seller, or, to the best of my knowledge, any other entity other than the Buyer(s) of the RECs.

<sup>1</sup> Only fill in this section if Owner and Account manager have signed the appropriate bi-lateral form required by WREGIS to designate Account Manager as the sole manager of Facility's Tracking System account and sole recipient of Facility's Environmental Attributes. If there is no Account Manager, and Owner manages Facility's account, this section should be left blank, and Owner must complete this attestation.

**6. Signature**

As an authorized agent of Owner or Account Manager, Signatory declares that they have the knowledge and authority to attest that the statements on this form are true and correct. By signing this form, Signatory is attesting that the statements and declarations herein will remain true for the Effective Period.

If any conditions change related to the information on this form prior to Expiration Date, Signatory agrees to inform Buyer in writing as far in advance of the change as commercially practicable.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Chief Financial Officer  
Title

U.S. Geothermal Inc.  
Organization

1505 Tyrell Lane, Boise, ID 83706  
Place of Execution

RR 11 05 / ORD 11

Robert W. Cromwell Jr./MLS  
SCL HCE REC Purchase Authorization ORD  
October 1, 2010  
Version #4

ORDINANCE 123500

AN ORDINANCE relating to the City Light Department; authorizing execution of a transaction-specific confirmation of a 7-year agreement with Holy Cross Energy for the purchase of environmental attributes in the form of renewable energy certificates that are necessary or convenient for meeting the requirements of the Washington State Energy Independence Act.

WHEREAS, the Revised Code of Washington ("RCW") Chapter 19.285 (the "Washington State Energy Independence Act") requires City Light to acquire renewable resources and/or environmental attributes, and City Light also purchases environmental attributes for its retail voluntary green power programs pursuant to RCW Chapter 19.29A; and

WHEREAS, Holy Cross Energy has the marketing rights to the environmental attributes of the Raft River Energy I geothermal facility; and

WHEREAS, the Raft River Energy I's environmental attributes meet the requirements of RCW Chapter 19.285; and

WHEREAS, Holy Cross Energy wishes to sell and City Light wishes to purchase such environmental attributes created by the Raft River Energy I geothermal facility; and

WHEREAS, by separate ordinance the City Council has authorized City Light's use of a Master Renewable Energy Certificate Purchase and Sale Agreement; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The Superintendent of the City Light Department, or his designee, is hereby authorized to execute for and on behalf of The City of Seattle, a transaction-specific 7-year Confirmation Agreement, substantially in the form attached hereto as Exhibit A. The agreement with Holy Cross Energy sets forth the terms under which Holy Cross Energy will deliver environmental attributes in the form of renewable energy certificates ("RECs") to City Light.

Section 2. The Superintendent of the City Light Department, or his designee is hereby further authorized to execute for and on behalf of The City of Seattle additional agreements



1 necessary for use of the Western Renewable Energy Generation Information System or any  
2 successor system for tracking and transferring the RECs to City Light and other necessary and  
3 convenient agreements to enable City Light to use the RECs purchased hereunder to meet its  
4 regulatory requirements.

5           Section 3. Upon determining the availability of surplus environmental attributes within  
6 City Light's portfolio, and in order to minimize the cost to City Light's customers of compliance  
7 with the Washington State Energy Independence Act when the Superintendent believes it is cost-  
8 effective to acquire RECs in advance of need, the Superintendent, or his designee, is further  
9 authorized to execute for and on behalf of The City of Seattle agreements for the sale of all or a  
10 portion of the environmental attributes purchased under the Renewable Energy Certificate  
11 Purchase and Sale Agreement with Holy Cross Energy, on terms and conditions that the  
12 Superintendent deems in the best interests of City Light provided, however, that no such sale  
13 shall jeopardize the City Light's compliance with the Washington State Energy Independence  
14 Act.  
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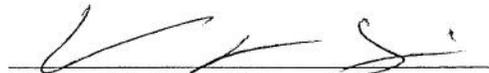


1 Section 4. This ordinance shall take effect and be in force 30 days from and after its  
2 approval by the Mayor, but if not approved and returned by the Mayor within ten days after  
3 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 13<sup>th</sup> day of December, 2010, and  
5 signed by me in open session in authentication of its passage this  
6 13<sup>r</sup> day of December, 2010.

7  
8  
9  
10   
President \_\_\_\_\_ of the City Council

11 Approved by me this 20<sup>th</sup> day of December, 2010.

12  
13  
14   
Michael McGinn, Mayor

15  
16 Filed by me this 20<sup>th</sup> day of December, 2010.

17  
18   
City Clerk

19  
20 (Seal)

21  
22 Exhibit A: Confirmation Agreement – Renewable Energy Certificates – Raft River Energy I  
23  
24  
25  
26  
27  
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