

Ordinance No. 123501

Council Bill No. 117059

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.

CF No. _____

Date Introduced:	<u>Nov. 29, 2010</u>	
Date 1st Referred:	To: (<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>12.15.10</u>	<u>12.20.10</u>	
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. _____
<u>12.20.10</u>		
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. Hewell
Councilmember

Committee Action:

12/9/2010 PASS BH, RC

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 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.

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

WHEREAS, Idaho Winds LLC has the marketing rights to the environmental attributes of the Sawtooth Wind Facility; and

WHEREAS, the Sawtooth Wind Facility's environmental attributes meet the requirements of RCW Chapter 19.285;

WHEREAS, Idaho Winds LLC wishes to sell and City Light wishes to purchase such environmental attributes created by the Sawtooth Wind 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 15-year Confirmation Agreement, substantially in the form attached hereto as Attachment 1. The agreement with Idaho Winds LLC set forth the terms under which Idaho Winds LLC 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



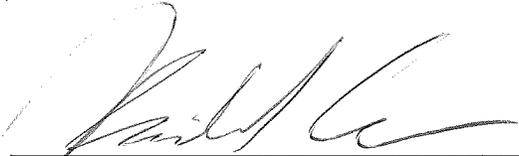
1 necessary for use of the Western Renewable Energy Generation Information System or any
2 successor system for tracking and transferring the RECs to City Light and other necessary and
3 convenient agreements to enable City Light to use the RECs purchased hereunder to meet its
4 regulatory requirements.

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 Idaho Winds LLC, 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 City Light's compliance with the Washington State Energy Independence Act.
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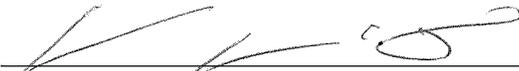


1 Section 4. This ordinance shall take effect and be in force 30 days from and after its
2 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
3 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

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

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8
9
10 
President _____ of the City Council

11 Approved by me this 20th day of December, 2010.

12
13
14 
15 Michael McGinn, Mayor

16 Filed by me this 20th day of December, 2010.

17
18
19 
20 City Clerk

21 (Seal)

22
23 Exhibit A: Confirmation Agreement – Renewable Energy Certificates – Sawtooth Wind Project
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EXHIBIT A

Seller: Idaho Winds LLC	Buyer: Seattle City Light
Contract ID: none	Contract ID:
Deal Maker:	Deal Maker:
Phone:	Phone:
E-mail:	E-mail:
Fax: none	Fax:

**CONFIRMATION AGREEMENT
 RENEWABLE ENERGY CERTIFICATES
 SAWTOOTH WIND PROJECT**

This Confirmation Agreement ("**Confirmation**") dated as of _____ ("**Trade Date**") is entered into by and between Idaho Winds LLC ("**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 Revised Code of Washington ("RCW") 19.285.030 (18) and is eligible for certification under Section II 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 on January 1, 2015 and shall continue through June 30, 2030, in order to complete any Transaction with respect to 2029 RECs; provided that, for avoidance of doubt, Seller shall have no obligation to deliver RECs of any Vintage occurring in or after year 2030. Furthermore, this Transaction shall continue in effect until all obligations of the Parties under this Agreement have been satisfied. This Confirmation Agreement is conditional upon and shall not take effect or be enforceable against either Party until all of the following have occurred:



- a. The Sawtooth Wind Project (as defined in Section 3 below) achieves commercial operation by December 31, 2012;
 - b. The Confirmation Agreement has been executed by a properly authorized representative of Idaho Winds, LLC; and
 - c. The Confirmation Agreement has been executed by a properly authorized representative of the City of Seattle not later than January 31, 2011 unless another date is mutually agreed to by the Parties.
- 3. Unit Specific Certified Renewable Energy Facility Information:** Item 3.f. represents a good faith estimate by Seller. Actual data will replace the estimated amounts in 3.f when the information becomes known, in accordance with Attachment 1 to this Confirmation Agreement, and Seller agrees that the good faith estimate shall be within 10% of the actual nameplate capacity.
- a. Name of Facility: Sawtooth Wind Project
 - b. Location of Facility: Elmore County, Idaho
 - c. Facility ID Number: QF05-53-001 EIA or QF? (check one)
 - d. Fuel Type: wind energy
 - e. Initial Operating Date: by 12/31/2012
 - f. Nameplate Capacity (MW): 22 MW estimated.
- 4. Contract Quantity:** 100% of the Environmental Attributes generated by the Renewable Resource during the Term. The Nameplate Capacity referenced in Item 3.f represents a good faith estimate by Seller. As soon as the actual Nameplate Capacity is determined, Seller shall provide actual data for 3.f. to replace the current good faith estimate. The actual Nameplate Capacity shall be used in the determination of 4.b. and in the calculation shown in Attachment 2.
- a. Estimated Capacity Factor: 31%
 - b. Guaranteed 3-Contiguous Years Minimum RECs calculated as follows: 20% multiplied by the actual Nameplate Capacity multiplied by the total number of hours in the 3 year period. Details of this calculation are shown in Attachment 2. Based on the above calculation with assumed Nameplate Capacity shown in Section 3.f above, the estimated number of guaranteed RECs over a 3-year contiguous period is 115,632.
- In the event that the Renewable Energy Facility substation transformer fails such that a replacement is necessary, the number of hours in the calculation above will be reduced by the number of hours the transformer is not working.
- 5. Purchase Price:** \$16 per REC



6. WREGIS Generator Information:

- a. Generating Unit Identification Number: _____
- b. Generating Unit Name: Sawtooth Wind Project
- c. Primary Facility Name: Sawtooth Wind Project
- d. Facility Owner Name: Idaho Winds LLC

A completed Generator Attestation in the form of Attachment 1 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.

8. Special Terms & Exceptions:

8.1 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.

8.2 "Confirmation Agreement"

a. Information Updates

The Parties understand and agree that certain information shown in Section 3(e) and 3(f), Section 4(a) and 6(a) of this Confirmation represent good faith estimates only, and the true numbers and information were unknown at the time this Confirmation was executed.

Within 30 Days after the Seller has made a final selection of the make and model of the wind turbines, the Seller shall provide to the Buyer's Contract Administration contact listed in Exhibit C of the Master Agreement the actual information for Sections 3(f) and 4 of this Confirmation. The information shown in



Section 4(a) of this Confirmation will remain an estimate and Section 4(b) will be calculated pursuant to Attachment 2.

Within 30 Days after receipt of Generating Unit Identification Number from WREGIS, the Seller will provide the Generating Unit Identification Number identified in Section 6(a) to the Buyer's Contract Administration contact.

b. Guaranteed 3-Year Minimum Volume

i. Beginning in the fourth Contract Year and continuing every year thereafter through the Term, within 30 days following the Delivery of the WREGIS Certificates from the prior December, Buyer shall calculate the number of RECs Delivered to the Buyer by Seller through WREGIS for each of the three prior Contract Years.

ii. If the amount of RECs Delivered in the three prior Contract Years is less than the Guaranteed 3-Year Minimum Volume, Buyer shall immediately provide written Notice of Deficiency to Seller showing Buyer's computation of the number of Replacement RECs due to Buyer from Seller. Seller shall have 7 days to verify Buyer's calculation. No later than 30 days following receipt by Seller of Notice of Deficiency, Seller shall provide Replacement RECs to Buyer. The vintage of the Replacement RECs must be no older than the Contract Year immediately preceding the current Contract Year. If the Seller is unable to provide Replacement RECs to the Buyer, then Seller will pay Buyer an amount equal to the administrative penalty pursuant to RCW 19.285.060 (or any successor statute) or, if Buyer is able to obtain the Replacement RECs at a cost that is less than the applicable administrative penalty, Seller will reimburse Buyer for the cost of such Replacement RECs.

iii. Buyer will use the Excel spreadsheet shown as Attachment 2 to determine the Guaranteed 3-Year Minimum Volume.

8.3 Changes to Article 1 of the Master Agreement – "Definitions"

a. Section 1.19 "Credit Support" is replaced as follows:

1.19 "Credit Support" means,

(a) when the Seller is experiencing a Downgrade Event, that the Seller must provide one of the following forms of credit assurances, which form of assurance shall be chosen solely by the Seller:

(i) a lien on the assets of the Renewable Energy Facility specified in the Confirmation, which shall be expressly subordinated and junior to all other such existing and future liens, and granted to Buyer with the written consent from the holder(s) of any and all lien(s) on the Renewable Energy Facility existing as of the time of the written notice from Buyer to Seller; or

(ii) a bond, letter of credit, guarantee or other reasonable and commercially priced security in a form and from a source approved by the Party seeking



performance assurance under Section 4.2 of this Master Agreement (which approval shall not be unreasonably withheld, conditioned or delayed), and

(b) when the Buyer is experiencing a Downgrade Event, that the Buyer must provide credit assurances as described in section 1.20 (a)(ii) above.

b. Section 1.23 "Downgrade Event" is replaced as follows:

1.23 "Downgrade Event" means (a) for the Seller, the Renewable Energy Facility has not produced at the end of a rolling calendar 2-year period, RECs equal to two (2) multiplied by 15% multiplied by the actual Nameplate Capacity multiplied by 8760 (the number of hours in the year), and (b) for the Seller's Affiliate or the Buyer, means that the Buyer's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or becomes no longer rated by either S&P or Moody's.

8.4 Changes to Article 4 of the Master Agreement – "Credit"

a. Section 4.1 "Financial Information" is applicable to both Parties.

b. Section 4.2 "Credit Assurances".

(i) Subparagraphs (a), (b), and (e) through (g) are applicable to both Parties.

(ii) Subparagraph (c) is not applicable to Seller.

(iii) Subparagraph (d) is applicable to Buyer.

8.5 Changes to Article 5 of the Master Agreement – "Events of Default, Remedies"

Section 5.1 is amended by adding the following subsection (h) to the end of the Section:

(h) Failure by Seller to provide Replacement RECs in accordance with Attachment 2 to the Confirmation will constitute an Event of Default under this Article 5.

8.6 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's Marketing Contact:

Name:
 Phone:
 Fax:
 Email:

Mailing Address
 Seattle City Light
 Attn: Leslie Brazeau
 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:
 Idaho Winds LLC
 Attn: Kristen McGovert
 15850P Jess Ranch Road
 Tracy, CA 95377

Overnight mail
 Idaho Winds LLC
 15850P Jess Ranch Road
 Tracy, CA 95377

The parties agree to the Transaction set forth herein.

Seller: Idaho Winds LLC	Buyer: The of Seattle, City Light Department (dba "Seattle City Light")
By:	By:
Name: William Damon	Name:
Title: Vice President	Title:



ATTACHMENT 1 TO CONFIRMATION AGREEMENT ATTESTATION FROM GENERATOR PARTICIPATING IN WREGIS

This Attachment 1 to the Confirmation governs generation at the Facility during the Term. Any changes shall be provided to the Buyer as soon as reasonably practicable by providing a revised Attachment 1.

1. Renewable Energy Facility Owner Information

- a. Name of Owner: Idaho Winds LLC
- b. Address of Owner: 15850P Jess Ranch Road, Tracy, CA 95377
- c. Contact person: Title: Vice President
- d. Telephone: Fax: none Email:

2. Renewable Energy Facility and WREGIS Registration Information

- a. Name of Facility: Sawtooth Wind Project
- b. Location/Address of Facility: Elmore County, Idaho
- c. Facility ID Number: QF05-53-001 EIA or QF? (check one)
- d. Fuel Type: wind
- e. Initial Operating Date: by 12/31/2012
- f. Nameplate Capacity (MW): 22 MW

3. WREGIS Information

- a. Generating Unit Identification Number:
- b. Generating Unit Name: Sawtooth Wind Project
- c. Primary Facility Name: Sawtooth Wind Project

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".¹
- (i) Name of Account Manager as appears in WREGIS:
- (ii) Date that account management rights assigned to Account Manager expire:²
- (iii) Account Manager has attached documentation³ accepted by WREGIS authorizing Account Manager to register Facility in Tracking System.

5. Declaration

I, (print name and title) _____
("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,

¹ 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.



- 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, retired or reserved 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 on whose behalf the Environmental Attributes are retired;
 - 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 Buyer.

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 the Buyer in writing as far in advance of the change as commercially practicable.

Signature

Date

Title



Idaho Winds LLC

Organization

Place of Execution



ATTACHMENT 2 TO CONFIRMATION AGREEMENT

GUARANTEED MINIMUM CALCULATOR

Capacity (MW)	22
Minimum Capacity Factor	20%
Three Year Guaranteed (MWh)	115,632

Year	Actual CF	Actual	Actual three Years	Additional	Total 3 years
1	20%	38,544	NA	NA	NA
2	20%	38,544	NA	NA	NA
3	21%	40,471	117,559	0	117,559
4	31%	59,743	138,758	0	138,758
5	31%	59,743	159,958	0	159,958
6	31%	59,743	179,230	0	179,230
7	31%	59,743	179,230	0	179,230
8	31%	59,743	179,230	0	179,230
9	31%	59,743	179,230	0	179,230
10	31%	59,743	179,230	0	179,230
11	31%	59,743	179,230	0	179,230
12	31%	59,743	179,230	0	179,230
13	31%	59,743	179,230	0	179,230
14	31%	59,743	179,230	0	179,230
15	31%	59,743	179,230	0	179,230

Change numbers with blue fonts to simulate the numbers

Actual CF=Actual capacity factor each year

Additional= the amount of shortage settled after the fact

Actual three years= actual three years generation plus additional RECS if it was provided

Total 3 years = has to be greater than or equal to the Three Year Guaranteed amount



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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 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.

Summary of the Legislation:

This legislation approves a fifteen 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 15-year renewable energy certificates ("RECs") purchase for the City Light Department to receive environmental attributes in the form of RECs from Idaho Winds LLC's new Sawtooth Wind facility located Elmore County, Idaho. The facility is expected to produce about 60,000 RECs annually. City Light will receive 100 percent of the RECs associated with the 22 MW facility starting in 2015. The RECs will be delivered to City Light through the Western Renewable Energy Generation Information System. Sawtooth Wind 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.

 X This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
TOTAL			0	0

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

Appropriations Notes: A one-time brokerage fee of \$60,000 will be payable in January 2011. No other costs or fees until 2015. Expected annual cost for the 15-year term starting in 2015 is \$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
TOTAL				

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*
TOTAL							

* 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
TOTAL				

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

Spending/Cash Flow Notes:

None.

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 at a penalty cost four times greater than the acquisition cost of the RECs. This facility will meet approximately 7 percent of City Light's regulatory requirement.

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. Renewable resources that include energy and RECs 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, 2nd 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 15-year agreement with Idaho Winds LLC for the purchase of environmental attributes in the form of renewable energy credits from their new Sawtooth Wind 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 Sawtooth Wind facility 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, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

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



STATE OF WASHINGTON – KING COUNTY

--SS.

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 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:123496,498-123509

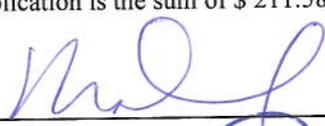
was published on

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.

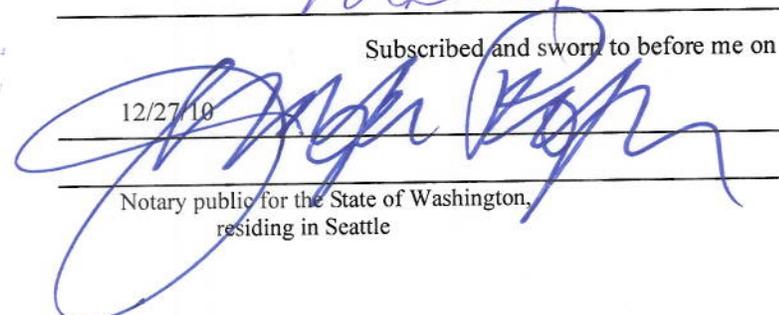


Affidavit of Publication



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 08

Seller: Idaho Winds LLC	Buyer: Seattle City Light
Contract ID: none	Contract ID: RR 10 12 RR 11 08
Deal Maker: William Damon, Vice President	Deal Maker: Marilyn Semro
Phone: 925.724.0175	Phone: (206) 386-4539
E-mail: wd@powerworks.com	E-mail: Marilynn.semro@seattle.gov
Fax: none	Fax: 206-386-4555

CONFIRMATION AGREEMENT RENEWABLE ENERGY CERTIFICATES SAWTOOTH WIND PROJECT

This Confirmation Agreement ("**Confirmation**") dated as of FEB. 22, 2011 ("**Trade Date**") is entered into by and between Idaho Winds LLC ("**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. 22, 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 Revised Code of Washington ("RCW") 19.285.030 (18) and is eligible for certification under Section II 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 on January 1, 2015 and shall continue through June 30, 2030, in order to complete any Transaction with respect to 2029 RECs; provided that, for avoidance of doubt, Seller shall have no obligation to deliver RECs of any Vintage occurring in or after year 2030. Furthermore, this Transaction shall continue in effect until all obligations of the Parties under this Agreement have been satisfied. This Confirmation Agreement is conditional upon and shall not take effect or be enforceable against either Party until all of the following have occurred:

- a. The Sawtooth Wind Project (as defined in Section 3 below) achieves commercial operation by December 31, 2012;
- b. The Confirmation Agreement has been executed by a properly authorized representative of Idaho Winds, LLC; and
- c. The Confirmation Agreement has been executed by a properly authorized representative of the City of Seattle not later than January 31, 2011 unless another date is mutually agreed to by the Parties.

3. Unit Specific Certified Renewable Energy Facility Information: Item 3.f. represents a good faith estimate by Seller. Actual data will replace the estimated amounts in 3.f when the information becomes known, in accordance with Attachment 1 to this Confirmation Agreement, and Seller agrees that the good faith estimate shall be within 10% of the actual nameplate capacity.

- a. Name of Facility: Sawtooth Wind Project
- b. Location of Facility: Elmore County, Idaho
- c. Facility ID Number: QF05-53-001 EIA or QF? (check one)
- d. Fuel Type: wind energy
- e. Initial Operating Date: by 12/31/2012
- f. Nameplate Capacity (MW): 22 MW estimated.

4. Contract Quantity: 100% of the Environmental Attributes generated by the Renewable Resource during the Term. The Nameplate Capacity referenced in Item 3.f represents a good faith estimate by Seller. As soon as the actual Nameplate Capacity is determined, Seller shall provide actual data for 3.f. to replace the current good faith estimate. The actual Nameplate Capacity shall be used in the determination of 4.b. and in the calculation shown in Attachment 2.

- a. Estimated Capacity Factor: 31%
- b. Guaranteed 3-Contiguous Years Minimum RECs calculated as follows: 20% multiplied by the actual Nameplate Capacity multiplied by the total number of hours in the 3 year period. Details of this calculation are shown in Attachment 2. Based on the above calculation with assumed Nameplate Capacity shown in Section 3.f above, the estimated number of guaranteed RECs over a 3-year contiguous period is 115,632.

In the event that the Renewable Energy Facility substation transformer fails such that a replacement is necessary, the number of hours in the calculation above will be reduced by the number of hours the transformer is not working.

5. Purchase Price: \$16 per REC for the entire Term.

6. WREGIS Generator Information:

- a. Generating Unit Identification Number: _____
- b. Generating Unit Name: Sawtooth Wind Project
- c. Primary Facility Name: Sawtooth Wind Project
- d. Facility Owner Name: Idaho Winds LLC

A completed Generator Attestation in the form of Attachment 1 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.

8. Special Terms & Exceptions:

8.1 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.

8.2 "Confirmation Agreement"

a. Information Updates

The Parties understand and agree that certain information shown in Section 3(e) and 3(f), Section 4(a) and 6(a) of this Confirmation represent good faith estimates only, and the true numbers and information were unknown at the time this Confirmation was executed.

Within 30 Days after the Seller has made a final selection of the make and model of the wind turbines, the Seller shall provide to the Buyer's Contract Administration contact listed in Exhibit C of the Master Agreement the actual information for Sections 3(f) and 4 of this Confirmation. The information shown in Section 4(a) of this Confirmation will remain an estimate and Section 4(b) will be calculated pursuant to Attachment 2.

Within 30 Days after receipt of Generating Unit Identification Number from WREGIS, the Seller will provide the Generating Unit Identification Number identified in Section 6(a) to the Buyer's Contract Administration contact.

b. Guaranteed 3-Year Minimum Volume

i. Beginning in the fourth Contract Year and continuing every year thereafter through the Term, within 30 days following the Delivery of the WREGIS Certificates from the prior December, Buyer shall calculate the number of RECs Delivered to the Buyer by Seller through WREGIS for each of the three prior Contract Years.

ii. If the amount of RECs Delivered in the three prior Contract Years is less than the Guaranteed 3-Year Minimum Volume, Buyer shall immediately provide written Notice of Deficiency to Seller showing Buyer's computation of the number of Replacement RECs due to Buyer from Seller. Seller shall have 7 days to verify Buyer's calculation. No later than 30 days following receipt by Seller of Notice of Deficiency, Seller shall provide Replacement RECs to Buyer. The vintage of the Replacement RECs must be no older than the Contract Year immediately preceding the current Contract Year. If the Seller is unable to provide Replacement RECs to the Buyer, then Seller will pay Buyer an amount equal to the administrative penalty pursuant to RCW 19.285.060 (or any successor statute) or, if Buyer is able to obtain the Replacement RECs at a cost that is less than the applicable administrative penalty, Seller will reimburse Buyer for the cost of such Replacement RECs.

iii. Buyer will use the Excel spreadsheet shown as Attachment 2 to determine the Guaranteed 3-Year Minimum Volume.

8.3 Changes to Article 1 of the Master Agreement – "Definitions"

a. Section 1.19 "Credit Support" is replaced as follows:

1.19 "Credit Support" means,

(a) when the Seller is experiencing a Downgrade Event, that the Seller must provide one of the following forms of credit assurances, which form of assurance shall be chosen solely by the Seller:

(i) a lien on the assets of the Renewable Energy Facility specified in the Confirmation, which shall be expressly subordinated and junior to all other such existing and future liens, and granted to Buyer with the written consent from the holder(s) of any and all lien(s) on the Renewable Energy Facility existing as of the time of the written notice from Buyer to Seller; or

(ii) a bond, letter of credit, guarantee or other reasonable and commercially priced security in a form and from a source approved by the Party seeking performance assurance under Section 4.2 of this Master Agreement (which approval shall not be unreasonably withheld, conditioned or delayed), and

(b) when the Buyer is experiencing a Downgrade Event, that the Buyer must provide credit assurances as described in section 1.19 (a)(ii) above.

b. **Section 1.23 “Downgrade Event”** is replaced as follows:

1.23 “Downgrade Event” means (a) for the Seller, the Renewable Energy Facility has not produced at the end of a rolling calendar 2-year period, RECs equal to two (2) multiplied by 15% multiplied by the actual Nameplate Capacity multiplied by 8760 (the number of hours in the year), and (b) for the Seller’s Affiliate or the Buyer, means that the Buyer’s Credit Rating falls below BBB- from S&P or Baa3 from Moody’s or becomes no longer rated by either S&P or Moody’s.

8.4 Changes to Article 4 of the Master Agreement – “Credit”

a. **Section 4.1 “Financial Information”** is applicable to both Parties.

b. **Section 4.2 “Credit Assurances”**.

(i) Subparagraphs (a), (b), and (e) through (g) are applicable to both Parties.

(ii) Subparagraph (c) is not applicable to Seller.

(iii) Subparagraph (d) is applicable to Buyer.

8.5 Changes to Article 5 of the Master Agreement – “Events of Default, Remedies”

Section 5.1 is amended by adding the following subsection (h) to the end of the Section:

(h) Failure by Seller to provide Replacement RECs in accordance with Attachment 2 to the Confirmation will constitute an Event of Default under this Article 5.

8.6 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's Marketing Contact:
Name: Leslie Brazeau
Phone: 206-684-3864
Fax: 206-733-9866
Email: leslie.brazeau@seattle.gov

Seller's Marketing Contact:
Name: Kristen McGovert
Phone: 925-230-8144
Fax: none
E-mail: km@powerworks.com

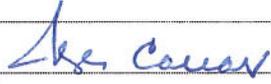
Mailing Address
Seattle City Light
Attn: Leslie Brazeau
PO Box 34023, Room #3200
Seattle, WA 98124-4023

Mailing Address:
Idaho Winds LLC
Attn: Kristen McGovert
15850P Jess Ranch Road
Tracy, CA 95377

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

Overnight mail
Idaho Winds LLC
15850P Jess Ranch Road
Tracy, CA 95377

The parties agree to the Transaction set forth herein.

Seller: Idaho Winds LLC	Buyer: The of Seattle, City Light Department (dba "Seattle City Light")
By: 	By: 
Name: William Damon	Name: Jorge Carrasco
Title: Vice President	Title: Superintendent

**ATTACHMENT 1 TO CONFIRMATION AGREEMENT
ATTESTATION FROM GENERATOR PARTICIPATING IN WREGIS**

This Attachment 1 to the Confirmation governs generation at the Facility during the Term. Any changes shall be provided to the Buyer as soon as reasonably practicable by providing a revised Attachment 1.

1. Renewable Energy Facility Owner Information

- a. Name of Owner: Idaho Winds LLC
- b. Address of Owner: 15850P Jess Ranch Road, Tracy, CA 95377
- c. Contact person: William Damon Title: Vice President
- d. Telephone: 925.724.0175 Fax: none Email: wd@powerworks.com

2. Renewable Energy Facility and WREGIS Registration Information

- a. Name of Facility: Sawtooth Wind Project
- b. Location/Address of Facility: Elmore County, Idaho
- c. Facility ID Number: QF05-53-001 EIA or QF? (check one)
- d. Fuel Type: wind
- e. Initial Operating Date: by 12/31/2012
- f. Nameplate Capacity (MW): 22 MW

3. WREGIS Information

- a. Generating Unit Identification Number:
- b. Generating Unit Name: Sawtooth Wind Project
- c. Primary Facility Name: Sawtooth Wind Project

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".¹
 - (i) Name of Account Manager as appears in WREGIS:
 - (ii) Date that account management rights assigned to Account Manager expire:²
 - (iii) Account Manager has attached documentation³ accepted by WREGIS authorizing Account Manager to register Facility in Tracking System.

5. Declaration

I, (print name and title) _____
 ("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, retired or reserved only once;

¹ 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.

- 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 on whose behalf the Environmental Attributes are retired;
- 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 Buyer.

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 the Buyer in writing as far in advance of the change as commercially practicable.

_____	_____
Signature	Date

Title	
Idaho Winds LLC	

Organization	

Place of Execution	

RR 11 08 / EB 11

**ATTACHMENT 2 TO CONFIRMATION AGREEMENT
GUARANTEED MINIMUM CALCULATOR**

GUARANTEED MINIMUM CALCULATOR

Capacity (MW)	22
Minimum Capacity Factor	20%
Three Year Guaranteed (MWh)	115,632

Year	Actual CF	Actual	Actual three Years	Additional	Total 3 years
1	20%	38,544	NA	NA	NA
2	20%	38,544	NA	NA	NA
3	21%	40,471	117,559	0	117,559
4	31%	59,743	138,758	0	138,758
5	31%	59,743	159,958	0	159,958
6	31%	59,743	179,230	0	179,230
7	31%	59,743	179,230	0	179,230
8	31%	59,743	179,230	0	179,230
9	31%	59,743	179,230	0	179,230
10	31%	59,743	179,230	0	179,230
11	31%	59,743	179,230	0	179,230
12	31%	59,743	179,230	0	179,230
13	31%	59,743	179,230	0	179,230
14	31%	59,743	179,230	0	179,230
15	31%	59,743	179,230	0	179,230

Change numbers with blue fonts to simulate the numbers

Actual CF=Actual capacity factor each year

Additional= the amount of shortage settled after the fact

Actual three years= actual three years generation plus additional RECS if it was provided

Total 3 years = has to be greater than or equal to the Three Year Guaranteed amount

ORDINANCE 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.

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

WHEREAS, Idaho Winds LLC has the marketing rights to the environmental attributes of the Sawtooth Wind Facility; and

WHEREAS, the Sawtooth Wind Facility's environmental attributes meet the requirements of RCW Chapter 19.285;

WHEREAS, Idaho Winds LLC wishes to sell and City Light wishes to purchase such environmental attributes created by the Sawtooth Wind 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 15-year Confirmation Agreement, substantially in the form attached hereto as Attachment 1. The agreement with Idaho Winds LLC set forth the terms under which Idaho Winds LLC 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



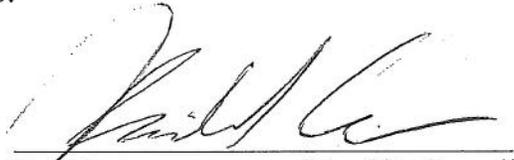
1 necessary for use of the Western Renewable Energy Generation Information System or any
2 successor system for tracking and transferring the RECs to City Light and other necessary and
3 convenient agreements to enable City Light to use the RECs purchased hereunder to meet its
4 regulatory requirements.

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 Idaho Winds LLC, 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 City Light's compliance with the Washington State Energy Independence Act.
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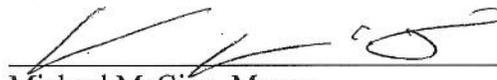


1 Section 4. This ordinance shall take effect and be in force 30 days from and after its
2 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
3 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 13th day of December, 2010, and
5 signed by me in open session in authentication of its passage this
6
7 13th day of December, 2010.

8
9
10 
11 _____
12 President _____ of the City Council

13
14 Approved by me this 20th day of December, 2010.

15
16 
17 _____
18 Michael McGinn, Mayor

19
20 Filed by me this 20th day of December, 2010.

21
22 
23 _____
24 City Clerk

25 (Seal)

26
27 Exhibit A: Confirmation Agreement – Renewable Energy Certificates – Sawtooth Wind Project
28

