

Ordinance No. 123676

Council Bill No. 117246

AN ORDINANCE relating to the City Light Department; authorizing the execution of a confirmation agreement with Roseburg LFG Energy, 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; and further authorizing the execution of other necessary and convenient agreements for the receipt, tracking, transferring, management, and sale of the environmental attributes.

Related Legislation File:

Date Introduced and Referred: <u>Aug. 1, 2011</u>	To: (committee): <u>Energy, Technology, and Civil Rights</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>8-8-11</u>	Date Presented to Mayor: <u>8-9-11</u>
Date Signed by Mayor: <u>August 17, 2011</u>	Date Returned to City Clerk: <u>Aug. 18, 2011</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text	
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: Bruce A. Harrell

Committee Action:

Date	Recommendation	Vote
<u>8/3/2011</u>	<u>Passed</u>	<u>BH, MO</u>

This file is complete and ready for presentation to Full Council.

Full Council Action:

Date	Decision	Vote
<u>8-8-11</u>	<u>Passed</u>	<u>9-0</u>

LAW DEPARTMENT

ORDINANCE 1231076

1
2 AN ORDINANCE relating to the City Light Department; authorizing the execution of a
3 confirmation agreement with Roseburg LFG Energy, LLC for the purchase of
4 environmental attributes in the form of renewable energy certificates that are necessary or
5 convenient for meeting the requirements of the Washington State Energy Independence
6 Act; and further authorizing the execution of other necessary and convenient agreements
7 for the receipt, tracking, transferring, management, and sale of the environmental
8 attributes.

9 WHEREAS, the Revised Code of Washington ("RCW") Chapter 19.285 (the "Washington State
10 Energy Independence Act") requires the City Light Department ("City Light") to acquire
11 renewable resources and/or environmental attributes; and

12 WHEREAS, Roseburg LFG Energy, LLC has the marketing rights to the environmental
13 attributes of the SCE Roseburg landfill gas to energy resource; and

14 WHEREAS, the SCE Roseburg landfill gas to energy resource's environmental attributes meet
15 the requirements of RCW Chapter 19.285; and

16 WHEREAS, Roseburg LFG Energy, LLC wishes to sell and City Light wishes to purchase such
17 environmental attributes created by the SCE Roseburg resource; and

18 WHEREAS, Roseburg LFG Energy, LLC has executed a Master Renewable Energy
19 Certification Purchase and Sale Agreement; and

20 WHEREAS, Ordinance 123499 authorized City Light's use of a Master Renewable Energy
21 Certificate Purchase and Sale Agreement; NOW, THEREFORE,

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

23 Section 1. The Superintendent of the City Light Department ("City Light"), or his
24 designee, is hereby authorized to execute for and on behalf of the City, a transaction-specific 15-
25 year Confirmation Agreement, substantially in the form attached hereto as Attachment 1. The
26 agreement with Roseburg LFG Energy, LLC set forth the terms under which Roseburg LFG
27 Energy, LLC will deliver environmental attributes in the form of renewable energy certificates
28 ("RECs") to City Light.



1 Section 2. The Superintendent of City Light, or his designee is hereby further authorized
2 to execute for and on behalf of the City additional agreements necessary for use of the Western
3 Renewable Energy Generation Information System or any other system for tracking and
4 transferring the RECs to City Light and other necessary and convenient agreements to enable
5 City Light to use the RECs purchased hereunder to meet its regulatory requirements.

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



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

4 Passed by the City Council the 8th day of August, 2011, and
5 signed by me in open session in authentication of its passage this
6 8th day of August, 2011.

7 
8 _____

9 President _____ of the City Council

10
11 Approved by me this 17th day of August, 2011.

12 
13 _____

14 Michael McGinn, Mayor

15
16 Filed by me this 18th day of August, 2011.

17 
18 _____

19 Monica Martinez Simmons, City Clerk

20 (Seal)



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Attachments:

EXHIBIT A - Confirmation Agreement Renewable Energy Certificates – SCE Roseburg
Landfill Gas to Energy Resource

ATTACHMENT 1 To Confirmation Agreement Attestation from the Generator
Participating in WREGIS

ATTACHMENT 2 To Confirmation Agreement Seller’s Guaranteed 3-year Minimum
Volume Calculator



EXHIBIT A CONFIRMATION AGREEMENT RENEWABLE ENERGY CERTIFICATES SCE ROSEBURG LANDFILL GAS TO ENERGY RESOURCE

MASTER AGREEMENT - EXHIBIT A - CONFIRMATION

Seller: Roseburg LFG Energy, LLC	Buyer: City Light Department
Contract ID: none	Contract ID:
Deal Maker:	Deal Maker:
Phone:	Phone
E-mail:	E-mail:
Fax:	Fax:

CONFIRMATION AGREEMENT RENEWABLE ENERGY CERTIFICATES SCE ROSEBURG LANDFILL GAS TO ENERGY RESOURCE

This Confirmation Agreement ("**Confirmation**") dated as of _____, 2011 ("**Trade Date**") is entered into by and between Roseburg LFG Energy, LLC, an Oregon limited liability company ("**Seller**") and The City of Seattle, a Washington municipal corporation, by and through its City Light Department ("**Buyer**"). Each of Seller and Buyer is sometimes 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 by and between the Parties dated _____, 2011 ("**Master Agreement**"). The Master Agreement and this Confirmation, including the Special Terms & Exceptions described in Section 8 of the Confirmation, shall be collectively referred to herein as the "**Agreement**".

- 1. Product:** Environmental Attributes, including all Renewable Energy Certificates ("**RECs**"), arising as a result of the generation of electricity from the Seller's Unit Specific Renewable Energy Facility. As of the Trade Date, Seller's Renewable Energy Facility and associated RECs meet the requirements of the Renewable Portfolio Standard of Washington State ("**RPS**"), and the definition of a Renewable Resource under Revised Code of Washington ("**RCW**") 19.285.030 (18). The Seller's Unit Specific Renewable Energy Facility is eligible to produce RECs for certification

CONFIRMATION AGREEMENT
RENEWABLE ENERGY CERTIFICATE
SEATTLE CITY LIGHT & ROSEBURG

Date: July 11, 2011

Attachment 1 to SCL Roseburg REC Purchase Authorization ORD



under Section II of the Green-e Energy National Standard for Renewable Electricity Products, National Standard Version 2.1 ("**Green-e Standard**"); provided, however, that the Seller's Unit Specific Renewable Facility is not required to be eligible for the Green-e Standard in year 2025 or any subsequent year. The Seller's 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 Confirmation and Agreement (Transaction) shall commence on January 1, 2018 and shall continue through April 30, 2032 (which is the Termination Date under the Power Purchase Agreement between the Seller and _____ in respect of Seller's Renewable Resource) and any additional time required until all of the obligations of the Parties under this Agreement have been satisfied.

This Confirmation is conditional upon and shall not take effect or be enforceable against either Party unless and until all of the following have occurred:

- a. The Confirmation has been executed and delivered by Seller to Buyer and the Confirmation is executed by a properly authorized representative of Seller;
- b. The Confirmation has been executed and delivered by Buyer to Seller and the Confirmation is executed by a properly authorized representative of Buyer, and
- c. The Seller's Renewable Energy Facility has achieved the actual Commercial Operations Date under the Power Purchase Agreement by and between the Seller and _____.

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

- a. Name of Facility: SCE Roseburg
- b. Location of Facility: Roseburg, Oregon 97470
- c. Facility ID Number: _____ EIA or QF? (check one)
- d. Fuel Type: Landfill Gas
- e. Initial Operating Date: by January 1, 2012
- f. Nameplate Capacity (MW): 1.6 MW

4. **Quantity:** 100% of the Environmental Attributes (as more particularly described in Section 7 of this Confirmation) generated by the Seller's Renewable Resource during the Term of this Confirmation (Transaction).

- a. Estimated Capacity Factor: 70%
- b. Estimated REC Quantity: The Seller's estimated delivery of RECs to Buyer hereunder, based on the Seller's Renewable Resource having an estimated



capacity factor of 70%, over a period of three (3) consecutive Contract Years during the Term of this Confirmation (Transaction) is a total of 29,434 RECs for such 3-year period ("**Seller's Guaranteed 3-Year Minimum Volume**"). If, for any reason, the Seller's Renewable Energy Facility substation transformer (the "**Transformer**") fails or the Seller's Renewable Energy Facility otherwise experiences a Force Majeure event under the Agreement or Confirmation, then the number of available hours in the calculation in this Section 4 and in determining the Seller's Guaranteed 3-Year Minimum Volume as set forth in Attachment 2 of this Confirmation will both be reduced by the total number of hours that the Transformer is not working and the total time period that the Seller's Renewable Energy Facility experiences a Force Majeure event. A failed Transformer shall be repaired or replaced as soon as reasonably practicable so that the Facility may resume, in a timely manner, its annual net capacity factor operations that was in effect prior to the Transformer failure .

5. **Purchase Price:** \$15.00 per REC during the entire Term of this Confirmation (Transaction) and the Agreement.
6. **WREGIS Generator Information:**
 - a. Generating Unit Identification Number: NA
 - b. Generating Unit Name:
 - c. Primary Facility Name: SCE Roseburg
 - d. Facility Owner Name: Roseburg LFG Energy, LLC (Seller)

A completed Generator Attestation in the form of Attachment 1 to this Confirmation will be provided as soon as reasonably practicable.

7. **Delivery Requirements:** Delivery of RECs under this Confirmation shall occur via the 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 its WREGIS Certificates to Buyer during the Term of this Confirmation and Buyer shall be given sole title to all such WREGIS Certificates. Within ten (10) Business Days after receipt by Seller of RECs from WREGIS, Seller shall initiate transfer of such RECs to Buyer's WREGIS account _____. Buyer shall accept each of Seller's transfers of its RECs in WREGIS within ten (10) Business Days after Seller has initiated each such transfer. After such delivery of Seller's RECs to Buyer's WREGIS account, Seller shall invoice Buyer for such RECs in accordance with Section 2.3 of the Master Agreement. Seller must deliver to Buyer WREGIS-registered RECs as provided in this Confirmation, provided, however that in the event that WREGIS ceases to operate, Seller shall be obligated to deliver to Buyer RECs that have been registered with the successor organization to WREGIS, or any other verification, registration and certification entity mutually agreed upon in writing by Buyer and Seller that can deliver tradable environmental certificates.



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 of the Seller's RECs may be requested in writing by Buyer. If Buyer makes such a written request for such verification, or the Certification Authority requires documentation from Buyer that is in the possession of Seller or that Seller may reasonably attain, Seller shall provide such documentation and information to Buyer. Seller shall also use reasonable efforts to help Buyer comply with the documentation requirements of the Certification Authority.

8.2 Confirmation Agreement

a. **Seller's Guaranteed 3-Year Minimum Volume** as set forth in Attachment 2 of this Confirmation

i. Beginning in the fourth Contract Year of the Confirmation and continuing every Contract Year thereafter through the Term of the Confirmation, within thirty (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 of the Confirmation.

ii. If the amount of RECs Delivered by Seller to Buyer in the three prior Contract Years is less than the Seller's Guaranteed 3-Year Minimum Volume as set forth in Attachment 2 of this Confirmation, then Buyer shall immediately provide a written notice of deficiency ("**Notice of Deficiency**") to Seller showing Buyer's computation of the number of Replacement RECs due to Buyer from Seller. Seller shall have seven (7) days after Seller's receipt of the Notice of Deficiency from Buyer to verify Buyer's calculation thereunder. No later than ninety (90) days following receipt by Seller of a Notice of Deficiency ("**90-Day Replacement REC Period**"), Seller shall provide Replacement RECs to Buyer in accordance with such Notice of Deficiency and this Section. 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 within the 90-Day Replacement REC Period, then Seller will pay Buyer an amount equal to the administrative penalty pursuant to RCW 19.285.060 (or any successor statute) less the Contract Price under this Confirmation or, if Buyer is able to obtain the Replacement RECs at a cost that is less than the applicable administrative penalty, Buyer shall use commercially reasonable



efforts to obtain such Replacement RECs at least cost and Seller shall reimburse Buyer for the cost of such Replacement RECs less the Contract Price.

iii. Buyer will use the Excel spreadsheet shown as Attachment 2 to this Confirmation to determine the Seller's Guaranteed 3-Year Minimum Volume as set forth in Attachment 2 of this Confirmation.

iv. In order to build in some REC production cushion, the Seller's Guaranteed 3-Year Minimum Volume is based on a certain lesser included amount of methane fuel being available from the Douglas County, Oregon Landfill ("**County Landfill**") for the Term of the Agreement. Seller does not have any reason to believe, as of the Trade Date, that the amount of methane fuel available from the County Landfill will be less than this forecast. Nevertheless, the Parties acknowledge that the amount of methane fuel that will be available at the County Landfill in future years is dependent upon certain factors that are outside of the reasonable control of Seller. If there is a material reduction in available methane fuel from the County Landfill such that Seller is unable to generate at least 9,811 RECs per year for two consecutive Contract Years, and the amounts of available methane fuel from the Douglas County, Oregon Landfill for the Seller's Unit Specific Renewable Energy Facility are projected or forecasted to remain at such lower levels, then the Parties agree to recalibrate Seller's Guaranteed 3-Year Minimum Volume to be consistent with the then-existing methane fuel supply from the County Landfill. In such case, the Parties shall calculate the new Guaranteed 3-Year Minimum Volume by taking the average number of RECs generated in a Contract Year by the Seller's Renewable Energy Facility for the preceding two Contract Years and then multiplying that value by three.

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 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 the Master Agreement (which approval by the Party 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 4.2(d) of the Master Agreement.



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

1.23 "Downgrade Event" means (a) for the Seller, the Seller's Renewable Energy Facility has not produced any RECs for two (2) consecutive months during the Term of this Confirmation provided that such downtime was not the result of a Transformer failure or a Force Majeure event incident to the Seller's Renewable Resource, and (b) for 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 Section 2.6 of the Master Agreement – "Taxes and Fees"

Section 2.6 is amended and restated in its entirety as follows:

Seller will be responsible for any Taxes imposed on the creation, ownership, or transfer of Product under this Master Agreement up to, and including, the Delivery. Buyer will be responsible for any Taxes imposed on the receipt or ownership of Product after Delivery. Each Party will be responsible for the payment of any fees, including attorney and brokers' fees, incurred by it in connection with any Transactions hereunder, unless otherwise agreed by the Parties in the Confirmation.

8.5 Changes to Section 4.2 of the Master Agreement – "Credit Assurances"

- a. Subparagraphs (a), (b), and (e) through (g) of Section 4.2 of the Master Agreement are applicable to both Parties.
- b. Subparagraph (c) of Section 4.2 of the Master Agreement is applicable to Seller.
- c. Section 4.2(c) of the Master Agreement is replaced as follows:

In the case of a Downgrade Event being experienced by Seller, Seller's Credit Support shall be \$20,000, which Credit Support shall remain in effect until Seller demonstrates for any 12 consecutive month period after the Downgrade Event occurs, that it achieved a Capacity Factor of 70% or greater for such 12 consecutive month period.

- d. Subparagraph (d) of Section 4.2 of the Master Agreement is applicable to Buyer.

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

The following language shall be added to the end of Section 5.1(b) of the Master Agreement:



Provided, however, that Buyer's failure to Deliver Product (RECs) when due shall not be an Event of Default under this Section 5.1(b) of the Master Agreement if such non-delivery is either (i) for a period of time that is less than twelve (12) consecutive months; (ii) is the result of a Transformer failure as set forth in Section 4(b) of the Confirmation; or (iii) is the result of a Force Majeure event as set forth in Article 6 of the Master Agreement.

Section 5.1(h) of the Master Agreement is replaced with the following:

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, of the Master Agreement provided that the cure period for supplying Replacement RECs under the Confirmation and the Agreement shall be ninety (90) days from the date of Seller's receipt of written notice from the Buyer of any applicable Replacement REC deficiency (Notice of Deficiency) in a respective Contract Year under the Agreement and this Confirmation.

8.7 Changes to Article 6 of the Master Agreement – "Force Majeure"

Insert the following after the second sentence: "At the conclusion of a Force Majeure event, operation of the Facility will resume as soon as reasonably practicable."

8.8 Environmental Information

Seller will provide Buyer with a copy of all completed environmental evaluation and permits for Seller's Renewable Resource related to air, land, water, wildlife, archaeological/cultural, and recreation resources, including plans for any studies not yet completed, with an estimated timeline for completion and submission.

8.9 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.



Robert W. Cromwell, Jr./MLS
 SCL Roseburg REC Purchase Authorization ORD ATT 1
 July 11, 2011
 Version #5

Buyer's Marketing Contact:

Name:
 Phone:
 Fax:
 Email:

Mailing Address
 Seattle City Light

Attn:
 PO Box 34023
 Seattle, WA 98124-4023

Overnight mail
 Seattle City Light
 901 Fifth Avenue, Suite 3200
 Seattle, WA 98104

Seller's Marketing Contact:

Name:
 Phone:
 Fax:
 E-mail:

Mailing Address:

Overnight mail

The Parties hereby agree to the Confirmation (Transaction) that is set forth herein.

Seller: Roseburg LFG Energy, LLC	Buyer: The City of Seattle, City Light Department (dba "Seattle City Light")
By:	By:
Name:	Name:
Title:	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 to the Confirmation.

1. Renewable Energy Facility Owner Information

- a. Name of Owner: Roseburg LFG Energy, LLC
- b. Address of Owner:
- c. Contact person: _____ Title: _____
- d. Telephone: _____ Fax: _____ Email: _____

2. Renewable Energy Facility and WREGIS Registration Information

- a. Name of Facility: SCE Roseburg
- b. Location/Address of Facility: Roseburg, Oregon 97470
- c. Facility ID Number: _____ EIA or QF? (check one)
- d. Fuel Type: Landfill Gas
- e. Initial Operating Date: January 1, 2012
- f. Nameplate Capacity (MW): 1.6 MW

3. WREGIS Information

- a. Generating Unit Identification Number: _____
- b. Generating Unit Name:
- c. Primary Facility Name: SCE Roseburg

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:
- c. If Facility has been registered in WREGIS 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".
- (i) Name of Account Manager as appears in WREGIS:
 - (ii) Date that account management rights assigned to Account Manager expire:
 - (iii) Account Manager has attached documentation authorizing Account Manager to register Facility in WREGIS.

5. Declaration

I, _____ (the Seller) ("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;
- 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	

Organization	

Place of Execution	



**ATTACHMENT 2 TO CONFIRMATION AGREEMENT
 SELLER'S GUARANTEED 3-YEAR MINIMUM VOLUME CALCULATOR**

Capacity (MW)	1.6 MW
Minimum Capacity Factor	70%
Three Year Guaranteed (MWh)	29,434

Example:

Contract Year	Actual Capacity Factor	Actual RECs delivered by Seller to Buyer hereunder for the current Year	Actual RECs delivered by Seller to Buyer hereunder for the last three Years	Additional RECs	Total delivered to Buyer for the
1	70%	9,811	NA	NA	
2	70%	9,811	NA	NA	
3	70%	9,811	29,434	0	
4	70%	9,811	29,434	0	
5	70%	9,811	29,434	0	
6	70%	9,811	29,434	0	
7	70%	9,811	29,434	0	
8	70%	9,811	29,434	0	
9	70%	9,911	29,434	0	
10	70%	9,811	29,434	0	
11	70%	9,811	29,434	0	
12	70%	9,811	29,434	0	
13	70%	9,811	29,434	0	
14	70%	9,811	29,434	0	
15 (partial year)	70%	3,270	3,270	0	

Change numbers with blue fonts to simulate the numbers

Actual CF=Actual capacity factor each year

Additional= the amount of REC shortage settled after the fact

Actual RECs delivered by Seller to Buyer hereunder for the last three years = actual three y generation of RECs plus additional RECs if they were provided by Seller

Total RECs delivered by Seller to Buyer for last three years = has to be greater than or equ: Year Guaranteed Minimum amount of RECs



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 the execution of a confirmation agreement with Roseburg LFG Energy, 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; and further authorizing the execution of other necessary and convenient agreements for the receipt, tracking, transferring, management, and sale of the environmental attributes.

Summary of the Legislation:

This legislation approves the confirmation agreement for the 14-year purchase of renewable energy certificates to allow the City Light Department to comply with the Washington State Energy Independence Act also known as Initiative 937 or I-937. The City Light Department would pay \$15 per REC from 2018 through April 2032 for approximately 10,000 RECs per year.

Background:

This legislation approves the confirmation agreement for the purchase of renewable energy certificates ("RECs") from Roseburg LFG Energy, LLC's new SCE Roseburg landfill gas to energy resource located in Roseburg, Oregon. This resource is expected to produce about 10,000 RECs annually. City Light will receive 100 percent of the RECs associated with the renewable resource starting in 2018 for a 14-year term. The RECs will be delivered to City Light through the Western Renewable Energy Generation Information System. The RECs from this landfill gas to energy resource are eligible to be counted twice under Washington State's Energy Independence Act (Chapter 19.285 of the Revised Code of Washington) due to the small size of the resource. City Light intends to use the RECs to partially meet its regulatory requirement under the Energy Independence Act.

 X **This legislation has financial implications.**

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2011 Appropriation	2012 Anticipated Appropriation
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TOTAL			0	0

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

Appropriations Notes: There are no costs or fees until 2018. Expected annual cost for the 14-year term starting in 2018 is \$150,000. City Light's approved 2011-12 budget includes sufficient budget authority for this transaction.

Anticipated Revenue/Reimbursement: Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 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	2011 Positions	2011 FTE	2012 Positions*	2012 FTE*
TOTAL							

** 2012 positions and FTE are total 2012 position changes resulting from this legislation, not incremental changes. Therefore, under 2012, please be sure to include any continuing positions from 2011.*

Position Notes: None.

Do positions sunset in the future? Not applicable.

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2011 Expenditures	2012 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 financial cost of not implementing this legislation would be to purchase RECs or resources that are more expensive or pay the costs related to the penalty in I-937 for not having sufficient RECs. The penalty cost is approximately four times greater than the acquisition cost of the RECs proposed in this legislation.

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 include purchasing 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, RECs, and delivery cost approximately six times more than this REC purchase.

Is the legislation subject to public hearing requirements?

No. There have not been previous hearings. 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

July 26, 2011

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

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that authorizes the City Light Department to execute an agreement with Roseburg LFG Energy, LLC for the purchase of environmental attributes in the form of renewable energy certificates from their new SCE Roseburg landfill gas to energy resource. 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 SCE Roseburg resource, 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 Pacific Northwest. This agreement is fully consistent with our shared goal of promoting a sustainable community, doing 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



STATE OF WASHINGTON – KING COUNTY

--SS.

275835
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.

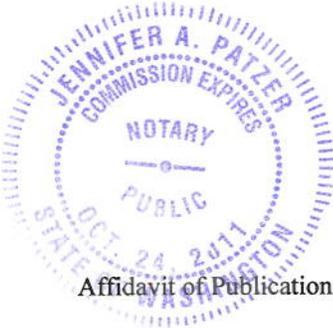
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

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was published on

09/01/11

The amount of the fee charged for the foregoing publication is the sum of \$ 81.90, which amount has been paid in full.



Affidavit of Publication

Valer J. Walden

Subscribed and sworn to before me on
09/01/11 *[Signature]*

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on August 8, 2011, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>. Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 123673

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent of Parks and Recreation to convey a strip of tide lands associated with Waterfront Park to Pier 57 Corporation, a Washington Corporation, to complete a lot boundary adjustment consistent with a 1989 Settlement Agreement; superseding the requirements of Ordinance 118477, which adopted Initiative 42, for the purposes of this ordinance; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123674

AN ORDINANCE relating to the City Light Department, completion of the Voluntary Green Power Program, and amending Seattle Municipal Code chapter 21.49.

ORDINANCE NO. 123675

AN ORDINANCE relating to the City Light Department; amending the Community Solar Program established in Seattle Municipal Code 21.49.087.

ORDINANCE NO. 123676

AN ORDINANCE relating to the City Light Department; authorizing the execution of a confirmation agreement with Roseburg LFG Energy, 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; and further authorizing the execution of other necessary and convenient agreements for the receipt, tracking, transferring, management, and sale of the environmental attributes.

ORDINANCE NO. 123677

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

ORDINANCE NO. 123685

AN ORDINANCE authorizing the Superintendent of Parks and Recreation to execute an Amended and Restated Lease between the City of Seattle and Building 11 Investors LLC for the renovation and use of Building 11 at Warren G. Magnuson Park.

Publication ordered by the City Clerk
Date of publication in the Seattle Daily Journal of Commerce, September 1, 2011.
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