

Ordinance No. 12276 S

Council Bill No. 116278

AN ORDINANCE relating to the City Light Department amending Ordinance 121683 to clarify City Light's authority to enter into multiyear transmission arrangements when required to secure long-term transmission service from PacifiCorp for the purpose of transmitting energy purchased from the Stateline Wind Project.

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

Date Introduced:	7-21-08	
Date 1st Referred:	To: Energy & Technology (ETC)	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote:	
8-11-08	7-0	
Date Presented to Mayor:	Date Approved:	
8-12-08	8-18-08	
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/>
8-18-08	4	F.T. <input type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

# The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Bruce A. Hewitt

Councilmember

## Committee Action:

VOTED AYE - BH, JG, RE 8/6/08

8-11-08 Passed 7-0 (Excused: Licata, Malver)

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



1 Columbia trading hub to include the Wanapum bus in Grant County. The transmission rights  
2 acquired by Exhibit A may be deferred for up to five years by payment of one month's  
3 transmission costs.

4  
5 Section 3. ~~((Except for the obligation to take at least one full year of service, T))~~The  
6 transmission rights are subject to a~~((n annual))~~ renewal election by the City for at least a five (5)  
7 year term. Accordingly, the Superintendent is authorized to periodically ~~((annually))~~ renew the  
8 transmission rights described in Exhibit A, or whatever portion thereof City Light deems prudent  
9 in light of the Stateline Power Purchase Agreement.

10 Section 4. ~~((Despite its right to annually renew such transmission, the City may lose its  
11 priority to the transmission rights if another customer of the transmission provider offers to take  
12 such transmission on a multiyear basis. If the transmission provider received a multiyear offer,  
13 the City would be provided with thirty (30) days' notice to match such offer. If the City did not  
14 match the offer within thirty (30) days, the transmission provider would be free to sell the  
15 transmission rights to the alternate customer. Consequently,))~~ The Superintendent of the City  
16 Light Department, or his designee, is hereby further authorized to execute additional transmission  
17 services agreements for the transmission rights described in Exhibit A as needed to ensure that  
18 City Light has the ability to protect its transmission rights received under Exhibit A. The current  
19 form of PacifiCorp's Service Agreement for Long-Term Point-to-Point Transmission Service  
20 Under PacifiCorp's Open Access Transmission Tariff is attached hereto as Attachment 1. This  
21 additional authority shall also include authority to reassign such transmission rights for any  
22 period of time before 2011, or the termination of the Integration and Exchange Agreement with  
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1 PacifiCorp Transmission relating to the Stateline Power Purchase Agreement, whichever is  
2 earlier, so long as such acts are consistent with the purpose of this ordinance.

3 ((Section 5. ~~In the event any contracts are contemplated under the authority granted in~~  
4 ~~Section 4, City Light shall without delay, provide a detailed report, complete with analysis, to the~~  
5 ~~Council explaining the purposes and impacts of such agreements prior to its execution.))~~

7 Section 2. All other provisions of Ordinance 121683 shall remain in full force and effect.

8  
9 Section 3. Any act consistent with the authority of this ordinance that is taken after its  
10 passage but prior to its effective date is hereby ratified and confirmed.

11 Section 4. This ordinance shall take effect and be in force thirty (30) days from and after  
12 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days  
13 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.  
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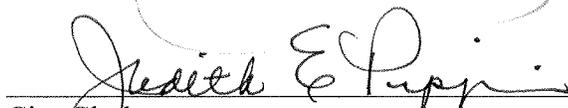
1 Passed by the City Council the 11<sup>th</sup> day of August, 2008, and signed by  
2 me in open session in authentication of its passage this  
3 11<sup>th</sup> day of August, 2008.

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6 President \_\_\_\_\_ of the City Council

7  
8 Approved by me this 18<sup>th</sup> day of August, 2008.

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10   
11 Gregory J. Nickels, Mayor

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13 Filed by me this 18<sup>th</sup> day of August, 2008.

14  
15   
16 City Clerk

17 (Seal)

18  
19 Attachment 1: Form of Service Agreement for Long-Term Firm Point-to-Point Transmission  
20 Service under PacifiCorp's Open Access Transmission Tariff  
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**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

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

**Legislation Title:** AN ORDINANCE relating to the City Light Department; amending Ordinance 121683 to clarify City Light’s authority to enter into multiyear transmission arrangements when required to secure long-term transmission service from PacifiCorp for the purpose of transmitting energy purchased from the Stateline Wind Project.

• **Summary of the Legislation:**

This Ordinance amends Ordinance 121683 to provide authority to City Light to enter into multiyear transmission service agreements with PacifiCorp in order to replace existing transmission service agreements that expire in 2008. A transmission services agreement with PacifiCorp is necessary to transmit power from Stateline located near Walla Walla, Washington to the Bonneville Power Administration’s transmission system network where it can be then transmitted to the City of Seattle.

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

In 2002, City Light entered into a twenty-(20) year power purchase agreement (Ordinance 120529) for the purchase of energy and environmental attributes from the Stateline Wind Project and in Ordinance 121683 City Light took assignment of transmission rights under a transmission services agreement with PacifiCorp for the purpose of transmitting Stateline energy. Pursuant to Ordinance 121683 the transmission services agreement was renewable on an annual basis and the current transmission services agreement expires on November 30, 2008. Due to changes in the transmission rules, in order to maintain priority rights to transmission, the service request must now be renewed for a minimum 5-year term. City Light is seeking to amend this Ordinance to allow City Light to enter into periodic renewals rather than annual renewals. This change of language will also allow City Light to match any other party’s challenges to our transmission service rights.

Consistent with the Federal Energy Regulatory Commission’s (“FERC”) Order 890, PacifiCorp’s Open Access Transmission Tariff (“OATT”) now requires that all requests for long-term firm transmission service must be for a term of at least five (5) years and normally must be requested at least one year in advance of the requested start date. For PacifiCorp, this rule became effective December 7, 2007, leaving less than 1 year available for notice. As such, for this one time only, we are required to give notice not later than September 30, 2008 to begin service December 1, 2008, the beginning of the new term. In the future, notice must



be given one year in advance. To avoid losing City Light's priority to PacifiCorp's firm transmission and to avoid significantly reducing the ability to transmit power from the Stateline wind resource, City Light must request transmission service for a term of not less than five (5) years. In addition, consistent with FERC's Order 890, PacifiCorp's OATT requires City Light to sign the transmission services agreement within fifteen (15) days of when the agreement is offered by PacifiCorp or the transmission request will be deemed withdrawn and the request terminated. For renewals of service where no studies are required, the transmission provider will typically provide the contract within several weeks of the request.

This ordinance authorizes City Light to sign such a transmission services agreement. The agreement will be substantially similar in form to that included in PacifiCorp's Open Access Transmission Tariff that has been approved by FERC.

- Please check one of the following:

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

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

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

Fund Name and Number	Department	Budget Control Level*	2008 Appropriation	2009 Anticipated Appropriation
<b>TOTAL</b>				

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

**Notes:** The transmission cost for 2009/2010 for Stateline is already included in the Department's existing baseline budget, which has not yet been adopted by Council.

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

Fund Name and Number	Department	Revenue Source	2008 Revenue	2009 Revenue
<b>TOTAL</b>				

**Notes:** There are no known financial changes to the original Ordinance at this time.



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

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

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

**Notes:** None.

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

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

Fund Name & #	Department	Budget Control Level*	2008 Expenditures	2009 Anticipated Expenditures
<b>TOTAL</b>				

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

**Notes:** None.

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

The cost of not implementing this legislation is the risk of losing City Light's priority right to existing firm transmission and thus not being able to transmit the energy associated with City Light's 175 MW Stateline wind purchase in PacifiCorp's service territory to the BPA transmission system due to no or intermittent transmission. To replace such a loss is likely to require a substantial capital outlay and potentially years of delay in constructing new transmission lines.



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

It is possible, although it is unclear how probable, to structure an exchange where Stateline wind energy stays in PacifiCorp's service territory and an alternative new renewable energy source is provided to City Light from within BPA's or City Light's service territory. The available parties to such an exchange would be very limited if there is no transmission.

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

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

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

None

**Please list attachments to the fiscal note below:**

None



# City of Seattle

Gregory J. Nickels, Mayor

## Office of the Mayor

July 8, 2008

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

Dear Council President Conlin:

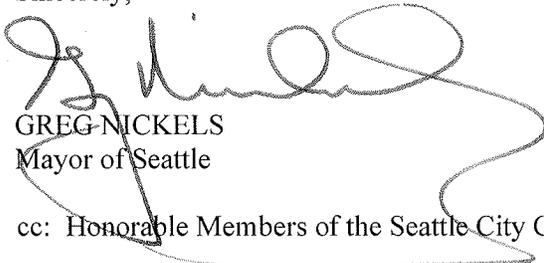
I am pleased to transmit the attached proposed Council Bill that authorizes Seattle City Light to secure new, longer term transmission agreements with PacifiCorp to transmit energy from the Stateline Wind Project.

In 2002, City Light entered into a twenty year agreement to purchase energy and environmental attributes associated with 175 MW of wind capacity from the Stateline Wind Project located near Walla Walla, Washington. At that time, the transmission agreements were envisioned to be renewed on an annual basis. City Light now seeks authorization to enter into longer term contracts due to the growing demand for transmission of wind energy coupled with new Federal Energy Regulatory Commission (FERC) rules requiring five year terms for firm transmission service.

This Bill will amend the original Ordinance to allow "periodic" contract renewal, permitting City Light to replace its existing priority transmission service agreement with PacifiCorp that terminates on November 30, 2008. The attached Bill also complies with the Federal Energy Regulatory Commission's Order 890, the Open Access Transmission Tariff ("OATT"), that requires all requests for priority firm transmission service be for a term of at least five years from the requested start date.

Thank you for your consideration of this legislation. Should you have questions, please contact Ray Camacho at (206) 233-7889.

Sincerely,



GREG NICKELS  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

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

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

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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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228254  
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

**Affidavit of Publication**

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

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

CT:122765-122770

was published on

08/25/08

The amount of the fee charged for the foregoing publication is the sum of \$ 84.30, which amount has been paid in full.



Affidavit of Publication

Subscribed and sworn to before me on

08/25/08

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 August 11, 2008, and published here by title only, will be mailed, at no cost, on request for two months after this publication. For further information, contact the Seattle City Clerk at 684-8344.

#### ORDINANCE NO. 122770

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

#### ORDINANCE NO. 122769

AN ORDINANCE relating to the budget of the Department of Planning and Development; revising a proviso in the Planning Budget Control Level in the 2008 adopted budget, directing how the funds shall be used, and directing that, if unspent, the remainder be carried forward to 2009.

#### ORDINANCE NO. 122768

AN ORDINANCE relating to City employment, authorizing the execution of a Memorandum of Understanding between the City of Seattle and the Seattle Police Officers' Guild.

#### ORDINANCE NO. 122767

AN ORDINANCE relating to The City of Seattle's Bridge Loan Program; authorizing the Director of the Office of Housing to execute agreements under which the City will receive supplemental funding from the United Way of King County for such program; accepting the money when received; and increasing the 2008 Budget of the Office of Housing by making a reimbursable appropriation; all by a three-fourths vote of the City Council.

#### ORDINANCE NO. 122766

AN ORDINANCE relating to the City Light Bothell Substation; declaring certain property and property rights surplus to the City of Seattle's needs and authorizing their conveyance to the Silver Lake Water and Sewer District in order for the District to provide water service to the Substation.

#### ORDINANCE NO. 122765

AN ORDINANCE relating to the City Light Department; amending Ordinance 121683 to clarify City Light's authority to enter into multiyear transmission arrangements when required to secure long-term transmission service from PacifiCorp for the purpose of transmitting energy purchased from the Stateline Wind Project.

Publication ordered by JUDITH PIPPIN,  
City Clerk

Date of publication in the Seattle Daily  
Journal of Commerce, August 25, 2008.

8/25(228254)