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2 **ORDINANCE \_\_\_\_\_**

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

7 WHEREAS, Ordinance 121683 authorized City Light to secure and purchase long-term firm  
8 point-to-point transmission from the Wallula substation, the location of the  
9 interconnection of the Stateline Wind Project with PacifiCorp's transmission system, to  
10 the Mid-Columbia trading hub, including the Wanapum bus in Grant County, for the  
11 energy and environmental attributes purchased by City Light in its Stateline Power  
12 Purchase Agreement; and

13 WHEREAS, the Federal Energy Regulatory Commission now requires that long-term  
14 transmission rights may only be secured for periods of at least five (5) years; and

15 WHEREAS, it is in the interest of the City to authorize, by this ordinance, certain specific  
16 revisions to the authority provided to the Superintendent of City Light to secure and enter  
17 into long-term transmission arrangements in order to secure and maintain necessary long-  
18 term transmission rights for the energy and environmental attributes purchased from the  
19 Stateline Wind Project; NOW THEREFORE,

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

21 Section 1. Sections 1, 3, 4 and 5 of Ordinance 121683 are amended as  
22 follows:

23 Section 1. The Superintendent of the City Light Department, or his designee (the  
24 “Superintendent”), is hereby authorized to execute, for and on behalf of the City of Seattle (the  
25 “City”), an agreement between the City, PacifiCorp and PPM Energy for assignment of long-  
26 term firm point-to-point transmission rights, substantially in the form attached hereto as Exhibit  
27 A entitled, “Amendatory Agreement for Assignment of Transmission Rights.” The transmission  
28 service is purchased from PacifiCorp Transmission (~~on an annual renewal basis~~) and is for  
long-term firm point-to-point transmission from the Wallula substation, the location of the  
interconnection of the Stateline Wind Project with PacifiCorp’s transmission system, to the Mid-

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.

14 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2008, and signed by  
15 me in open session in authentication of its passage this  
16 \_\_\_\_ day of \_\_\_\_\_, 2008.

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21 \_\_\_\_\_  
22 President \_\_\_\_\_ of the City Council

23 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2008.

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25 \_\_\_\_\_  
26 Gregory J. Nickels, Mayor

1 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2008.

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3 \_\_\_\_\_  
4 City Clerk

5 (Seal)  
6  
7 Attachment 1: Form of Service Agreement for Long-Term Firm Point-to-Point Transmission  
8 Service under PacifiCorp's Open Access Transmission Tariff  
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10  
11  
12 Attachment 1  
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14 PacifiCorp

Original Sheet No. 301

15 FERC Electric Tariff,

16 7th Rev Volume No. 11  
17

18 **Form Of Service Agreement For \_\_\_\_\_ [Long-Term or Short-Term] Firm Point-To-Point Transmission Service**  
19

20 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between PacifiCorp ("Transmission  
21 Provider"), and \_\_\_\_\_ ("Transmission Customer") for the provision of \_\_\_\_\_ [Long-Term or Short-  
22 Term] Firm Point-to-Point Transmission Service.

23  
24 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for  
25 Firm Point-To-Point Transmission Service under the Tariff.  
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1 3.0 For Long-Term Firm Point-to-Point Transmission Service:

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3 3.1 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance  
4 with the provisions of Section 17.3 of the Tariff.

5 3.2 Service under this agreement shall commence on the later of (1) the requested  
6 Service commencement date, (2) the date on which construction of any Direct  
7 Assignment Facilities and/or Network Upgrades are completed, or (3) such other  
8 date as it is permitted to become effective by the Commission. Service under this  
agreement shall terminate on such date as mutually agreed upon by the parties.

9 3.3 Service under this agreement shall be in accordance with the attached Specifications.

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11 4.0 For Short-Term Firm Point-to-Point Transmission Service:

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13 4.1 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized  
14 representative of the Transmission Customer pursuant to the terms and conditions of the Tariff.

15  
16 4.2 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably  
17 necessary in accordance with Good Utility Practice in order for it to provide the requested service.

18 Issued by: Kenneth T. Houston – Director, Transmission Services  
19 Issued on: July 13, 2007 Effective: July 13, 2007

20 Attachment 1 to SCL Stateline Transmission Services Authorization ORD

21  
22 PacifiCorp  
23 FERC Electric Tariff,  
24 7th Rev Volume No. 11 302

Original Sheet No. 302

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4.3 The Transmission Customer will provide to the Transmission Provider an Application deposit for Short-Term Firm Point-to-Point Transmission Service in accordance with the provisions of Section 17.3 of the Tariff at the time such service is arranged.

4.4 Service under this agreement shall commence and shall be provided as agreed to at the time such service is arranged.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

US Mail Deliveries: PacifiCorp Transmission  
PO Box 2757  
Portland, OR 97208-2757

Other Deliveries: PacifiCorp Transmission  
Attn: Central Cashiers  
1033 NE 6th Ave  
Portland OR 97256-0001

Phone Number: (503) 813-6774

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Transmission Customer:

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7.0 The Tariff is incorporated herein and made a part hereof.

Issued by: Kenneth T. Houston – Director, Transmission Services

Issued on: July 13, 2007

Effective: July 13, 2007

PacifiCorp  
FERC Electric Tariff,  
7th Rev Volume No. 11

Original Sheet No. 303

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

PacifiCorp:

By: \_\_\_\_\_

Name

Title

Date

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Transmission Customer:

By: \_\_\_\_\_

Name Title Date

Issued by: Kenneth T. Houston – Director, Transmission Services

Issued on: July 13, 2007 Effective: July 13, 2007

Form revised February 6, 2008

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

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

**Legislation Title:** AN ORDINANCE relating to the City Light Department; 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:

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

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

9 In 2002, City Light entered into a twenty-(20) year power purchase agreement (Ordinance  
10 120529) for the purchase of energy and environmental attributes from the Stateline Wind Project  
11 and in Ordinance 121683 City Light took assignment of transmission rights under a transmission  
12 services agreement with PacifiCorp for the purpose of transmitting Stateline energy. Pursuant to  
13 Ordinance 121683 the transmission services agreement was renewable on an annual basis and the  
14 current transmission services agreement expires on November 30, 2008. Due to changes in the  
15 transmission rules, in order to maintain priority rights to transmission, the service request must  
16 now be renewed for a minimum 5-year term. City Light is seeking to amend this Ordinance to  
17 allow City Light to enter into periodic renewals rather than annual renewals. This change of  
18 language will also allow City Light to match any other party's challenges to our transmission  
19 service rights.

20 Consistent with the Federal Energy Regulatory Commission's ("FERC") Order 890, PacifiCorp's Open Access Transmission  
21 Tariff ("OATT") now requires that all requests for long-term firm transmission service must be for a term of at least five (5) years  
22 and normally must be requested at least one year in advance of the requested start date. For PacifiCorp, this rule became  
23 effective December 7, 2007, leaving less than 1 year available for notice. As such, for this one time only, we are required to give  
24 notice not later than September 30, 2008 to begin service December 1, 2008, the beginning of the new term. In the future, notice  
25 must  
26 be given one year in advance. To avoid losing City Light's priority to PacifiCorp's firm transmission and to avoid significantly  
27 reducing the ability to transmit power from the Stateline wind resource, City Light must request transmission service for a term of  
28 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*

1 *provide details in the Notes section below the table.*

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

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

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10 Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: *This table should*

11 *only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be,*

12 *created as a result of other legislation, please provide details in the Notes section below the table.*

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

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22 \* 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.

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25 *Notes:* None.

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

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- **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