

#24
CB 117213

ORDINANCE _____

1
2 AN ORDINANCE relating to the City Light Department; authorizing the execution of three
3 confirmation agreements with Exergy Development Group of Idaho LLC for the purchase
4 of environmental attributes in the form of renewable energy certificates that are necessary
5 or 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, Exergy Development Group of Idaho LLC has the marketing rights to the
13 environmental attributes of the Lava Beds, Notch Butte, and Deep Creek Wind Facilities;
14 and

15 WHEREAS, the Lava Beds, Notch Butte, and Deep Creek Wind Facilities' environmental
16 attributes meet the requirements of RCW Chapter 19.285; and

17 WHEREAS, Exergy Development Group of Idaho LLC wishes to sell and City Light wishes to
18 purchase such environmental attributes created by the Lava Beds, Notch Butte, and Deep
19 Creek Wind Facilities; and

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

22 WHEREAS, Exergy Development Group of Idaho LLC has executed a Master Renewable
23 Energy Certification Purchase and Sale Agreement; NOW, THEREFORE,

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

25 Section 1. The Superintendent of the City Light Department ("City Light"), or his
26 designee, is hereby authorized to execute for and on behalf of the City, three transaction-specific
27 Confirmation Agreements, substantially in the forms attached hereto as Attachment 1, 2, and 3,
28 respectively. The agreements with Exergy Development Group of Idaho LLC set forth the terms



1 under which Exergy Development Group of Idaho LLC will deliver environmental attributes in
2 the form of renewable energy certificates ("RECs") to City Light from the Lava Beds, Notch
3 Butte, and Deep Creek Wind Facilities.

4 Section 2. The Superintendent of City Light, or his designee is hereby further authorized
5 to execute for and on behalf of the City additional agreements necessary and convenient for the
6 use of the Western Renewable Energy Generation Information System or any other system for
7 tracking and transferring the RECs to City Light and other necessary and convenient agreements
8 to enable City Light to use the RECs purchased hereunder to meet its regulatory requirements.
9

10 Section 3. Upon determining the availability of surplus environmental attributes within
11 City Light's portfolio, and in order to minimize the cost to City Light's customers of compliance
12 with the Washington State Energy Independence Act when the Superintendent believes it is cost-
13 effective to acquire RECs in advance of need, the Superintendent, or his designee, is further
14 authorized to execute for and on behalf of the City agreements for the sale of all or a portion of
15 the environmental attributes purchased under the Master Renewable Energy Certificate Purchase
16 and Sale Agreement with Exergy Development Group of Idaho LLC, on terms and conditions
17 that the Superintendent deems in the best interests of City Light provided, however, that no such
18 sale shall jeopardize City Light's compliance with the Washington State Energy Independence
19 Act.
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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 ____ day of _____, 2011, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2011.

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President _____ of the City Council

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11

Approved by me this ____ day of _____, 2011.

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Michael McGinn, Mayor

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Filed by me this ____ day of _____, 2011.

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Monica Martinez Simmons, City Clerk

20

(Seal)

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1 Attachments:

2

3 Attachment 1

4 Master Agreement – Exhibit A – Confirmation Agreement Renewable Energy

5 Certificates - Lava Beds Wind Project

6 Master Agreement – Exhibit B – Attestation From Generator Participating in WREGIS

7

8 Attachment 2

9 Master Agreement – Exhibit A – Confirmation Agreement Renewable Energy

10 Certificates - Notch Butte Wind Project

11 Master Agreement – Exhibit B – Attestation From Generator Participating in WREGIS

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13 Attachment 3

14 Master Agreement – Exhibit A – Confirmation Agreement Renewable Energy

15 Certificates - Deep Creek Wind Project

16 Master Agreement – Exhibit B – Attestation From Generator Participating in WREGIS

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ORDINANCE ATTACHMENT 1

MASTER AGREEMENT - EXHIBIT A- CONFIRMATION

Seller: Lava Beds Wind Park, LLC	Buyer: Seattle City Light
Contract ID:	Contract ID:
Deal Maker:	Deal Maker:
Phone:	Phone:
E-mail:	E-mail:
Fax:	Fax:

CONFIRMATION AGREEMENT RENEWABLE ENERGY CERTIFICATES LAVA BEDS WIND PARK LLC

This Confirmation Agreement ("**Confirmation**") dated as of _____ ("**Trade Date**") is entered into by and between Lava Beds Wind Park, LLC ("**Seller**") and Seattle City Light _____ ("**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 Section 19.285.030 (18) of the Revised Code of Washington ("RCW") 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 01 / 01 / 2018 and shall continue through 12 / 31 / 2032 and until all obligations of the Parties under this Agreement have been satisfied, unless an Early Termination Date of this Agreement is established pursuant to Section 5.2 of the Master Agreement.



- a. The Confirmation Agreement has been executed by a properly authorized representative of Lava Beds Wind Park LLC; and
 - b. The Confirmation Agreement has been executed by a properly authorized representative of the City of Seattle.
- 3. Unit Specific Certified Renewable Energy Facility Information:**
- a. Name of Facility: Lava Beds Wind Park
 - b. Location of Facility: Taber, Idaho
 - c. Facility ID Number: EIA or QF? (check one) QF06-11
 - d. Fuel Type: Wind as Motive Force
 - e. Initial Operating Date: 12 / 31 / 2011
 - f. Nameplate Capacity (MW): 18.0 MW
- 4. Contract Quantity:** 100% of the Environmental Attributes generated by the Renewable Resource during the Term.
- a. Unit Contingent (estimated maximum volume): 42,252 MWh
 - b. Expected Volume (estimated): 38,411 MWh
 - c. Guaranteed 3-Contiguous Years Minimum Volume: 103,709 MWh
- 5. Purchase Price:** \$15.00 per REC during the entire term
- 6. WREGIS Generator Information:**
- a. Generating Unit Identification Number: tbd
 - b. Generating Unit Name: tbd
 - c. Primary Facility Name: Lava Beds Wind Park
 - d. Facility Owner Name: Lava Beds Wind Park, LLC
- A completed Generator Attestation substantially in the form of Exhibit B to the Master Agreement 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 _____. 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:** As follows.



8.1 Miscellaneous

(a) Where the Special Terms and Exceptions conflict with the Master Agreement, the Special Terms and Exceptions shall control.

(b) Verification shall not apply to this Transaction.

(c) If the Certification Authority requires documentation from the Buyer that is in the possession of the Seller, Seller shall use reasonable efforts to provide such documentation to Buyer.

8.2 Section 2.6 of the Master Agreement is amended and restated in its entirety as follows:

Taxes and Fees. 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.

The parties agree to the Transaction set forth herein.

Seller: LAVA BEDS WIND PARK, LLC	Buyer:
By:	By:
Name: James T. Carkulis	Name:
Title: Manager	Title:



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MASTER AGREEMENT - EXHIBIT B

ATTESTATION FROM GENERATOR PARTICIPATING IN WREGIS

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

1. Renewable Energy Facility Owner Information

- a. Name of Owner: Lava Beds Wind Park 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: Lava Beds Wind Park
- b. Location/Address of Facility: Taber, Idaho
- c. Facility ID Number: __QF06-11__ EIA or QF? (check one)
- d. Fuel Type: Wind
- e. Initial Operating Date: _12/31/2011 estimated
- f. Nameplate Capacity (MW): 18.0

3. WREGIS Information

- a. Generating Unit Identification Number: tbd
- b. Generating Unit Name: tbd
- c. Primary Facility Name: Lava Beds Wind Park

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;
- 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;

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.



- 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



ORDINANCE ATTACHMENT 2

MASTER AGREEMENT - EXHIBIT A - CONFIRMATION

Seller: Notch Butte Wind Park, LLC	Buyer: Seattle City Light
Contract ID:	Contract ID:
Deal Maker:	Deal Maker:
Phone:	Phone:
E-mail:	E-mail:
Fax:	Fax:

CONFIRMATION AGREEMENT RENEWABLE ENERGY CERTIFICATES NOTCH BUTTE WIND PARK LLC

This Confirmation Agreement ("**Confirmation**") dated as of _____ ("**Trade Date**") is entered into by and between Notch Butte Wind Park, LLC ("**Seller**") and Seattle City Light _____ ("**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 Section 19.285.030 (18) of the Revised Code of Washington ("RCW") 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 01 / 01 / 2018 and shall continue through 12 / 31 / 2032 and until all obligations of the Parties under this Agreement have been satisfied, unless an Early Termination Date of this Agreement is established pursuant to Section 5.2 of the Master Agreement.



- a. The Confirmation Agreement has been executed by a properly authorized representative of Notch Butte Wind Park LLC; and
 - b. The Confirmation Agreement has been executed by a properly authorized representative of the City of Seattle.
- 3. Unit Specific Certified Renewable Energy Facility Information:**
- a. Name of Facility: Notch Butte Wind Park
 - b. Location of Facility: Dietrich, Idaho
 - c. Facility ID Number: EIA or QF? (check one) QF06-09
 - d. Fuel Type: Wind as Motive Force
 - e. Initial Operating Date: 12 / 31 / 2011
 - f. Nameplate Capacity (MW): 18.0 MW
- 4. Contract Quantity:** 100% of the Environmental Attributes generated by the Renewable Resource during the Term.
- a. Unit Contingent (estimated maximum volume): 53,908 MWh
 - b. Expected Volume (estimated): 49,007 MWh
 - c. Guaranteed 3-Contiguous Years Minimum Volume: 132,318 MWh
- 5. Purchase Price:** \$15.00 per REC during the entire term
- 6. WREGIS Generator Information:**
- a. Generating Unit Identification Number: tbd
 - b. Generating Unit Name: tbd
 - c. Primary Facility Name: Notch Butte Wind Park
 - d. Facility Owner Name: Notch Butte Wind Park, LLC

A completed Generator Attestation substantially in the form of Exhibit B to the Master Agreement 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 _____. 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:** As follows.



8.1 Miscellaneous

(a) Where the Special Terms and Exceptions conflict with the Master Agreement, the Special Terms and Exceptions shall control.

(b) Verification shall not apply to this Transaction.

(c) If the Certification Authority requires documentation from the Buyer that is in the possession of the Seller, Seller shall use reasonable efforts to provide such documentation to Buyer.

8.2 Section 2.6 of the Master Agreement is amended and restated in its entirety as follows:

Taxes and Fees. 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.

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

Seller: NOTCH BUTTE WIND PARK, LLC	Buyer:
By:	By:
Name: James T. Carkulis	Name:
Title: Manager	Title:



Robert W. Cromwell, Jr./EHE
SCL Exergy REC Purchase Authorization ORD ATT 2
May 5, 2011
Version 4

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MASTER AGREEMENT - EXHIBIT B

ATTESTATION FROM GENERATOR PARTICIPATING IN WREGIS

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

1. Renewable Energy Facility Owner Information

- a. Name of Owner: Notch Butte Wind Park 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: Notch Butte Wind Park
- b. Location/Address of Facility: Dietrich, Idaho
- c. Facility ID Number: __QF06-09__ EIA or QF? (check one)
- d. Fuel Type: Wind
- e. Initial Operating Date: _12/31/2011 estimated
- f. Nameplate Capacity (MW): 18.0

3. WREGIS Information

- a. Generating Unit Identification Number: tbd
- b. Generating Unit Name: tbd
- c. Primary Facility Name: Notch Butte Wind Park

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;
- 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;

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.



- 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



ORDINANCE ATTACHMENT 3

MASTER AGREEMENT - EXHIBIT A - CONFIRMATION

Seller: Deep Creek Wind Park, LLC	Buyer: Seattle City Light
Contract ID:	Contract ID:
Deal Maker:	Deal Maker:
Phone:	Phone:
E-mail:	E-mail:
Fax:	Fax:

CONFIRMATION AGREEMENT RENEWABLE ENERGY CERTIFICATES DEEP CREEK WIND PARK LLC

This Confirmation Agreement ("**Confirmation**") dated as of _____ ("**Trade Date**") is entered into by and between Deep Creek Wind Park, LLC ("**Seller**") and Seattle City Light _____ ("**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 Section 19.285.030 (18) of the Revised Code of Washington ("RCW") 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 01 / 01 / 2018 and shall continue through 12 / 31 / 2032 and until all obligations of the Parties under this Agreement have been satisfied, unless an Early Termination Date of this Agreement is established pursuant to Section 5.2 of the Master Agreement.



- a. The Confirmation Agreement has been executed by a properly authorized representative of Deep Creek Wind Park LLC; and
 - b. The Confirmation Agreement has been executed by a properly authorized representative of the City of Seattle.
- 3. Unit Specific Certified Renewable Energy Facility Information:**
- a. Name of Facility: Deep Creek Wind Park
 - b. Location of Facility: Rogerson, Idaho
 - c. Facility ID Number: EIA or QF? (check one) QF09-605
 - d. Fuel Type: Wind as Motive Force
 - e. Initial Operating Date: 6/ 30 / 2012
 - f. Nameplate Capacity (MW): 20.0 MW
- 4. Contract Quantity:** 100% of the Environmental Attributes generated by the Renewable Resource during the Term.
- a. Unit Contingent (estimated maximum volume): 68,102 MWh
 - b. Expected Volume (estimated): 61,911 MWh
 - c. Guaranteed 3-Contiguous Years Minimum Volume: 167,159 MWh
- 5. Purchase Price:** \$15.00 per REC during the entire term
- 6. WREGIS Generator Information:**
- a. Generating Unit Identification Number: tbd
 - b. Generating Unit Name: tbd
 - c. Primary Facility Name: Deep Creek Wind Park
 - d. Facility Owner Name: Deep Creek Wind Park, LLC
- A completed Generator Attestation substantially in the form of Exhibit B to the Master Agreement 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 _____. 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:** As follows.



8.1 Miscellaneous

(a) Where the Special Terms and Exceptions conflict with the Master Agreement, the Special Terms and Exceptions shall control.

(b) Verification shall not apply to this Transaction.

(c) If the Certification Authority requires documentation from the Buyer that is in the possession of the Seller, Seller shall use reasonable efforts to provide such documentation to Buyer.

8.2 Section 2.6 of the Master Agreement is amended and restated in its entirety as follows:

Taxes and Fees. 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.

The parties agree to the Transaction set forth herein.

Seller: DEEP CREEK WIND PARK, LLC	Buyer:
By:	By:
Name: James T. Carkulis	Name:
Title: Manager	Title:



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MASTER AGREEMENT - EXHIBIT B

ATTESTATION FROM GENERATOR PARTICIPATING IN WREGIS

This Exhibit B to Attachment 3 governs generation at the Facility during the Term. Any changes shall be provided by the Seller to the Buyer as soon as reasonably practicable by providing a revised Exhibit B.

1. Renewable Energy Facility Owner Information

- a. Name of Owner: Deep Creek Wind Park 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: Deep Creek Wind Park
- b. Location/Address of Facility: Rogerson, Idaho
- c. Facility ID Number: __QF09-605__ EIA or QF? (check one)
- d. Fuel Type: Wind
- e. Initial Operating Date: _6/30/2012 estimated
- f. Nameplate Capacity (MW): 18.0

3. WREGIS Information

- a. Generating Unit Identification Number: tbd
- b. Generating Unit Name: tbd
- c. Primary Facility Name: Deep Creek Wind Park

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;
- 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;

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.



- 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



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 three confirmation agreements with Exergy Development Group of Idaho 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 three confirmation agreements for the 15-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.

Background:

This legislation approves three confirmation agreements for the purchase of renewable energy certificates ("RECs") from Exergy Development Group of Idaho's LLC's new Lava Beds, Notch Butte, and Deep Creek wind parks located in southern Idaho. Each wind park is a separate company; Exergy owns each company. Combined, the facilities are expected to produce about 150,000 RECs annually. City Light will receive 100 percent of the RECs associated with the facilities starting in 2018 for a 15 year term. The RECs will be delivered to City Light through the Western Renewable Energy Generation Information System. The RECs from these wind parks are eligible 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*	2011 Appropriation	2012 Anticipated Appropriation
TOTAL			0	0

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



Appropriations Notes: No costs or fees until 2018. Expected annual cost for the 15-year term starting in 2018 is \$2,250,000. 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			0	0

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				0	0	0	0

* 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			0	0

* 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?

Yes. There have not been previous hearings. 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: (Include long-term implications of the legislation.)

None.

List attachments to the fiscal note below:

None.





City of Seattle
Office of the Mayor

June 7, 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 three confirmation agreements with Exergy Development Group of Idaho LLC for the purchase of environmental attributes in the form of renewable energy certificates from three of their new wind parks in southern Idaho. 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 Lava Beds, Notch Butte, and Deep Creek Wind Parks, 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 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,

A handwritten signature in black ink, appearing to read 'Michael McGinn'.

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

