



Legislation Details (With Text)

File #: CB 119224 **Version:** 1 **Name:** CB 119224
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On agenda: 4/9/2018

Final Action: 4/11/2018 **Ord. No.** Ord 125555

Title: AN ORDINANCE relating to the City Light Department; amending Section 21.49.130 of the Seattle Municipal Code to clarify certain contracting details and add a subsection to the Department's authority to contract for energy efficiency through conservation efforts.

Sponsors: Teresa Mosqueda

Indexes:

Attachments: 1. Summary and Fiscal Note, 2. Evolving EE Market and Role of Pay-for-Performance Presentation, 3. Signed Ordinance 125555, 4. Affidavit of Publication

| Date | Ver. | Action By | Action | Result |
|-----------|------|--|------------------------------------|--------|
| 4/11/2018 | 1 | City Clerk | attested by City Clerk | |
| 4/11/2018 | 1 | Mayor | returned | |
| 4/11/2018 | 1 | Mayor | Signed | |
| 4/11/2018 | 1 | City Clerk | submitted for Mayor's signature | |
| 4/9/2018 | 1 | City Council | passed | Pass |
| 4/5/2018 | 1 | Housing, Health, Energy, and Workers' Rights Committee | pass | Pass |
| 4/2/2018 | 1 | City Council | referred | |
| 3/23/2018 | 1 | Council President's Office | sent for review | |
| 3/20/2018 | 1 | City Clerk | sent for review | |
| 3/19/2018 | 1 | Mayor | Mayor's leg transmitted to Council | |

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

..title
AN ORDINANCE relating to the City Light Department; amending Section 21.49.130 of the Seattle Municipal Code to clarify certain contracting details and add a subsection to the Department's authority to contract for energy efficiency through conservation efforts.

..body
WHEREAS, subsection 21.49.130.B of the Seattle Municipal Code ("SMC") provides authority for the City Light Department ("City Light") to enter into contracts for the acquisition, exchange, or sale of short-term capacity or energy, or integration, transmission, or ancillary services; and
WHEREAS, the authority set forth in SMC subsection 21.49.130.B to enter into contracts to purchase or acquire capacity or energy, which includes conservation and energy efficiency, is limited to terms of up to 24 months; and
WHEREAS, the 24-month term may limit customer participation in energy conservation programs and where it would be in City Light customers' best interest to engage in agreements for up to 84 months; and
WHEREAS, City Light is required by certain state mandates, while also following prudent utility practices, to procure all cost-effective energy efficiency measures and eligible renewable resources; and
WHEREAS, to meet these requirements, City Light is required from time to time to enter into contracts to acquire such cost-effective energy efficiency measures; and

WHEREAS, the authority provided by SMC subsection 21.49.130.B was amended by Ordinance 123578, passed by the City Council on April 11, 2011, to address contract authority limitations and specific clarifications needed for purchases of cost-effective energy efficiency, power, transmission, and renewable energy credits; and

WHEREAS, the City Council, through legislation, including Ordinances 124381, 124382, and 124383, has supported City Light's ongoing efforts to improve on the utility's long history of conservation and energy efficiency efforts; and

WHEREAS, The City of Seattle's 2013 Climate Action Plan, adopted by the City Council through Resolution 31447, included a recommendation that City Light "[p]ilot a utility incentive program that would pay for actual energy savings over time instead of providing up-front payment for projected savings."; and

WHEREAS, in 2016 the City Council passed Resolution 31631, establishing the criteria for use of ratepayer funding to acquire cost-effective energy efficiency; and

WHEREAS, City Light customers will benefit from the authority to enter into 84-month contracts for cost-effective energy efficiency; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Findings

Based on formal stakeholder workshops, group meetings and one-on-one conversations, The City of Seattle believes that incentives paid over time based on verified performance will enable a deeper level of efficiency in buildings, while delivering more reliable and persistent energy savings.

Section 2. Subsections 21.49.130.B and 21.49.130.C of the Seattle Municipal Code, which section was last amended by Ordinance 123578, are amended as follows:

21.49.130 Authority.

* * *

B. Rule-making and ((Contract Authority.)) contract authority

1. The Department shall have authority to adopt and file as appropriate rules, regulations, policies, and procedures relating to its performance of the provisions of this ((chapter)) Chapter 21.49 and to the operation of the Department's light and power system. The Department may require compliance with such rules, regulations, policies, and procedures as a condition for the supply or continued supply of electric service.

2. Effectively managing its power supply portfolio to achieve balance between supply and customer demand requires that City Light transact in the wholesale energy markets for energy and transmission services and products, including the purchase or sale of short-term capacity or energy, or integration, transmission, or ancillary services. The Department may therefore ((enter into)) execute contracts with any city or town, public utility district, governmental agency, municipal corporation, mutual association, broker, agent, or with any person, firm, or corporation, or any other member of the general public, outside its service area, for an effective term of not more than 24 months from the month following the date on which the contract is first signed ("prompt month"), providing for the acquisition, exchange, or sale of capacity or energy, or integration, transmission, or ancillary services, or eligible renewable resources, which shall have the same meaning as defined by RCW 19.285.030, on terms most favorable to the Department under such circumstances and in compliance with state law, including RCW 43.09.210. Such acquisition, sale, or exchange shall be made on a basis representing the value of such capacity or energy, or integration, transmission, or ancillary services, under then existing market conditions and may include provisions that require indemnification by the Department.

3. The Department may ((enter into)) execute agreements with the Bonneville Power Administration providing for reimbursements from Bonneville of some or all of the costs of operating energy conservation programs authorized by the City Council. The Department shall determine that such agreements or amendments to such agreements shall not incur any indebtedness or the acceptance of moneys imposing any duties or obligations on the City ((which)) that are inconsistent with the Department's budget appropriation for such energy conservation programs. The Department shall provide a written notification prior to the execution of such contracts and a copy of such contracts to the appropriate authorizing committee of the City Council.

4. The Department may ((enter into)) execute contracts for the purchase or sale of environmental attributes, including but not limited to, renewable energy credits ("RECs"), green house gas off-sets, and carbon credits to meet policy and regulatory requirements in a cost-effective and timely manner. The Department may enter into such contracts in advance of the target date for acquisition identified in the Department's Integrated Resource Plan or the date required by state or federal law. These purchases will be made within the Department's yearly budget authority limits. Sales will be made on an as-needed basis to balance demand with supply of these products, and to minimize overall costs to ratepayers.

5. The Department may execute contracts for the purchase or acquisition of cost-effective energy conservation resources for an effective term of not more than 84 months, provided that the payment terms for such contracts do not exceed 60 months. "Energy conservation resources" shall have the same meaning set forth in the Energy Independence Act, chapter 19.285 RCW, including, without limitation, long-term energy efficiency projects, new construction, whole-building performance, and pay-for-performance programs.

C. Contracts and ((Authorized Agents)) authorized agents. The Department may also ((enter into)) execute contracts of a general nature relating to the utility system. No promise, agreement, or representation of any employee or agent of

the Department with reference to furnishing electricity shall be binding on the Department unless it is embodied in writing and signed by a duly authorized agent of the Department in accordance with the provisions of this ((chapter)) Chapter 21.49.

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

Passed by the City Council the _____ day of _____, 2018, and signed by me in open session in authentication of its passage this _____ day of _____, 2018.

President _____ of the City Council

Approved by me this _____ day of _____, 2018.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2018.

Monica Martinez Simmons, City Clerk

(Seal)

Brendan O'Donnell

SCL Contract and Conservation Authority ORD

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