CITY OF
BAINBRIDGE ISLAND

CLIMATE CHANGE
ADVISORY COMMITTEE
REGULAR MEETING
WEDNESDAY, OCTOBER 17, 2018
6:15 – 7:45 PM
CITY HALL
PLANNING CONFERENCE ROOM
(MADISON AVENUE ENTRANCE)
280 MADISON AVENUE NORTH
BAINBRIDGE ISLAND, WA 98110

AGENDA

Members:	Derik Broekhoff	David McCaughey	James Rufo-Hill (Co-Chair)
	Lara Hansen (Co-Chair)	Michelle McClure	Deborah Rudnick
	Gary Lagerloef	Nora Ferm Nickum	

Liaison: Councilmember Joe Deets

6:15 Call to Order / Roll Call / Accept or Modify Agenda / Conflict of Interest Disclosure

6:20 Approve July 18, 2018 Minutes

6:25 Public Comment

6:35 New and Developing Business

- Update on GHG Emission Inventory Process
- Update on COBI GHG Emissions Reductions Commitments
- Review Puget Sound Energy (PSE) Green Direct Program Service Agreement
- Review of Council Resolution No. 2018- 27, Endorsing Clean Air Energy Initiative 1631
- Discuss Next Activities
    - Engagement of City Programs for Adaptation Review
    - Create calendar for emissions reductions recommendations

7:20 Old Business – Updates

- CCAC member re-appointments
- Waste subcommittee
- Transportation subcommittee
- Electrical generation subcommittee
- Adaptation subcommittee

7:40 Other Business

- Develop November Agenda and Confirm Date (November 22nd – week of Thanksgiving?)

7:45 Adjourn

For special accommodations, please contact Roz Lassoff
206-780-8624 or at rlassoff@bainbridgewa.gov

CITY OF
BAINBRIDGE ISLAND

CLIMATE CHANGE ADVISORY COMMITTE
WEDNESDAY, JULY 18, 2018
CITY HALL
PLANNING CONFERENCE ROOM
280 MADISON AVENUE NORTH
BAINBRIDGE ISLAND, WA 98110

MINUTES

Present: Committee members Derik Broekhoff, Lara Hansen, Gary Lagerloef, David McCaughey, Nora Ferm Nickum, Jane Rein, Deborah Rudnick, James Rufo-Hill; Council Liaison Joe Deets
Absent: Angela Adams
Public: Michelle McClure

The meeting was called to order at 6:17 pm.

There was no public comment.

Minutes from the previous meeting (April 18, 2018) were approved.

Derik Broekhoff and Gary Lagerloef have been re-appointed to the Committee.

Jane Rein is likely to be named to the City's Design Review Board and, in that case, would leave this Committee. Michelle McClure would take Jane Rein's spot.

Report-Outs from Subcommittees

- Waste subcommittee: There was a brief discussion about a proposed biodigester for the island as well as some anticipated changes to what is accepted for recycling.
- Transportation subcommittee: Jane gave a brief readout from a conversation with Washington State Ferries about their plans for hybrid ferries. Deb reported that she had reviewed the 2016 island-wide transportation plan to see where climate change is being addressed and where it is not.
- Electrical generation subcommittee: No updates.
- Adaptation subcommittee: Lara recently gave Jennifer Sutton a preliminary version of the climate adaptation certification to share with the Planning Department for feedback; later this summer, they will test it out on a few projects.

Review of Greenhouse Gas Inventory Proposals

- The City received 6 proposals.
- The Committee discussed the strengths and weaknesses of the proposals against the criteria in the RFP. The Committee will report back to the City on which three proposals rose to the top, per the City's request.

The meeting was adjourned at 7:55 pm.

Co-Chair	10/17/18	Co-Chair	10/17/18

City Council Regular Business Meeting Agenda Bill

CITY OF BAINBRIDGE ISLAND

MEETING DATE: August 28, 2018 **ESTIMATED TIME:** 30 Minutes

AGENDA ITEM: (6:20 PM) Puget Sound Energy (PSE) Green Direct Program Service Agreement - Executive,

STRATEGIC PRIORITY: Green, Well-Planned Community

PRIORITY BASED BUDGETING PROGRAM:

AGENDA CATEGORY: Contract **PROPOSED BY:** Executive

RECOMMENDED MOTION:
I move to approve the Green Direct service agreement with Puget Sound Energy, with a contract term of 10 years and with participation from all non-utility City accounts.

SUMMARY:
Puget Sound Energy's ("PSE's") Customer Renewables Manager, Heather Mulligan, provided an overview of PSE's Green Direct program at the August 14, 2018, City Council meeting. Green Direct allows municipal customers to partner with PSE to add renewable generation capacity to the grid via long-term dedicated contracts. The contract is coming back to Council for a 2nd touch and consideration of approval.

FISCAL IMPACT:

Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	No

BACKGROUND: The Green Direct program is a capacity-limited subscription product. This is the second time the Green Direct program has been presented to the Council. After the first presentation in 2017, the first phase of the product was fully subscribed quickly, so the City of Bainbridge Island did not have the opportunity to enter. The August 14th presentation was scheduled to allow time for the Council to make an informed decision, prior to the opening of phase 2.

PSE will open phase 2 of the program on August 31st at 1:00pm. In order to participate, the City will need to have executed the long-term service agreement (attached) prior to August 31.

As part of the service agreement, the City will need to identify which electricity accounts (facilities) will be included in the program, and will need to select a preferred contract term (10, 15, or 18 years). Slightly lower rates are provided in return for longer term contracts.

Based on current City consumption and rates, the City's cost to participate in Green Direct would be comparable to current costs and perhaps somewhat (roughly 3%) lower.

Included as one of the attachments to this item is an example of the cover letter that PSE has provided to customers who requested further legal clarification regarding the Green Direct program. The letter provides additional background information about the program and regarding the scope and deliverables that are part of the service agreement.

ATTACHMENTS:

Green Direct Overview CC 14Aug2018

PSE Green Direct Cost Model-Aug 2018

PSE - Renewable Energy Services Agreement

PSE Customer Cover Letter (Legal) - Example

FISCAL DETAILS:

Fund Name(s):

Coding:

Voluntary Renewable Energy Option – Green Direct

June, 2018

Green Direct – A New Renewable Energy Option

Green Options

GREEN POWER
SCH 135, 136

- PNW REC purchases
- 40,000+ customers
- Residential, commercial, municipal

SOLAR CHOICE
SCH 135

- Solar RECs WA and ID
- Launched 2017
- Residential and small commercial

CARBON BALANCE
SCH 137

- NW Carbon Offsets
- Reduce emissions related to natural gas usage
- Residential, commercial, municipal

GREEN DIRECT
SCH 139

- Long-term partnership with PSE for dedicated energy resources
- Launched 2017
- Large commercial, municipal

Customer Generation

NET METERING
SCH 150

- Up to 100 kW
- Full retail compensation
- ~6,000 customers
- Residential, commercial, municipal, community solar

SMALL POWER PRODUCERS
SCH 91, 152

- 100 kW – 5 MW
- 15 year pricing based on avoided cost
- Small developers

Why Green Direct

Energy that reflects customer values

New Renewable energy development

A hedge value with known future energy costs

Reduced carbon footprint

Connection to specific resources

Integrated with standard billing

PUGET SOUND ENERGY

How it works

Eligible Customers

- Aggregate load of 10m kWh annually
- Municipal, county, state or federal institution

Credits

Updated during GRC, power-cost only rate cases, and other power-related filings

Standard Energy-Related Power Costs

Not Included:
Demand-Related Power Costs
Transmission & Distribution
Billing, Meters, Meter Reading, Customer Accounting and Services

Charges

Tariff includes price strips for 10, 15, and 18 year service agreements

Cost of Renewable Energy (with RECs)

Losses and Taxes

Billing system updates

Annual reporting of renewable energy certificates, etc

Green Direct Cost Comparison

City of Bainbridge Island

Current future cost estimate	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Electricity + RECs through Green Power program	$ 394,317	$ 402,003	$ 409,843	$ 417,840	$ 425,996	$ 434,316	$ 442,802	$ 451,458	$ 460,287	$ 469,293								
Green Direct 10-year contract cost estimate	$ 380,542	$ 388,167	$ 395,920	$ 403,830	$ 411,900	$ 420,161	$ 428,558	$ 437,120	$ 445,880	$ 454,781								
Savings over current future cost estimate	$ 13,775	$ 13,836	$ 13,923	$ 14,010	$ 14,096	$ 14,155	$ 14,245	$ 14,338	$ 14,407	$ 14,511								
Percent savings	3.584%	3.530%	3.482%	3.435%	338.900%	3.336%	3.291%	3.248%	3.200%	3.160%								
Green Direct 18-year contract cost estimate	$ 379,513	$ 387,081	$ 394,822	$ 402,719	$ 410,773	$ 418,989	$ 427,368	$ 435,916	$ 444,634	$ 453,527	$ 462,597	$ 471,849	$ 481,286	$ 490,912	$ 500,730	$ 510,745	$ 520,960	$ 531,379
Savings over current future cost estimate	$ 14,804	$ 14,922	$ 15,021	$ 15,121	$ 15,223	$ 15,327	$ 15,434	$ 15,542	$ 15,653	$ 15,766	$ 15,881	$ 15,999	$ 16,118	$ 16,241	$ 16,365	$ 16,493	$ 16,622	$ 16,754
Percent savings	3.852%	3.807%	3.757%	3.708%	3.660%	3.612%	3.566%	3.521%	3.476%	3.433%	3.390%	3.348%	3.307%	3.267%	3.227%	3.189%	3.151%	3.113%

*Power delivery for Green Direct, phase 2 is scheduled to begin in 2021, following construction of the solar project

Snapshot: 2021			
		Per kwh	Total
	Current plan electricity	$ 0.1180	$ 315,978.00
	Current plan RECs	$ 0.0035	$ 9,379.00
	Total	$ 0.1215	$ 325,357.00
	Electricity	$ 0.1200	$ 315,978.00
	Green Direct price:	$ 0.0468	$ 125,281.00
	Green Direct credit:	$ (0.0481)	$ (128,812.00)
	Total	$ 0.1187	$ 312,447.00

Numbers are for illustrative purposes only and not final
**Green Direct price escalates at 2% annually*
***Green Direct credits are subject to change with any Washington Utilities and Transportation Commission approved rate adjustment*

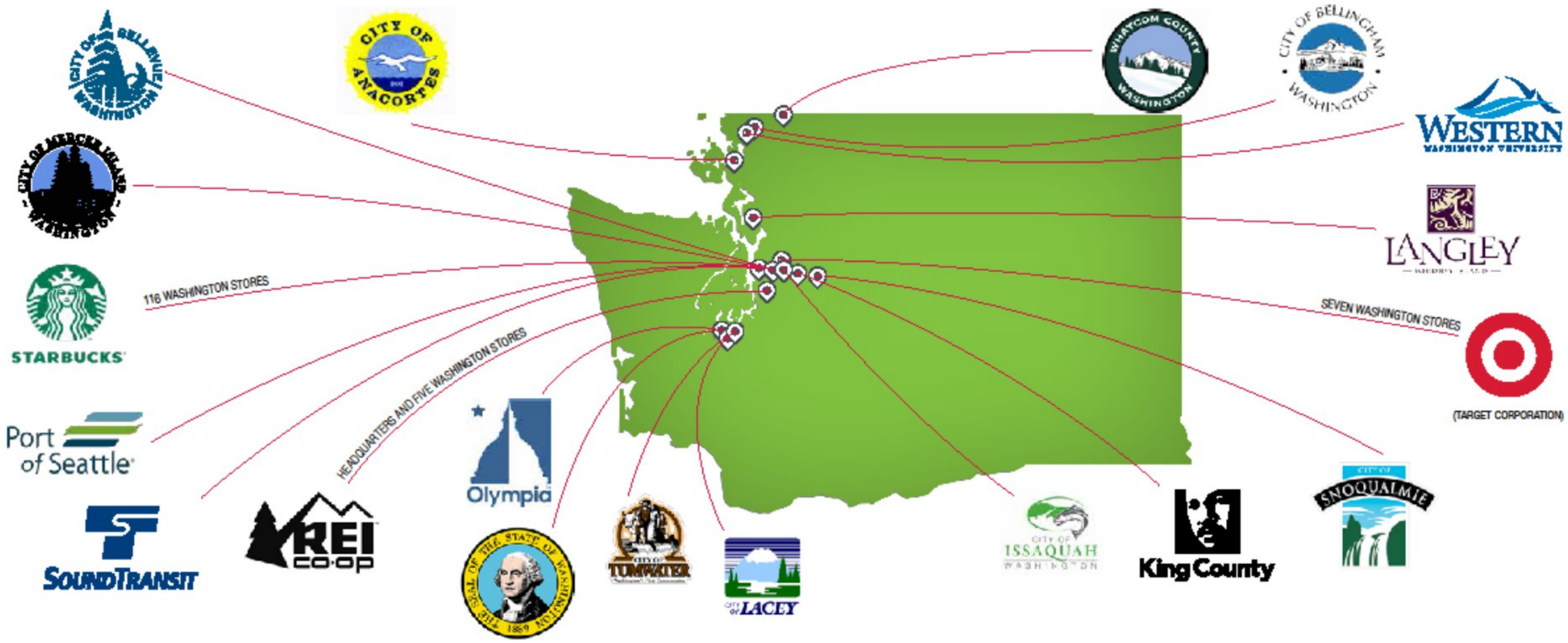
PSE PUGET SOUND ENERGY

Green Direct -- Phase 1

Innovative. Groundbreaking. Pioneering. Green Direct.

PUGET SOUND ENERGY

We believe in partnerships. Together, with cities, governments and major commercial customers like Target, Starbucks, REI, King County and Sound Transit, we've created Green Direct, an industry-leading renewable energy program that ensures our customers have safe, reliable and affordable energy service for years to come.



"PSE's Green Direct project is entirely consistent with our climate goals to take bold steps that will cut our climate footprint and benefit generations to come."

—Dow Constantine, King County Executive

"PSE's Green Direct tariff directly benefits Washington, is a pioneering model for utilities nationwide, and supports REI's success in continuing to operate 100 percent on renewable electricity."

—Vik Sahney, REI Divisional Vice President of Sustainability

"Puget Sound Energy has shown national leadership in this green tariff–the scale of the program and the breadth of the customers served are both groundbreaking."

—Letha Tawney, Director of Utility Innovation at World Resources Institute

PUGET SOUND ENERGY

Renewable Energy Charge – Phase 2

e. Solar & Wind: 15 Year (13903SW15) Fuel Mix: Solar 36%; Wind 64%

Calendar Year	2021	2022	2023	2024	2025
Rate per kWh	$0.04666	$0.04759	$0.04854	$0.04951	$0.05050

Calendar Year	2026	2027	2028	2029	2030
Rate per kWh	$0.05151	$0.05254	$0.05359	$0.05466	$0.05576

Calendar Year	2031	2032	2033	2034	2035
Rate per kWh	$0.05687	$0.05801	$0.05917	$0.06035	$0.06156

Not available for meters located at service address already under contract for Renewable Energy and enrolled under this tariff schedule from the previous Open Season.

Green Direct Summary

Green Direct creates a new partnership between PSE and Customers

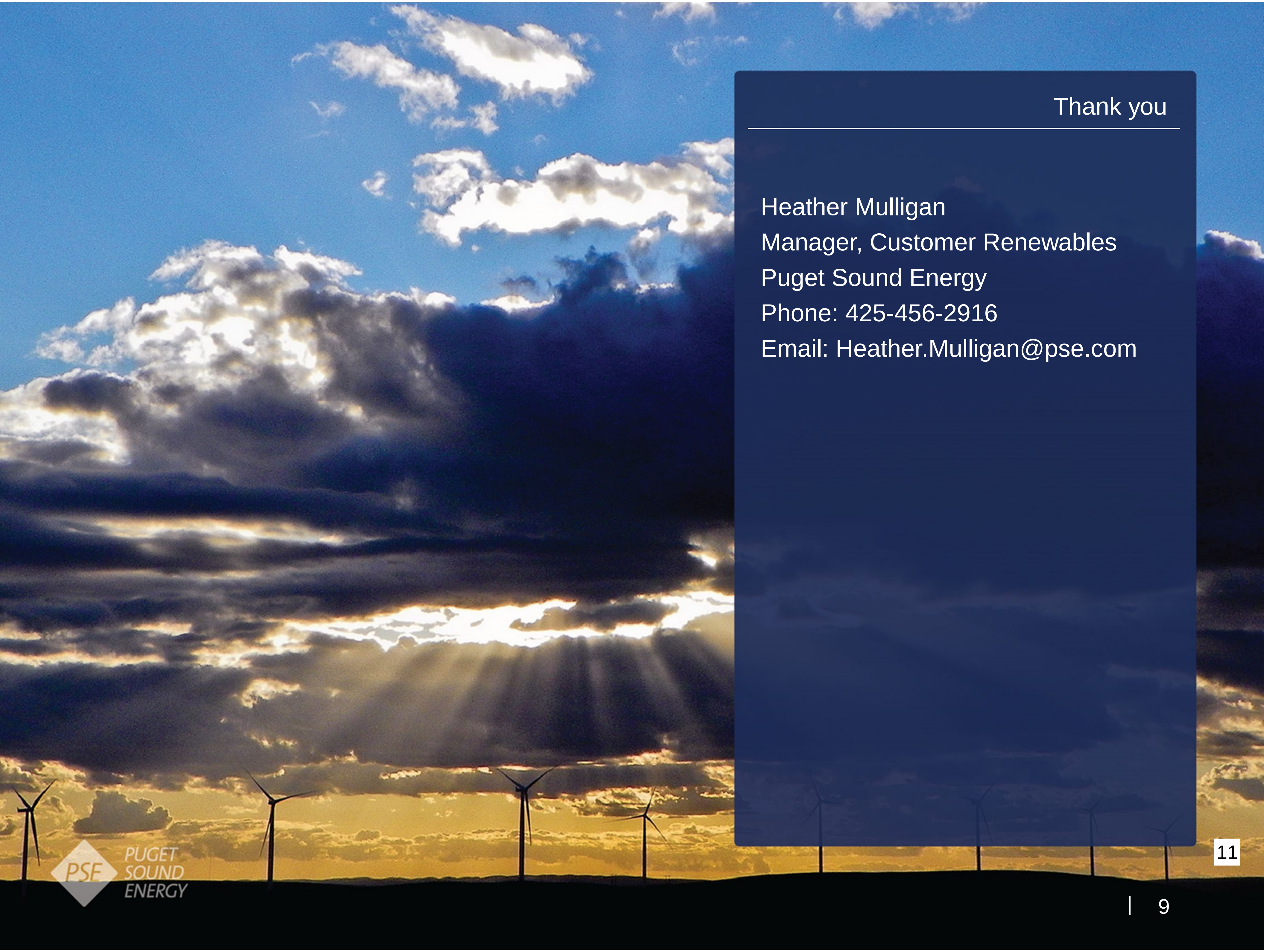
Participants are driving the development of new resources -- Additionality

Phase 2 is a blend of wind and solar, beginning in 2021

Customers can sign a 10, 15 or 18 year agreement (with option to renew)

No penalty for reducing loads through EE or onsite generation

Open Enrollment will begin on August 31, 2018 at 1:00pm



Thank you

Heather Mulligan

Manager, Customer Renewables

Puget Sound Energy

Phone: 425-456-2916

Email: Heather.Mulligan@pse.com

COBI Eligible Meters	44	
	2017	
Total Electricity	2,859,609	kWh
Annual Cost	$ 355,042	
Green Direct[1]	2,859,317	kWh

Assumptions	Rate	
Load Growth[2]	0.0%	Annual
Elec Cost[3]	2.0%	Annual
Green Direct	2.0%	Annual
REC Price[4] (2017-18)	$3.50	per MWh
2018 GRC "Credit"[5]	$0.047	per KWh

Scenario Tester

Change the assumptions in the orange cells to compare future cases for electric rates and RECs.

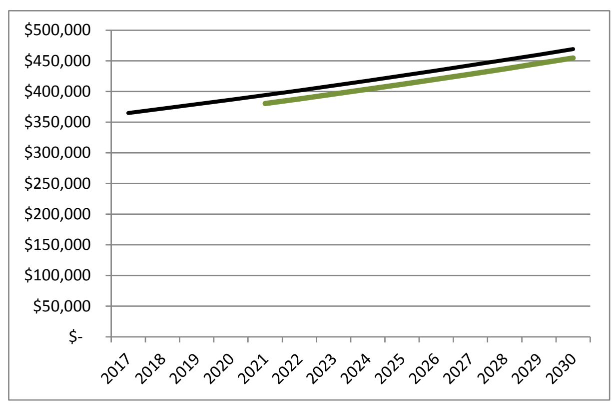
Green Direct Charge[6] $/kWh			10 Year						
2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
$ 0.04675	$ 0.04769	$ 0.04864	$ 0.04961	$ 0.05060	$ 0.05162	$ 0.05265	$ 0.05370	$ 0.05478	$ 0.05587
Credit[5]									
$ (0.0481)	$ (0.0490)	$ (0.0500)	$ (0.0510)	$ (0.0520)	$ (0.0531)	$ (0.0541)	$ (0.0552)	$ (0.0563)	$ (0.0574)

Baseline Case	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Electricity	$ 355,042	$ 362,143	$ 369,386	$ 376,774	$ 384,309	$ 391,995	$ 399,835	$ 407,832	$ 415,989	$ 424,308	$ 432,795	$ 441,450	$ 450,280	$ 459,285
RECs	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008
Total	$ 365,050	$ 372,151	$ 379,394	$ 386,781	$ 394,317	$ 402,003	$ 409,843	$ 417,840	$ 425,996	$ 434,316	$ 442,802	$ 451,458	$ 460,287	$ 469,293

Green Direct	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Electricity	$ 355,042	$ 362,143	$ 369,386	$ 376,774	$ 384,309	$ 391,995	$ 399,835	$ 407,832	$ 415,989	$ 424,308	$ 432,795	$ 441,450	$ 450,280	$ 459,285
Credit[5]					$ (137,440)	$ (140,189)	$ (142,993)	$ (145,853)	$ (148,770)	$ (151,745)	$ (154,780)	$ (157,876)	$ (161,033)	$ (164,254)
Charge[6]					$ 133,673	$ 136,361	$ 139,077	$ 141,851	$ 144,681	$ 147,598	$ 150,543	$ 153,545	$ 156,633	$ 159,750
Total					$ 380,542	$ 388,167	$ 395,920	$ 403,830	$ 411,900	$ 420,161	$ 428,558	$ 437,120	$ 445,880	$ 454,781
				Delta (Savings)	$ (13,775)	$ (13,836)	$ (13,923)	$ (14,010)	$ (14,096)	$ (14,155)	$ (14,245)	$ (14,338)	$ (14,407)	$ (14,511)
				Percent Change	-3.584%	-3.530%	-3.482%	-3.435%	-3.389%	-3.336%	-3.291%	-3.248%	-3.200%	-3.160%

Notes

1. Green Direct -- not all accounts are eligible to participate, such as Schedule 7 and 8.
2. Load Growth -- future load growth is offset by energy efficiency improvements on average
3. Electric Costs -- 3% is assumed by Northwest Power and Conservation Council.
4. REC Price -- $1.50 reflects current price for national RECs. Local RECs are priced significantly higher. There is no long-term market for RECs so assume price stability.
5. Credit --Energy-Related Power Costs of PSE portfolio of energy supplies
6. Charge -- Cost of Wind power purchase agreement, pluse losses and taxes, and administration



COBI Eligible Meters 44

2016		
Total Electricity	2,859,609	kWh
Annual Cost	$ 355,042.32	
Green Direct[1]	2,859,317	kWh

Assumptions	Rate	
Load Growth[2]	0.0%	Annual
Elec Cost[3]	2.0%	Annual
Green Direct	2.0%	Annual
REC Price[4] (2017-18	$3.50	per MWh
2018 GRC "Credit"[5]	$0.047	per KWh

Scenario Tester

Change the assumptions in the orange cells to compare future cases for electric rates and RECs.

Green Direct Charge[6] $/kWh			20 Year					
2021	2022	2023	2024	2025	2026	2027	2028	2029
$ 0.04639	$ 0.04731	$ 0.04826	$ 0.04922	$ 0.05021	$ 0.05121	$ 0.05223	$ 0.05328	$ 0.05434
Credit[5]								
$ (0.0481)	$ (0.0490)	$ (0.0500)	$ (0.0510)	$ (0.0520)	$ (0.0531)	$ (0.0541)	$ (0.0552)	$ (0.0563)

2030	2031	2032	2033	2034	2035	2036	2037	2038
$ 0.05543	$ 0.05654	$ 0.05767	$ 0.05882	$ 0.06000	$ 0.06120	$ 0.06242	$ 0.06367	$ 0.06495
$ (0.0574)	$ (0.0586)	$ (0.0598)	$ (0.0610)	$ (0.0622)	$ (0.0634)	$ (0.0647)	$ (0.0660)	$ (0.0673)

Baseline Case	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Electricity	$ 355,042	$ 362,143	$ 369,386	$ 376,774	$ 384,309	$ 391,995	$ 399,835	$ 407,832	$ 415,989	$ 424,308	$ 432,795
RECs		$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008
Total	$ 355,042	$ 372,151	$ 379,394	$ 386,781	$ 394,317	$ 402,003	$ 409,843	$ 417,840	$ 425,996	$ 434,316	$ 442,802

Baseline Case	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Electricity	$ 441,450	$ 450,280	$ 459,285	$ 468,471	$ 477,840	$ 487,397	$ 497,145	$ 507,088	$ 517,230	$ 527,574	$ 538,126
RECs	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008	$ 10,008
Total	$ 451,458	$ 460,287	$ 469,293	$ 478,478	$ 487,848	$ 497,405	$ 507,153	$ 517,095	$ 527,237	$ 537,582	$ 548,133

Green Direct	2017	2018	2018	2018	2021	2022	2023	2024	2025	2026	2027
Electricity	$ 355,042	$ 362,143	$ 369,386	$ 376,774	$ 384,309	$ 391,995	$ 399,835	$ 407,832	$ 415,989	$ 424,308	$ 432,795
Credit[5]					$ (137,440)	$ (140,189)	$ (142,993)	$ (145,853)	$ (148,770)	$ (151,745)	$ (154,780)
Charge[6]					$ 132,644	$ 135,274	$ 137,980	$ 140,739	$ 143,554	$ 146,425	$ 149,354
Total					$ 379,513	$ 387,081	$ 394,822	$ 402,719	$ 410,773	$ 418,989	$ 427,368
				Delta (Savings)	$ (14,804)	$ (14,922)	$ (15,021)	$ (15,121)	$ (15,223)	$ (15,327)	$ (15,434)
				Percent Change	-3.852%	-3.807%	-3.757%	-3.708%	-3.660%	-3.612%	-3.566%

Green Direct	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Electricity	$ 441,450	$ 450,280	$ 459,285	$ 468,471	$ 477,840	$ 487,397	$ 497,145	$ 507,088	$ 517,230	$ 527,574	$ 538,126
Credit[5]	$ (157,876)	$ (161,033)	$ (164,254)	$ (167,539)	$ (170,890)	$ (174,307)	$ (177,794)	$ (181,349)	$ (184,976)	$ (188,676)	$ (192,449)
Charge[6]	$ 152,341	$ 155,388	$ 158,495	$ 161,665	$ 164,899	$ 168,197	$ 171,561	$ 174,992	$ 178,492	$ 182,061	$ 185,703
Total	$ 435,916	$ 444,634	$ 453,527	$ 462,597	$ 471,849	$ 481,286	$ 490,912	$ 500,730	$ 510,745	$ 520,960	$ 531,379
Delta (Savings)	$ (15,542)	$ (15,653)	$ (15,766)	$ (15,881)	$ (15,999)	$ (16,118)	$ (16,241)	$ (16,365)	$ (16,493)	$ (16,622)	$ (16,754)
Percent Change	-3.521%	-3.476%	-3.433%	-3.390%	-3.348%	-3.307%	-3.267%	-3.227%	-3.189%	-3.151%	-3.113%

Notes

1. Green Direct -- not all accounts are eligible to participate, such as Schedule 7 and 8.
2. Load Growth -- future load growth is offset by energy efficiency improvements on average
3. Electric Costs -- 3% is assumed by Northwest Power and Conservation Council.
4. REC Price -- $1.50 reflects current price for national RECs. Local RECs are priced significantly higher. There is no long-term market for RECs so assume price stability.
5. Credit --Energy-Related Power Costs of PSE portfolio of energy supplies
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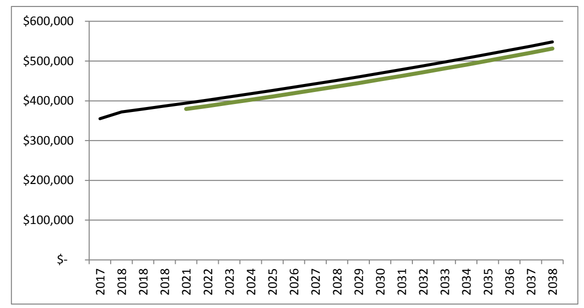

PUGET SOUND ENERGY

SCHEDULE 139
VOLUNTARY LONG TERM RENEWABLE ENERGY SERVICE AGREEMENT

Attachment “A” – Service Agreement

THIS SCHEDULE 139 VOLUNTARY LONG TERM RENEWABLE ENERGY SERVICE AGREEMENT (“Service Agreement”), dated as of the ____________________, is made and entered into by and between ________________________________ (the “Customer”) and PUGET SOUND ENERGY, a Washington Corporation, (the “Company”), for service under the Company’s Electric Tariff G Schedule 139. Terms defined in Schedule 139 and in the General Rules and Provisions (Schedule 80) of the Company’s tariff for electric service shall have the same meanings where used in this Agreement.

RECITALS

A. The Company is a public service company engaged in the sale and delivery of electric energy pursuant to its Electric Tariff G.

B. Customer is receiving Electric Service under the Company’s Electric Tariff G, Schedule 24, 25, 26, 31, 40, 43, 46 or 49, and desires to participate in the Company’s Voluntary Long Term Renewable Energy program offered under Schedule 139.

C. The Company and the Customer have worked jointly to encourage the development of Renewable Energy projects that (i) could provide clean energy to customers at a long-term contracted rate, (ii) support the local economy, and (iii) could be publicized and leveraged for external benefit. The Parties agree that the ____ (the “Resource Option”) should meet these criteria, and the Parties thus now agree to enter into this Service Agreement with each other, for mutual benefit.

D. The Company will sell and the Customer will purchase from the Company Renewable Energy Credits (RECs), where applicable, and Renewable Energy at a volume equal to 100% of the actual load of all meters located at each subscribed service address as listed in Section 5, with such amount to be allocated from Renewable Energy generated by the Resource Option, pursuant to one of the contracted rates described.

AGREEMENT

1. **Request and Acknowledgement.** The Customer requests service under Schedule 139 and acknowledges that Schedule 139 requires a minimum term. Service under Schedule 139 will be billed on the Customer’s existing statement. The Resource Option Energy Charge is fixed as shown in Section 7. The Energy Charge Credit will be updated with each general rate case, power cost only rate case or other power-related filings.

2. **Resource.** Under this Service Agreement the Company will receive Renewable Energy into its Balancing Authority Area from where it can serve the Customer.

3. **Renewable Energy Credits.** The Company will acquire the RECs that are created with the electricity production, where applicable. The Company will transfer the RECs to the Customer

which must be retired in WREGIS. Alternatively, at the Customer’s request, the Company will retire the RECs in WREGIS. As the Customer is receiving a retail product, the RECs may not be resold or transferred to another party.

4. **Resource Option.**
Number: ____
Description: ____

5. **Customer Service Address and Account Numbers.** The Customer requests service under this Service Agreement for the service addresses, account numbers and meter numbers listed in Attachment B.

6. **Term.** The term of this Service Agreement shall commence in the year _____, on the first day of the Customer’s normal billing cycle, in the first month following the commencement of commercial operation of the Resource Option, and delivery therefrom of energy to the Company sufficient to satisfy the obligations set forth in this Service Agreement. This Service Agreement terminates in the year _____ after _____ billing cycles.

7. **Rates**. Schedule 139 rates are in addition to all charges under the Customer’s existing Electric Service schedule. Rates include a charge per kWh for the contracted energy as outlined in Table 1 and a credit for the energy-related power cost component of the Energy Charge set forth in Schedule 24, 25, 26, 31, 40, 43, 46 or 49 of the Electric Tariff WN U-60 under which the Customer is taking Electric Service. The Energy Charge Credit will be updated with each general rate case, power cost only rate case, or other power-related filings, while the Resource Option Energy Charge will remain fixed as outlined in the Table 1. below.

Table 1

Calendar Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Rate per kWh										
Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Rate per kWh										

8. **Early Exit Fee**. Customers may elect to terminate this Service Agreement prior to the Termination Date with 60 days’ notice to the Company. Customers who choose to discontinue their service under this Schedule will be charged for the net cost of the remaining Renewable Energy that was to be delivered to the Customer under the remaining term of the Service Agreement. This amount will be based on: 1) the remaining term of the Service Agreement, 2) the amount of estimated annual Renewable Energy needs of each of the discontinued Customer’ locations as listed in Section 5 of the Service Agreement, 3) the estimated output of the Resource, 4) the contracted energy rates agreed to in Section 7 of the Service Agreement, and 5) a credit for PSE’s then-current avoided costs (filed consistent with WAC 480-107-055).

Termination of service under this Schedule will follow receipt and processing of the termination request by the Company.

9. **Resource Option Inadequacy**. If the Resource Option will not be available at the start of the commencement year, the Customer’s agreement will be delayed to align with the Resource Option. If the Renewable Energy produced by the Resource Option and purchased by the Company is insufficient in any calendar year to satisfy the full requirements of the Customer, the Company will work with the Customer to source and retire for the Customer RECs from alternative resources, with costs for the RECs limited to the net amount to be collected under Schedule 139 from the Customer for the remainder of the calendar year. If, at the Company’s determination, the Resource Option will not be adequate to meet the full requirements of the Customer, then this Service Agreement will be terminated with no liability to the Customer or to the Company. If a replacement project can be sourced and mutually agreed upon, a new Service Agreement will be created.

10. **Credit**. Customer authorizes that the Company may run a credit report on Customer and/or request audited financial statements for the purpose of determining the Customer’s creditworthiness for this service.

11. **Energy Efficiency Services**. The Customer and the Company will continue to partner on mutually beneficial energy efficiency projects which will reduce energy demand on an annual basis. These services will have no bearing on the cost of energy as proposed in Table 1.

12. **Electrical Work**. In order to ensure continued qualification for service under Schedule 139, the Customer must contact the Company through their business account services representative when any electrical work is being conducted.

13. **Governing Law**. This Service Agreement will be governed by and interpreted, construed and enforced in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement as of the date first written above.

PUGET SOUND ENERGY

By____________________________________

Its____________________________________

CUSTOMER

____

By____________________________________

Its____________________________________

November 30, 2016

Dear Customer,

Thank you for your recent Enrollment Request for *Green Direct*, PSE's Voluntary Long Term Renewable Energy Schedule. We are writing now to provide you with the requisite Schedule 139 Service Agreement that will, once executed by each of us, represent your commitment to purchase this renewable energy product. We ask that you execute and return to us the Service Agreement at your earliest possible convenience.

We have identified a new Resource Option that meets the needs of this service and have negotiated the terms of an agreement between PSE and the owner of that resource. PSE will sign a contract and commit to purchase the power from that resource only in the event that PSE has received from customers executed service agreements in an aggregate amount matching the supply available. The new wind Resource Option is expected to be online by January 1, 2019.

As this product was developed to help PSE's customers meet their carbon goals at a long-term, cost-competitive price, there are future states of interest to many customers:

- Customers may continue to take advantage of energy efficiency services provided by PSE as there is no penalty for load reduction due to conservation. Similarly, customers may self-generate on site with no penalty.
- If a participating customer location is shut down, the contract may be transferred to another location.
- If two customer locations are merged the resulting customer location will go forward on Schedule 139 for the remaining term of the contract.
- Future open seasons, based on resource availability, will allow existing customers to expand or extend their initial commitments, including the initial Resource Option at the UTC-approved prices.
- If the Resource Option underperforms over a year then PSE will work with customers to identify and procure alternative RECs that meet customers' renewable energy goals.
- If the Resource Option will not be adequate to meet the full requirements of the customer(s) on an ongoing basis, then PSE may terminate the service agreement with no liability to the Customer or to PSE. If a replacement resource can be mutually agreed upon, a new Service Agreement will be created.
- Attachment B to the Service Agreement may be amended to correct errors without incurring any penalties or early exit fees.

Once PSE has received signed Service Agreements under Schedule 139 that in aggregate match the capacity of the renewable energy supplier's resource we will countersign and return to you the Service Agreement between us, which will then be effective and binding on each of us. Because demand for this program is strong, we anticipate obtaining the requisite number of executed service agreements However, in the event that we have not received the necessary volume of signed agreements we will inform you of such fact and at your discretion either return to you unsigned by us the Service Agreement or extend the period during which we may continue to solicit a sufficient number of participants necessary to trigger the Renewable Subscription Resource Option within PSE's Schedule 139, *Green Direct* product. If the Resource Option is not available for any reason, there is zero financial risk for the customer.

If you have any questions please contact Sam Osborne, Tom MacLean or your PSE representative.
Sincerely,

5/16/17

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RESOLUTION NO. 2018-27

A RESOLUTION of the City Council of Bainbridge Island, Washington, endorsing "Clean Air Clean Energy" Initiative 1631, a statewide initiative to the people that would charge pollution fees on the largest corporate polluters and use the revenue to invest in healthy communities, clean our air and water, promote clean energy, and slow down the impacts of climate change, and urging voters to "Approve" Initiative 1631 on the November 6, 2018 general election ballot.

WHEREAS, the residents of Bainbridge Island and those throughout Washington State all deserve to breath clean air, drink healthy water, and live in protected environments; and

WHEREAS, over 600,000 Washingtonians live with asthma and thousands more suffer from upper respiratory illnesses and diseases caused by air pollution; and

WHEREAS, climate change is one of the paramount challenges of our generation and will have near and long-term consequences for the economy, the environment, and public health and safety on Bainbridge Island; and

WHEREAS, residents of Bainbridge Island are already experiencing the impacts of a changing climate, including more extreme rainfall events, increasing flooding risk, and more-frequent heat events that impact health; and

WHEREAS, the City Council recognizes the need to pass on a safe, healthy environment and a stable climate to our children and future generations of Washingtonians; and

WHEREAS, the City Council supports policies that provide consumers with affordable, cleaner, and more efficient fuel, energy, and transportation choices; and

WHEREAS, state, county, and city shared climate change goals cannot be met without the accelerated phase out of coal-fired electricity and replacement with renewable energy, investments in energy efficiency, cleaner forms of transportation, and investments in healthy forests and agriculture, all of which will be aided by the passage of I-1631; and

WHEREAS, the largest corporate polluters causing the most damage to our health are currently not being held accountable nor being required to pay to mitigate the damage they're doing to our communities; and

WHEREAS, I-1631, by hastening a transition from polluting fossil fuel energy to clean energy, will create thousands of high-paying local jobs that contribute to local economies, in rural and urban communities alike, without hurting the health of their neighbors; and

WHEREAS, I-1631 will provide a source of funding that the City of Bainbridge Island and other municipalities will be able to apply for to help fund projects that reduce climate pollution and mitigate the effects of climate change; and

WHEREAS, I-1631 prioritizes the protection of communities disproportionately harmed by pollution by targeting investments to provide direct, meaningful, and assured benefits to those communities; and

WHEREAS, I-1631 provides assistance to families with low incomes as we transition to clean energy; and

WHEREAS, I-1631 invests in our state's natural resources, which are vital to our state's economy and industries like agriculture, timber, tourism, and fishing, and which protect our health by reducing pollution in the air and water, and secure our community by lowering the risk of fires, floods, and landslides; and

WHEREAS, I-1631 provides funding to: restore and protect estuaries, fisheries, and marine shoreline habitats; prepare for sea level rise; increase sustainable supply of water; and improve infrastructure for treating stormwater; and

WHEREAS, I-1631 includes provisions for strong public oversight and accountability; and

WHEREAS, I-1631 respects tribal sovereignty and ensures that affected communities and tribal nations are consulted and involved in decision-making; and

WHEREAS, I-1631 was shaped by tribal nations and communities most affected by pollution and climate change, and is supported by an unprecedented coalition of business, labor unions, environmental and economic justice advocates, healthcare professionals, communities of color, faith-based organizations, and community leaders; and

WHEREAS, I-1631 provides Washington State an opportunity to lead the nation and set an example in how to address pollution and climate change in an equitable and economically responsible manner; and

WHEREAS, at the City Council's September 25, 2018 business meeting, persons in favor of I-1631 and those opposed to it were given an equal opportunity to share their views in an open public meeting; and

WHEREAS, notice of the September 25, 2018 business meeting was given in accordance with RCW 42.17A.555.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND DOES RESOLVE AS FOLLOWS:

Section 1. The City Council publicly endorses Initiative 1631 as an essential component of the City of Bainbridge Island's commitment to cut pollution, protect our citizens' health and well-being, reduce our greenhouse gas emissions, preserve our environment, and invest in our future.

Section 2. The City Council urges all voters on Bainbridge Island and throughout Washington State to "Approve" Initiative 1631 on the November 6, 2018 general election ballot.

PASSED by the City Council this 9th day of October, 2018.

APPROVED by the Mayor this 9th day of October, 2018.

By: Kol Medina
Kol Medina, Mayor

ATTEST/AUTHENTICATE:

By: Christine Brown
Christine Brown, City Clerk

FILED WITH THE CITY CLERK:	September 21, 2018
PASSED BY THE CITY COUNCIL:	October 9, 2018
RESOLUTION NO.	2018-27