

**Regular Meeting of the
Utility Advisory Committee Agenda
January 16, 2020 – 3:30 PM
Council Conference Room**

Item	Description	Estimated Completion
I.	Call to Order	3:30 pm
II.	Roll Call	
III.	Elect Chairperson and Vice Chairperson	3:35
IV.	Approval of Minutes	3:40
V.	Approval of Consent Agenda*	3:40
VI.	Correspondence and Citizen Comments on Non-Agenda Items** None	3:40
VII.	Telecommunications Utility Discussion Items None	3:40
VIII.	Electric, Natural Gas, Water, Wastewater, Stormwater Utility Discussion Items	
	a. Disposal of Surplus Water Division Property	3:55
	b. Consulting Services for House Bill 1257	4:10
IX.	Information Only Items	
	a. Public Works & Utilities Issues Update	4:20
X.	Next Meeting: February 20, 2020 @ 3:30 pm in the Council Conference Room	4:30
XI.	Adjournment	

***Guidelines for Consent Agenda**

Consent items have been distributed to committee members in advance for study and will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Agenda at the request of a committee member or at the request of a member of the public with concurrence of a committee member.

****Guidelines for Citizen Comment**

Time is set aside each meeting to allow citizens to address the Utility Advisory Committee on city utility issues that are not on the agenda. Please limit remarks to three minutes. The Committee will not take action when the issue is first raised, but may place the issue on a future agenda. Citizen comment on items on the agenda is also welcome. Please let the chair know you wish to speak and then wait to be recognized.

UTILITY ADVISORY COMMITTEE

November 21, 2019 (3:30 pm to 4:56 pm)

Members Present: Nancy Lillquist, Nancy Goodloe, Gary Gleason and Elvin Delgado

Members Absent: Ed Barry, Jim Goeben and Bob Johnson

Also Present: Ryan Lyyski, Public Works & Utility Director; Kim Caulkins, Operations Analyst; Derek Mayo, City Engineer; Buddy Stanavich, Power & Gas Manager; Andrew Lyons, Hope Source

These minutes are not a verbatim transcript of the meeting. This meeting was recorded, and is available for listening or copying at the City of Ellensburg, Energy Services Department, 501 N. Anderson Street, Ellensburg.

- I. **Call to Order.** Nancy Lillquist called the meeting to order at 3:30 p.m.
- II. **Roll Call.** Ed Barry was absent (excused).
- III. **Approval of Minutes.** Nancy Goodloe moved to approve the October 17th minutes with the correction under V to correct "transportation" to "transformation". Elvin Delgado seconded. Motion approved.
- IV. **Approval of Consent Agenda.**
Motion #2019-11-01: Nancy Goodloe moved to approve the Consent Agenda. Elvin Delgado seconded. Motion Approved.
- V. **Correspondence and Citizen Comments on Non-Agenda Items**
None
- VI. **Telecommunications Utility Discussion Items**
None
- VII. **Electric, Natural Gas, Water, Wastewater, Stormwater Utility Discussion Items**
 - A. **Clean Energy Transformation Act.** Buddy gave a presentation of the current CETA guidelines (see handout).
 - B. **Procuring Natural Gas.** Buddy gave a presentation on how the City of Ellensburg purchases and stores natural gas (see handout).
- VIII. **Information Only Items.**
 - A. **Public Works & Utilities Issues Update** Ryan Lyyski gave updates on all Public Works and Utilities issues.

IX. **Next Meeting Date.** December 19th, 2019 at 3:30 pm in Council Conference room.

X. **Adjournment.** With no further discussion, the meeting adjourned at 4:56 p.m.

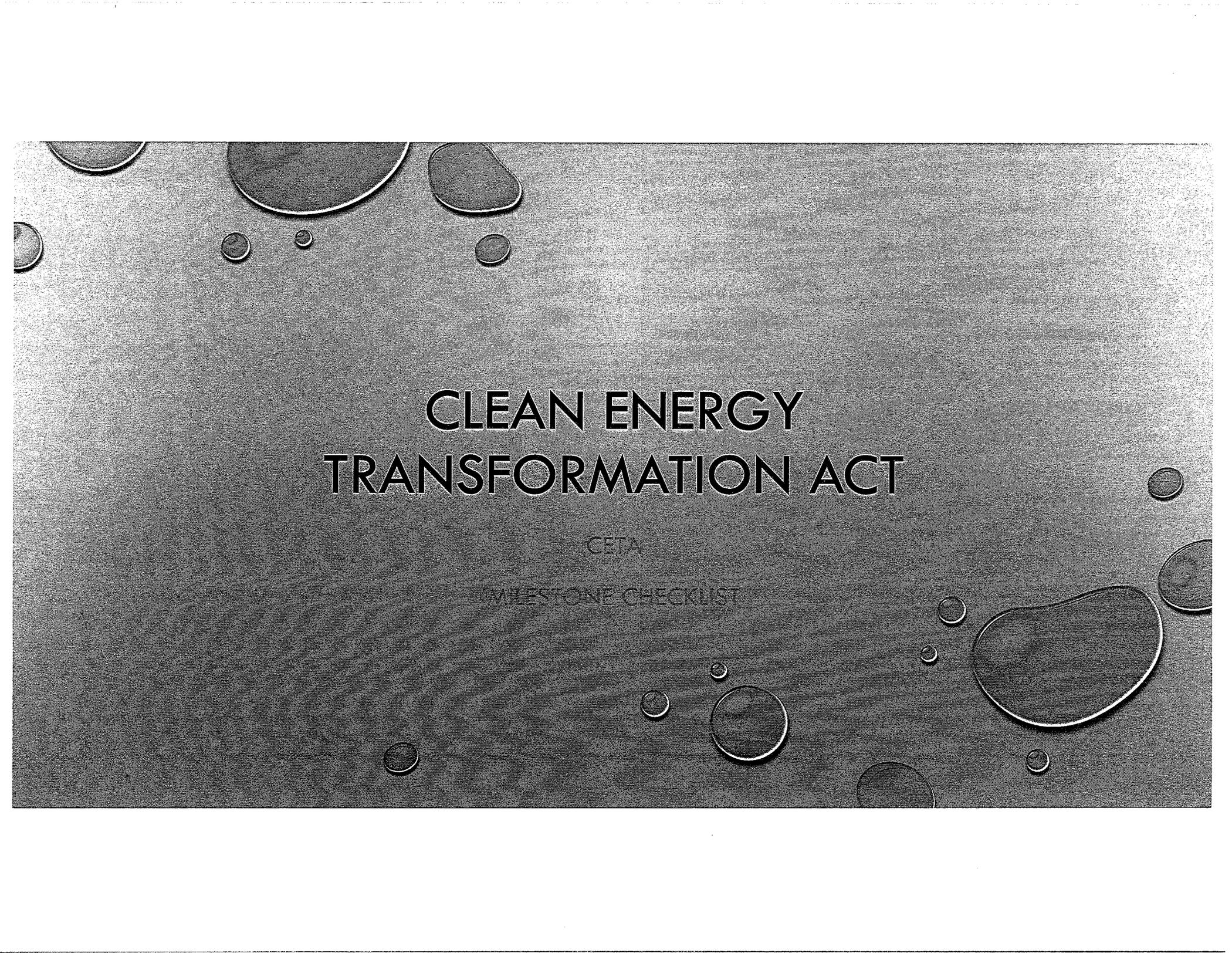
Respectfully submitted,

Kim Caulkins

Recording Secretary

Drafted: 11/26/2019

Approved:

The background of the page is a dark, textured surface, possibly a metal plate, with several water droplets of various sizes scattered across it. The droplets are most prominent in the top-left and bottom-right corners, with a few smaller ones in the center and left side. The overall appearance is clean and modern.

CLEAN ENERGY TRANSFORMATION ACT

CETA

MILESTONE CHECKLIST

2020 – JULY 31 - AND BIENNIALLY ENERGY ASSISTANCE REPORTING

ELECTRIC UTILITIES MUST PROVIDE TO DEPARTMENT OF
COMMERCE:

- AMOUNT & TYPE OF ENERGY ASSISTANCE
 - NUMBER & TYPE OF HOUSEHOLDS
- AMOUNT OF MONEY PASSED THROUGH TO THIRD PARTIES
THAT ADMINISTER ENERGY ASSISTANCE PROGRAMS

2020 – DECEMBER 31 INTEGRATED RESOURCE PLAN (IRP)

- ESTIMATE LOADS FOR THE NEXT 5 AND 10 YEARS
- ENUMERATE RESOURCES THAT WILL BE MAINTAINED AND / OR ACQUIRED
- EXPLAIN WHY RESOURCES WERE CHOSEN AND IF NOT RENEWABLE, WHY NOT
 - CONSERVATION AND EFFICIENCY RESOURCES
- UTILITY PLANS OVER 10 YEARS TO MEET GHG NEUTRAL BY 1/1/2030 AND NON-EMITTING / RENEWABLE BY 1/1/2045
 - UPDATE REGULARLY OR AT MINIMALLY INTERVAL OF 2 YEARS
 - PUBLISH FINAL PLAN AVAILABLE TO THE PUBLIC

2021 – JANUARY 1 INITIAL RULES DUE

- STREAMLINE IMPLEMENTATION BETWEEN CETA AND ENERGY
INDEPENDENCE ACT (19.285 RCW)

2021 – JULY 31 AND REPORT BIENNIALLY

ELECTRIC UTILITIES MUST MAKE PROGRAMS AND FUNDING AVAILABLE FOR ENERGY ASSISTANCE FOR LOW INCOME HOUSEHOLDS:

- AMOUNT & TYPE OF ENERGY ASSISTANCE
- NUMBER & TYPE OF HOUSEHOLDS
- AMOUNT OF MONEY PASSED THROUGH TO THIRD PARTIES THAT ADMINISTER ENERGY ASSISTANCE PROGRAMS
- ASSESSMENT OF EFFECTIVENESS OF PROGRAMS & MECHANISMS TO REDUCE ENERGY BURDEN IN THE SHORT & LONG TERM OUTREACH STRATEGIES
- CUMULATIVE ASSESSMENT OF ENERGY ASSISTANCE FUNDING LEVEL ESTIMATE
 - A – 60% OF CURRENT NEED – OR – INCREASING ASSISTANCE BY 1.5% BY 2030
 - B – 90% OF CURRENT ENERGY ASSISTANCE NEED BY 2050

2022 – JANUARY 1 AND EVERY 4 YEARS THEREAFTER

CLEAN ENERGY IMPLEMENTATION PLAN:

- PROPOSED INTERIM TARGETS BETWEEN 2022 AND 2030 AND BETWEEN 2030 AND 2045
- SPECIFIC TARGETS FOR:
 - ENERGY EFFICIENCY
 - DEMAND RESPONSE
 - RENEWABLE ENERGY
- IDENTIFY SPECIFIC ACTIONS OVER NEXT 4 YEARS CONSISTENT WITH LONG-RANGE RESOURCE PLAN AND RESOURCE ADEQUACY REQUIREMENTS TO DEMONSTRATE PROGRESS
- COUNCIL MUST HOLD PUBLIC MEETING
 - ADOPT THE PLAN
- SUBMIT THE PLAN TO COMMERCE DEPT.
- MAKE THE PLAN AVAILABLE TO THE PUBLIC

2025 – DECEMBER 31 ELIMINATE COAL-FIRED RESOURCES

- UTILITIES THAT FAIL TO COMPLY MUST PAY THE ADMINISTRATIVE PENALTY \$150 / MEGAWATT-HOUR

2030 – JANUARY 1 GREENHOUSE GAS NEUTRAL (GHG)

4-YEAR COMPLIANCE PERIODS THRU 2044

- NON-EMITTING ELECTRIC GENERATION
- RENEWABLE RESOURCES
- UP TO 20% COMPLIANCE MAY USE ALTERNATIVE COMPLIANCE OPTIONS

ELECTRIC UTILITY MUST PURSUE ALL:

- COST-EFFECTIVE
- RELIABLE
- FEASIBLE CONSERVATION
- EFFICIENCY RESOURCES

FAILURE TO COMPLY

- ADMINISTRATIVE PENALTY DETAILED IN SECTION 9

2045 – JANUARY 1

100% NON-EMITTING GENERATION / RENEWABLE RESOURCES

DEMONSTRATE COMPLIANCE ANNUALLY

- NON-EMITTING ELECTRIC GENERATION
- RENEWABLE RESOURCES

ELECTRIC UTILITY MUST PURSUE ALL:

- COST-EFFECTIVE
 - RELIABLE
- FEASIBLE CONSERVATION
- EFFICIENCY RESOURCES
- DEMAND RESPONSE

FAILURE TO COMPLY

- ADMINISTRATIVE PENALTY DETAILED IN SECTION 9

Procuring Natural Gas

For The City of Ellensburg

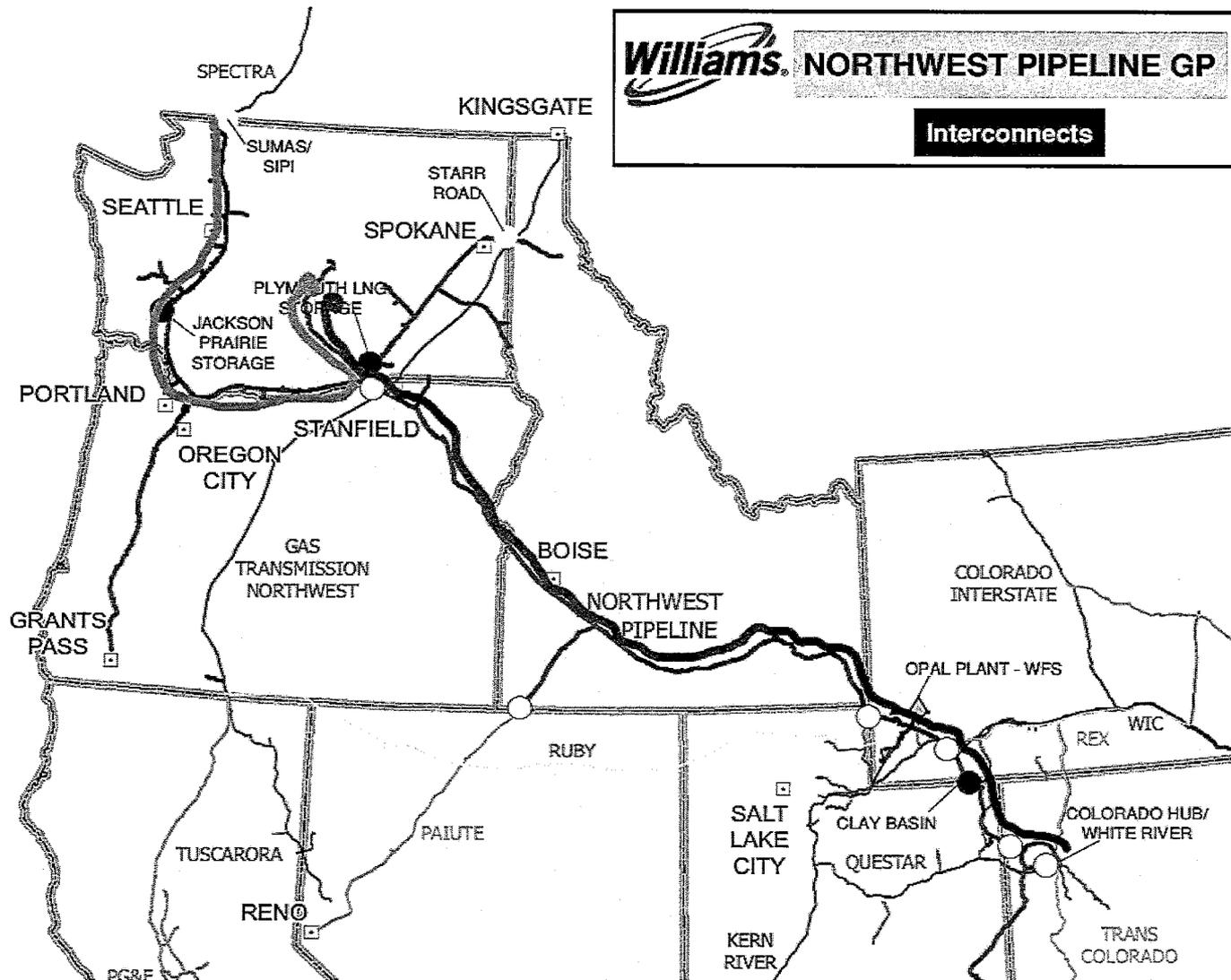
Pricing (Supply & Demand)

- Pipeline Constraints –
 - The ability to purchase from the cheapest basin may not always be possible if too much gas is flowing the same direction.
- Market Events –
 - Force Majeure (Pipeline Incidents, Compressor Failures, Underground Storage limitations)
- Extreme Cold Weather (Regionally, Nationally, and Beyond)
- Power Generation
- Storage



NORTHWEST PIPELINE GP

Interconnects





AGENDA REPORT

DATE: January 16, 2020
TO: Utility Advisory Committee
THRU: Ryan Lyyski, Public Works Director *RL*
FROM: Rod Paul, Assistant Public Works Director *RP*
RE: Disposal of Surplus Water Division Property

SUMMARY: City staff are requesting authorization from City Council to declare surplus to the City of Ellensburg's needs the real estate consisting of two parcels (parcel #554434 a 2.0 acre parcel, and parcel #674434 a .25 acre parcel) described below in more detail, and a residential structure located at 7640 Highway 10.

The two (2) parcels are located east of 1270 Look Rd and are legally described as:

Parcel #554434:

Part of the Southeast quarter of the Southwest quarter of Section 19, Township 18, Range 19. Beginning at a point 26 feet North of a point 545 feet West of the Southeast corner of the Southwest quarter of said Section; Thence West 300 feet; Thence North 290.4 feet; Thence East 300 feet; Thence South 290.4 feet to the point of beginning; and

Parcel #674434:

Part of the Southwest quarter of the Southwest quarter of the Southeast quarter of Section 19, Township 18, Range 19. Beginning at a point 96.4 feet East of the quarter section corner on the South boundary line of said section; Thence North $26^{\circ}57'$ East 134.0 feet; Thence South $65^{\circ}03'$ East 104.0 feet; Thence South $26^{\circ}57'$ West 84.9 feet to the section line; Thence West on the said section line 116.6 feet to point of beginning.

The residential structure located at 7640 Highway 10 consisting of 1,100 square feet of living space, three (3) bedrooms, one (1) bathroom, living room, dining room, and a covered front porch. The residential structure has been unoccupied since July 7, 2016.

BACKGROUND: Staff has received inquiries about the Look Rd. properties from the abutting land owner, and from an individual interested in relocating the residential structure at 7640 Hwy 10.

ANALYSIS/FINDINGS: City Staff have determined the parcels listed above, and the residential

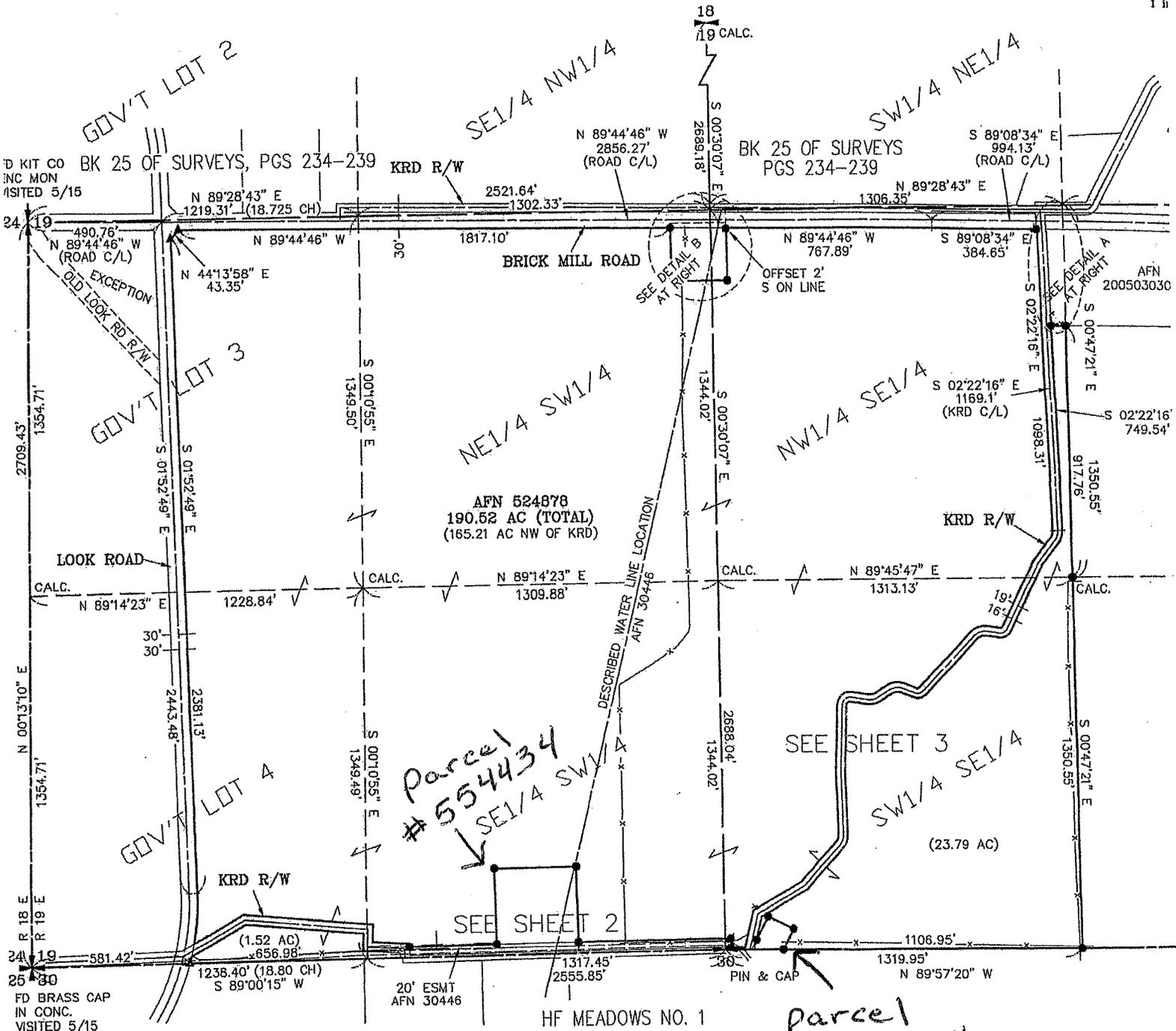
structure located at 7640 Highway 10, to be surplus to the City's needs and no longer required for municipal purposes. The disposition of each lot shall be through a process to be administered by the City Manager and consistent with Chapter 2.07 ECC and will best serve the common public benefit.

Fiscal Impact: N/A

RECOMMENDATION: Staff is recommending UAC forward a favorable recommendation to the City Council to authorize the surplus of Parcels #554434, #674434 and the residential structure located at 7640 Hwy 10.

PART OF THE SOUTH HALF OF SECTION 19,
TOWNSHIP 18 NORTH, RANGE 19 EAST, W.M.

GRA



SURVEYOR'S CERTIFICATE

This map correctly represents a survey made by me or under my direction in conformance with the requirements of the Survey Recording Act at the request of CREEKSIDE LAND & LIVESTOCK INC. in MAY of 2015.

Chris Cruse
CHRISTOPHER C. CRUSE
Professional Land Surveyor

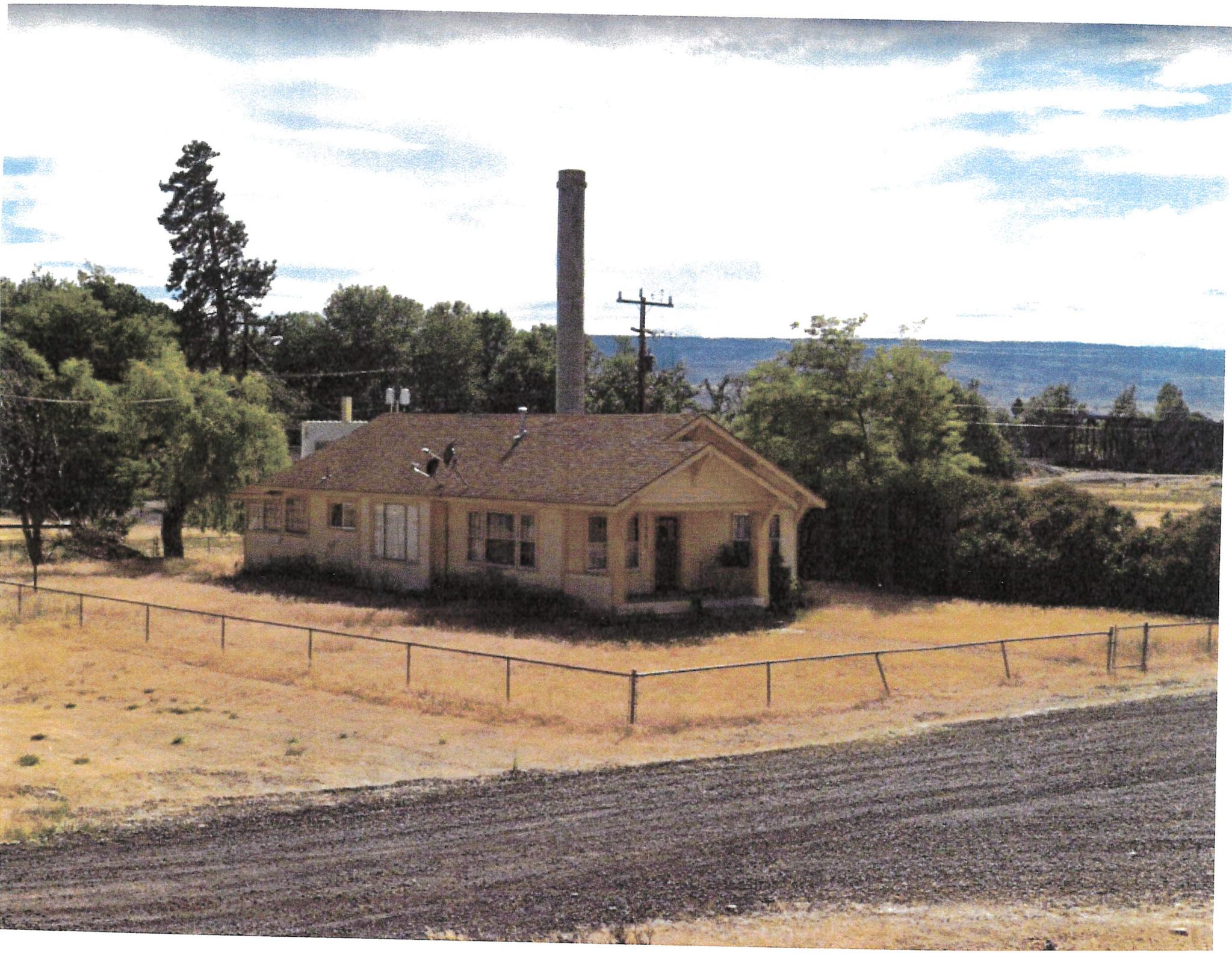
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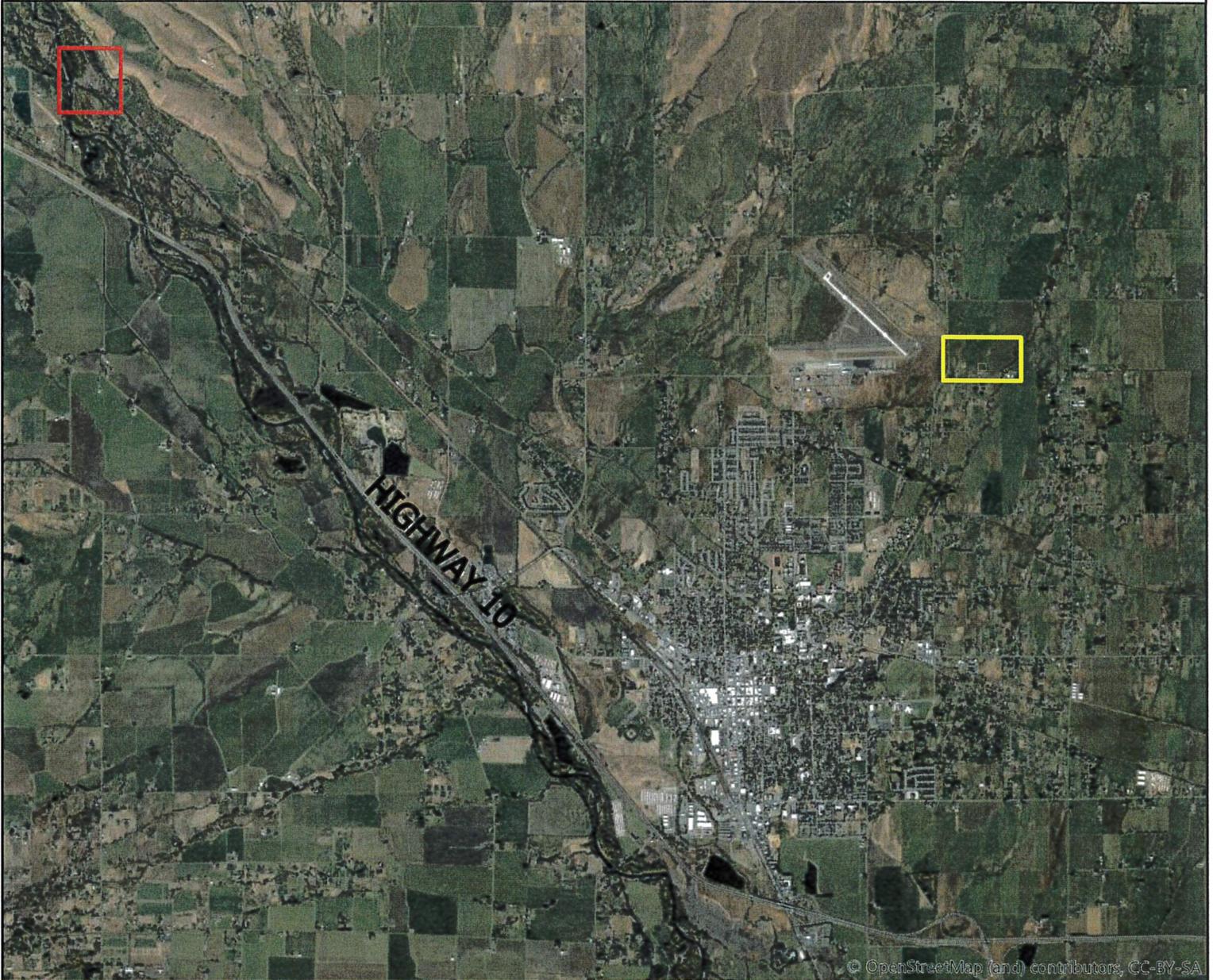


AUDITOR'S CERTIFICATE

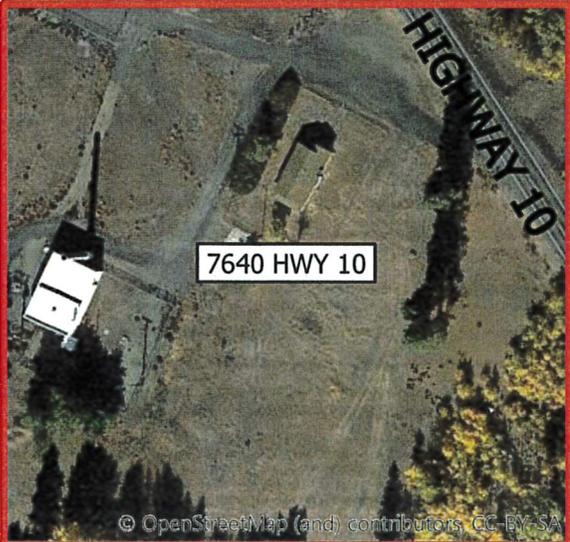
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JERALD V. PETTIT B
KITITTA COUNTY AUD





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7640 HWY 10

© OpenStreetMap (and) contributors, CC-BY-SA



554434

674434

© OpenStreetMap (and) contributors, CC-BY-SA



City of
Ellensburg
WASHINGTON

PUBLIC WORKS & UTILITIES

7640 HIGHWAY 10
ELLENSBURG, WA





City of
Ellensburg
WASHINGTON

PUBLIC WORKS & UTILITIES

Parcels #554434 & #674434





UAC AGENDA REPORT

UAC Meeting Date: January 16, 2020

Submitted by: Buddy Stanavich, Power & Gas Manager *BS*

Must Approve: City Attorney Finance ____ City Manager

Additional Approvals: Choose Department Other Department

Agenda Subject: Consulting Services for House Bill 1257 Legislation

Action Requested (check all that apply):	Ord. 1 st reading <input type="checkbox"/>	Ord. 2 nd reading <input type="checkbox"/>	Legislative Hrg. <input type="checkbox"/>	Quasi-Judicial Hrg. <input type="checkbox"/>	Appeal Hrg. <input type="checkbox"/>
	Adopt Resolution <input type="checkbox"/>	Approve contract <input type="checkbox"/>	Approve budget adjustment <input type="checkbox"/>	Approve – other <input type="checkbox"/>	Review Report or Study <input type="checkbox"/>
	Direction to staff <input type="checkbox"/>	Discussion only <input type="checkbox"/>	Bid Award <input type="checkbox"/>	Other <input checked="" type="checkbox"/> (describe): Favorable Recommendation	

BACKGROUND/SUMMARY: Staff selected Sustainable Energy Ventures, LLC, a consultant off the City’s Consultant Roster to provide guidance and support to the City of Ellensburg on House Bill 1257 legislation and rule making. The scope of work includes updating the City on the rulemaking development process, advising on when the City should provide comments and assisting with developing the comments. Requirements and procurement of Renewable Natural Gas (RNG) and the rate impacts associated with the acquisition and delivery of RNG.

PREVIOUS COUNCIL ACTION: None

ANALYSIS: On July 28, 2019, House Bill 1257 became effective. The main premise of the bill is energy efficiency in buildings. However, there are aspects to the bill that potentially affect the natural gas utility. The bill requires natural gas utilities to provide energy conservation incentives and offer RNG to its customers. The Department of Commerce and the Washington Utilities and Transportation Commission (UTC) are tasked with the rule making which has begun and continues to develop. There are many provisions in HB 1257 such as; maximum rate impacts, customer level and building square footage thresholds that require participation and options for voluntary participation. The consultant will help the City achieve compliance with this legislation.

FINANCIAL IMPACT: The \$12,500 professional services contract is within the 2020 budget.

RECOMMENDED ACTION OR MOTION: For Information Only

Attachments: HB 1257 – Final Bill Report

FINAL BILL REPORT

E3SHB 1257

C 285 L 19

Synopsis as Enacted

Brief Description: Concerning energy efficiency.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Doglio, Tarleton, Lekanoff, Fitzgibbon, Dolan, Fey, Mead, Peterson, Kloba, Riccelli, Macri, Hudgins, Morris, Stanford, Appleton, Slatter, Tharinger, Jinkins, Pollet and Goodman; by request of Governor Inslee).

House Committee on Environment & Energy

House Committee on Finance

House Committee on Appropriations

Senate Committee on Ways & Means

Background:

State Energy Code.

The State Energy Code (Code) is part of the State Building Code, which sets the minimum construction requirements for buildings in the state. The Code provides a maximum and minimum level of energy efficiency for residential buildings and the minimum level of energy efficiency for nonresidential buildings. The State Building Code Council (Council) maintains the Code. Unless otherwise amended by rule, the Code must reflect the 2006 edition.

The Council reviews, updates, and adopts model state building codes every three years. The Code must be designed to:

- construct increasingly energy efficient homes and buildings that help achieve the broader goal of building zero fossil-fuel greenhouse gas (GHG) emission homes and buildings by the year 2031;
- require new buildings to meet a certain level of energy efficiency, but allow flexibility in building design, construction, and heating equipment efficiencies within that framework; and
- allow space heating equipment efficiency to offset or substitute for building envelope thermal performance.

The Council must adopt state energy codes that require buildings constructed from 2013 through 2031 to move incrementally toward a 70 percent reduction in energy use by 2031.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Code must consider regional climatic conditions. The Council may amend the Code by rule if the amendments increase energy efficiency in the affected buildings.

Building Requirements for Electric Vehicle Infrastructure.

The Council must adopt rules for electric vehicle infrastructure requirements. Rules adopted by the Council must consider applicable national and international standards.

Energy Benchmarking Requirements.

An electric or gas utility that serves more than 25,000 customers in the state must maintain records of the energy consumption data of all nonresidential and certain public agency buildings to which the utility provides service. This data must be maintained in a format that is compatible with the United States Environmental Protection Agency's Energy Star Portfolio Manager, which is an Internet-based program that allows users to track their energy consumption data and to benchmark the energy use of their buildings against comparable buildings.

Department of Commerce.

The Department of Commerce must develop and implement a strategic plan for enhancing energy efficiency in and reducing GHG emissions from homes, buildings, districts, and neighborhoods. The strategic plan must be used to help direct the Code in achieving the goal of building zero fossil-fuel GHG emission homes and buildings by the year 2031. The strategic plan must identify barriers to achieving net zero energy use in homes and buildings and identify how to overcome these barriers in future Code updates and through complementary policies.

Utilities and Transportation Commission.

The Utilities and Transportation Commission (UTC) regulates the rates, services, and practices of investor-owned utilities and transportation companies, including electrical companies, natural gas companies, and telecommunications companies. The UTC is required to ensure that rates charged by these companies are "fair, just, reasonable, and sufficient."

Summary:

Building Requirements for Electric Vehicle Infrastructure.

The State Building Code Council (Council) must develop rules for electric vehicle infrastructure that require electric vehicle charging capability at all new buildings that provide on-site parking. Where parking is provided, the greater of one parking space or 10 percent of parking spaces, rounded to the next whole number, must be provided with wiring or raceway size to accommodate 208/240 V 40-amp or equivalent electric vehicle charging. Electrical rooms serving buildings with on-site parking must be sized to accommodate the potential for electrical equipment and distribution required to serve a minimum of 20 percent of the total parking spaces with 208/240 V 40-amp or equivalent electric vehicle charging. Load management infrastructure may be used to adjust the size and capacity of the required building electric service equipment and circuits on the customer facilities, as well as electric utility owned infrastructure, as allowed by applicable local and national electrical code. For accessible parking spaces, the greater of one parking space or 10 percent of accessible parking spaces, rounded to the next whole number, must be provided with electric vehicle

charging infrastructure that may also serve adjacent parking spaces not designated as accessible parking.

For occupancies classified as assembly, education, or mercantile, the requirements for electric vehicle charging capability apply only to employee parking spaces. The requirements do not apply to occupancies classified as residential R-3, utility, or miscellaneous.

Rules regarding electric vehicle infrastructure must be implemented by July 1, 2021.

State Energy Performance Standard.

By November 1, 2020, the Department of Commerce (Department) must establish by rule a State Energy Performance Standard (Standard) for covered commercial buildings. "Covered commercial building" means a building where the sum of nonresidential, hotel, motel, and dormitory floor areas exceeds 50,000 gross square feet, excluding the parking garage area. The Department must provide the owners of covered buildings with notification of compliance requirements no later than July 1, 2021.

In developing the Standard, the Department must seek to maximize reductions in greenhouse gas (GHG) emissions from the building sector. The Standard must include energy use intensity targets by building type and methods of conditional compliance that include an energy management plan, operations and maintenance program, energy efficiency audits, and investments in energy efficiency measures designed to meet the targets. The Department must update the Standard by July 1, 2029, and every five years thereafter. Prior to the adoption or update of the Standard, the Department must identify the sources of information it relied upon, including peer-reviewed science.

A building owner of a covered commercial building must meet the following compliance schedule:

- June 1, 2026, for a building with more than 220,000 gross square feet;
- June 1, 2027, for a building with more than 90,000 gross square feet but less than 220,001 gross square feet; and
- June 1, 2028, for a building with more than 50,000 gross square feet but less than 90,001 gross square feet.

A covered commercial building is exempt from the Standard if it meets at least one of several listed criteria, including:

- the building did not have a certificate of occupancy or temporary certificate of occupancy for all 12 months of the calendar year prior to the building owner compliance schedule;
- the building is an agricultural structure; or
- the primary use of the building is manufacturing or other industrial purposes.

The Department may impose an administrative penalty upon a building owner for failing to submit documentation demonstrating compliance with the requirements of the Standard. The penalty may not exceed \$5,000 plus an amount based on the duration of any continuing violation. The additional amount for a continuing violation may not exceed a daily amount

equal to \$1 per year per gross square foot of floor area. The Department may by rule adjust the maximum penalty rates for inflation.

When requested to do so by the building owner or the building owner's agent, the Department must reply and cite the section of law, code, or standard in a notice of violation for noncompliance with the requirements of the Standard.

By January 15, 2022, and each year thereafter through 2029, the Department must submit a report to the Governor and the appropriate committees of the Legislature on the implementation of the Standard.

State Energy Performance Standard Early Adoption Incentive Program.

The Department must establish a State Energy Performance Standard Early Adoption Incentive Program (Incentive Program).

An eligible building owner may submit an application to the Department for an incentive payment in a form and manner prescribed by the Department. The application must be submitted in accordance with the following schedule:

- beginning July 1, 2021, through June 1, 2025, for a building with more than 220,000 gross square feet;
- beginning July 1, 2021, through June 1, 2026, for a building with more than 90,000 gross square feet but less than 220,001 gross square feet; and
- beginning July 1, 2021, through June 1, 2027, for a building with more than 50,000 gross square feet but less than 90,001 gross square feet.

An eligible building owner that demonstrates early compliance with the applicable energy use intensity target under the Standard may receive a base incentive payment of \$0.85 per square foot of floor area, excluding parking, unconditioned, or semi-conditioned spaces.

The Department may not issue a certification for an incentive application to an eligible building owner if doing so is likely to result in total incentive payments in excess of \$75 million.

Each qualifying utility must administer incentive payments for the Incentive Program. Any thermal energy company, electric utility, or gas company not otherwise required to administer incentive payments may voluntarily participate by providing notice to the Department in a form and manner prescribed by the Department.

Upon receiving notification from the Department that a building owner has qualified for an incentive payment, each entity that administers incentive payments must make incentive payments to its customers who are eligible building owners of covered commercial buildings or multifamily residential buildings who qualify for the Incentive Program. When a building is served by more than one entity administering incentive payments, incentive payments must be proportional to the energy use intensity reduction of the participating entities' fuel.

A light and power business or a gas distribution business that participates in the Incentive Program is allowed a credit against its public utility tax (PUT) obligation in an amount equal to:

- incentive payments made in any calendar year in accordance with the Incentive Program; and
- documented administrative costs not to exceed 5 percent of the incentive payments.

The PUT credit expires June 30, 2032.

If a review by the Joint Legislative Audit and Review Committee finds that measurable energy savings has increased in covered commercial buildings for which building owners are receiving an incentive payment from a qualifying utility, then the Legislature intends to extend the expiration date of the PUT credit.

Energy Benchmarking Requirements.

An electric or gas utility that is not a qualifying utility must either offer the upload service to the United States Environmental Protection Agency's Energy Star Portfolio Manager (Portfolio Manager) or provide customers who are building owners of covered commercial buildings with consumption data in an electronic document formatted for direct upload to the Portfolio Manager. Within 60 days of receiving a written or electronic request and authorization of a building owner, the utility must provide the building owner with monthly energy consumption data as required to benchmark the specified building.

For any covered commercial building with three or more tenants, an electric or gas utility that is not a qualifying utility must, upon request of the building owner, provide the building owner with aggregated monthly energy consumption data without requiring prior consent from tenants.

Electric and gas utilities must ensure that all data provided in compliance with energy benchmarking requirements does not contain personally identifiable information or customer-specific billing information about tenants of a covered commercial building.

Natural Gas Conservation Standard and Renewable Natural Gas Programs.

Each gas company must identify and acquire all conservation measures that are available and cost-effective. Each company must establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective. The cost-effectiveness analysis must include the societal costs of GHG emissions. The targets must be based on a conservation potential assessment prepared by an independent third party and approved by the Utilities and Transportation Commission (UTC). Conservation targets must be approved by order of the UTC. The initial conservation target must take effect by 2022.

A gas company may propose a renewable natural gas program under which the company would supply renewable natural gas for a portion of the natural gas sold or delivered to its retail customers. The renewable natural gas program is subject to review and approval by the UTC. The customer charge for a renewable natural gas program may not exceed 5 percent of the amount charged to retail customers for natural gas. The environmental attributes of renewable natural gas must be retired using procedures established by the UTC and may not be used for any other purpose. The UTC must approve procedures for banking and transfer of environmental attributes.

Each gas company must offer by tariff a voluntary renewable natural gas service available to all customers to replace any portion of the natural gas that would otherwise be provided by the gas company. The tariff may provide reasonable limits on participation based on the availability of renewable natural gas and may use environmental attributes of renewable natural gas combined with natural gas. The voluntary renewable natural gas service must include delivery to, or the retirement on behalf of, the customer of an environmental attributes associated with the renewable natural gas.

"Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.

Societal Costs of Greenhouse Gas Emissions.

For the Natural Gas Conservation Standard, the cost of GHG emissions resulting from the use of natural gas, including the effect of emissions occurring in the gathering, transmission, and distribution of natural gas to the end user, is equal to the cost per metric ton of carbon dioxide emissions, using the 2.5 percent discount rate, listed in Table 2, Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis under Executive Order 12866, published by the Interagency Working Group on Social Cost of Greenhouse Gases of the United States Government, August 2016. The UTC must adjust the cost to reflect the effect of inflation.

The UTC must monitor the GHG emissions resulting from natural gas and renewable natural gas delivered by each gas company to its customers, relative to the proportionate share of the state's GHG emissions reduction goal. The UTC must report to the Governor by January 1, 2020, and every three years thereafter, an assessment of whether the gas companies are on track to meet a proportionate share of the state's GHG emission reduction goal.

Votes on Final Passage:

House	55	37	
Senate	25	23	(Senate amended)
House	55	39	(House concurred)

Effective: July 28, 2019

Ellensburg Utility Advisory Committee
Public Works & Utilities Issues and Updates
January 20, 2020

Consent Items

Agenda Reports for items approved by the City Council since our last meeting are attached.

Sewer

- Staff are evaluating sewer main lines for the 2020 Cured in Place lining project.
- Staff submitted the annual bio-solids report to the EPA.
- O&M manual has been updated to include recent phase 2 improvements.
- Staff recently re-built the clarifier spray water pump.

Water

- Water Pumped for December 2019 was 81,533,000 Compared to December 2018 which was 73,041,000
- Motors for the Kiwanis and Rodeo wells were recently pulled, inspected, and repaired. They have since been put back into service.
- Staff are receiving quotes for the 2020 leak detection survey of approximately 52 miles of distribution mains and service connections.

Storm

- Staff has been working on the Reecer Levee Acquisition, Purchase and Sale Agreement (PSA), Appraisal, and Water Rights resolution in hopes of getting all of this finished to bring to UAC on the 16th and Council on January 21. Staff hoped this could all be put together in time to be bundled with a Bond Ordinance.

There are some small issues that have not been yet worked out with the water rights and the PSA will likely have to go straight to Council on the February 3rd and bypass the UAC altogether.

Timing is of the essence on this. The sale must be closed by the end of March in order to meet the deadline to keep the options open with Trust for Public Lands. The Bond Ordinance is being put together separately by the Finance Department and it will be on the January 21st Council Meeting agenda for the first reading. Staff will keep the UAC apprised as the PSA is finalized and ready to move forward.

- Staff is working on the annual Stormwater Management Plan due to Ecology by March 31st along with the annual report. Staff will bring this to the February 20th UAC meeting to forward a favorable recommendation to the City Council.

Electric

- Staff is currently preparing a bid for 2020 Substation Maintenance (East Ellensburg) and a quotes for secondary bushing replacements for Dolarway Substation Transformer.
- The pole relocation project on Willow St. is ongoing.

- Tyler Carson was hired for the Serviceperson position. He started on December 2nd.
- Journeyman Lineman is the last position to fill, interviews are scheduled for January 9th.
- The Public Works and Utilities Director signed the 2020 Western Public Agencies Group (WPAG) Agreements with EES Consulting, Inc. and Marsh Mundorf Pratt Sullivan & McKenzie, PSC. The City is a member of WPAG along with twenty-one other publicly owned electric utilities. WPAG represents the interests of its members before BPA, and has intervened in every major BPA rate proceeding since 1980. EES Consulting Inc., provides WPAG engineering and financial services, and legal services are provided by Marsh Mundorf Pratt Sullivan & McKenzie. The City's share of the 2020 proposed scope of work is \$7,507.00 out of the total membership cost of \$365,000.00. The City's share of \$7507.00 is below the \$9,000.00 amount included in the 2020 Light Division budget.
- Power and Gas Manager, Buddy Stanavich previously shared recent industry related topics with UAC members via email. The topics shared were "The Draft Lower Snake River Dams Stakeholder Engagement Report" and a link to a television story from KGW8 out of Portland, OR on power resources in the NW titled "Power Struggle – Will there be enough power." The link information that was emailed is attached.

Gas

- The Corrosion Control Evaluation on the City's gas system by Coffman Engineer's is anticipated to be completed within the next week or so.
- Gas crews are working on annual operator qualification renewals and written tests as time allows between customer driven service work.
- Staff is compiling end of year data for upcoming annual reports due within the next month or so.
- Annual O&M Manual reviews will begin in January.
- 2020 WUTC audits have been established. We will have four audits in 2020 including: Annual Review; Distribution Integrity Management Program (DIMP); Drug & Alcohol Program; Standard Compliance Inspection.



December 20, 2019

Tara Lee | tara.lee@gov.wa.gov
360.902.4136

Inslee statement on Lower Snake River Dam Stakeholder Study

"I thank all the stakeholders from all over the state for weighing in on this crucial issue. I encourage Washingtonians to get engaged in the public comment period over the next month and share their input on what should be done. We need to hear from a variety of people from different regions and perspectives.

"I look forward to the public engagement and to working in partnership with the federal government going forward."

Background and more information on stakeholder and public engagement:

The draft report, [Lower Snake River Dams Stakeholder Engagement Report](#), is available for public comment until January 24, 2020. The Legislature provided funding to the governor's office in the 2019-21 operating budget to conduct a stakeholder process to understand the views of Washingtonians on breaching and removing, or retaining, the lower Snake River dams.

To date, the Lower Snake River Dams Stakeholder Engagement Study process has included engagement with over 100 local, state, tribal and federal leaders and stakeholders; reviewed hundreds of pages from existing documents related to the dams; and so far has received over 3,500 responses to an on-line survey.

The engagement team was not tasked to make recommendations but asked people they interviewed what is needed to move this process out of a cycle of study, legal action and court decisions to one of greater benefit to the communities affected across Washington, and the salmon and orca.

Three public workshops will include a short presentation of the report findings followed by a panel discussion representing different interests. There will not be time for public testimony during the workshops, but the audience members may submit written questions that can be asked of the consultants and panel, provided time is available, and written comments on the report will be accepted at the workshops and online until January 24, 2020.

We wanted to share some recent industry related topics with you:

Public Workshop Dates and Locations

January 7 - Clarkston, 6 - 9 PM

Quality Inn & Suites and Quay Convention Center

700 Port Drive, Clarkston

January 9 - Vancouver, 6 - 9 PM

Washington State University Vancouver - Dengerink Administration Building
(VDEN)

14204 NE Salmon Creek Ave., Vancouver

January 13 - Tri Cities, 6 - 9 PM

Red Lion Hotel & Conference Center

2525 North 20th Ave., Pasco

Additional information is available at <http://lsrdstakeholderprocess.org/>

Also;

KGW8 out of Portland did a story on power resources in the NW:

<https://www.kgw.com/article/news/local/power-struggle-will-there-be-enough-electricity/283-a5d9a3b2-9e2e-4794-9d42-b76d7695dd0f>



CITY COUNCIL AGENDA REPORT

City Council Meeting Date: January 6, 2020

Submitted by: Ryan Lyyski, Public Works & Utilities Director
 Josh Mathews, Light Operations Supervisor

Must Approve: City Attorney Finance  City Manager

Additional Approvals: Choose Department Other Department

Agenda Subject: Accept Bid Call 2019-22 Tree Pruning Contract with Asplundh Tree Expert LLC as complete

Action Requested (check all that apply):	Ord. 1 st reading <input type="checkbox"/>	Ord. 2 nd reading <input type="checkbox"/>	Legislative Hrg. <input type="checkbox"/>	Quasi-Judicial Hrg. <input type="checkbox"/>	Appeal Hrg. <input type="checkbox"/>
	Adopt Resolution <input type="checkbox"/>	Approve contract <input type="checkbox"/>	Approve budget adjustment <input type="checkbox"/>	Approve – other <input checked="" type="checkbox"/>	Review Report or Study <input type="checkbox"/>
	Direction to staff <input type="checkbox"/>	Discussion only <input type="checkbox"/>	Bid Award <input type="checkbox"/>	Other <input checked="" type="checkbox"/> (describe): Accept bid call as complete	

BACKGROUND/SUMMARY: All work for tree pruning services for 2019 has been satisfactorily completed by Asplundh Tree Expert LLC, and the contract is ready to be accepted as complete. Bid Call 2019-22 for tree trimming services was published through the City’s small works roster and after being evaluated by staff, was awarded to Asplundh Tree Expert LLC by City Council on August 19, 2019. The contract was for an estimated 360 hours of work at \$209.30 per crew hour and a total cost of \$75,348.00.

PREVIOUS COUNCIL ACTION: N/A

ANALYSIS: The tree trimming work performed by Asplundh Tree Expert LLC was completed in December of 2019. Asplundh Tree Expert LLC completed 405.8 crew hours and invoices totaled \$84,952.24 under this contract at the agreed upon hourly crew rate of \$209.30.

FINANCIAL IMPACT: There was one change order for an additional 45.8 crew hours, exceeding the original contract amount by \$9,604.24. This work was completed at the same hourly rate as the original contract. Funds were budgeted in the 2019 Light Fund for the work.

RECOMMENDED ACTION OR MOTION: Staff recommends that the City Council accept Bid Call 2019-22 Tree Pruning Contract with Asplundh Tree Expert LLC as complete.

Attachments: N/A



CITY COUNCIL AGENDA REPORT

City Council Meeting Date: January 6, 2020

Submitted by: Buddy Stanavich, Power & Gas Manager

Must Approve: City Attorney Finance *[Signature]* City Manager

Additional Approvals: Choose Department Other Department

Agenda Subject: Second Amendment to Enabling Agreement with Chelan PUD

Action Requested (check all that apply):	Ord. 1 st reading <input type="checkbox"/>	Ord. 2 nd reading <input type="checkbox"/>	Legislative Hrg. <input type="checkbox"/>	Quasi-Judicial Hrg. <input type="checkbox"/>	Appeal Hrg. <input type="checkbox"/>
	Adopt Resolution <input type="checkbox"/>	Approve contract <input checked="" type="checkbox"/>	Approve budget adjustment <input type="checkbox"/>	Approve – other <input type="checkbox"/>	Review Report or Study <input type="checkbox"/>
	Direction to staff <input type="checkbox"/>	Discussion only <input type="checkbox"/>	Bid Award <input type="checkbox"/>	Other <input type="checkbox"/> (describe):	

BACKGROUND/SUMMARY: Staff requests City Council authorization for the Mayor to sign the Second Amendment to the 2001 Enabling Agreement with Chelan Public Utility District No. 1, enabling wholesale power purchases from Chelan PUD.

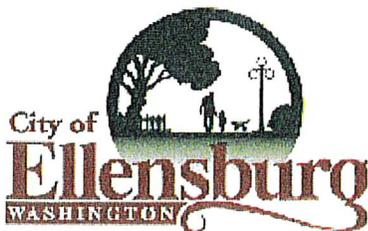
PREVIOUS COUNCIL ACTION: On November 14, 2001, City Council authorized the Mayor to sign the enabling agreement with Chelan PUD to facilitate a wholesale power purchase. Furthermore, on October 3, 2016 the City Council authorized the Mayor to sign the first amendment to the enabling agreement with Chelan PUD, which updated addresses, banking and contact information.

ANALYSIS: This second amendment to the enabling agreement updates contact information, allows for netting of the bill, and allows for payments under \$50,000 to be paid by written check.

FINANCIAL IMPACT: None

RECOMMENDED ACTION OR MOTION: Staff recommends City Council consider authorizing the Mayor to sign the attached Second Amendment to the Enabling Agreement with Chelan Public Utility District No. 1.

Attachments: Second Amendment to Enabling Agreement



OFFICE OF THE CITY CLERK
501 N. Anderson Street, Ellensburg, WA 98926
(509) 925-8614 email: leaderb@ci.ellensburg.wa.us

January 7, 2020

Chelan PUD
Sue Wiersma
P.O. Box 1231
Wenatchee, WA 98801

RE: Second Amendment to Enabling Agreement

The City Council, at its regular meeting held January 6, 2020, voted to approve Amendment two to the Agreement between the City of Ellensburg and Chelan PUD. A copy of the Council agenda report is enclosed for your review.

Enclosed are two contracts for your signature. Please sign both contracts and return one original to the City, and retain one original for your files. If you have any questions about the approval, please call me at 509-925-8614. All other questions can be directed to Buddy Stanavich at 509-962-7225.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Beth Leader".

Beth Leader
City Clerk

Enclosures

Cc: Buddy Stanavich