

ORDINANCE No. 185809

*Apply for permits to allow for installation of a renewable energy project developed by Lucid Energy, Inc. and the Portland Water Bureau (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Portland Water Bureau (PWB) and Lucid Energy, Inc. (LEI) have signed a Final Term Sheet which describes an anticipated agreement to allow LEI access to PWB facilities to generate renewable electricity.
2. PWB will earn a financial benefit by sharing in the proceeds from the energy production that result from the project. In addition, PWB will learn more about the feasibility of power production within its system.
3. The project is in City right-of-way and uses City renewable resources. The City is requesting a right of first refusal if the generation facility is sold. LEI will sell electricity generated by the project to the local serving utility (PGE or another utility) pursuant to a future Power Purchase Agreement. LEI will deliver environmental attributes of electricity to Energy Trust of Oregon under a separate contract.
4. This project is consistent with the Climate Action Plan 2009 (CAP). The 2030 Objective 3 seeks to “produce 10 percent of the total energy used within Multnomah County from on-site renewable resources.” The 2012 Action states “Facilitate the installation of at least ten megawatts of on-site renewable energy.” The CAP Objective 18 seeks to “reduce carbon emissions from City and County operations by 50 percent from 1990 levels” and also states that by 2012 the objective is to “purchase or generate 100 percent of all electricity required for City operations from renewable resources, with at least 15 percent from on-site sources.”
5. In the Memorandum of Understanding dated October 13, 2011 between the City of Portland, Portland Water Bureau, Portland Development Commission and LEI, the parties recognized Portland’s status as a global leader in clean energy and viewed their prospective partnership as an opportunity to leverage Portland’s leadership in clean and green innovation and extend Portland’s expertise in environmental technologies and advanced manufacturing, thereby addressing goals of the City’s economic development strategy.
6. The City and LEI have reached final agreement on the terms and conditions of a twenty-year franchise for LEI to use the public right-of-way for a renewable energy project.
7. Permits are necessary from State and Federal agencies to allow for installation of the project.
8. Monthly lease payments will be made by LEI to the PWB once the project begins commercial operations and payments will be based on a percentage of gross revenues from electricity sold.

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9. In addition to the monthly lease payments LEI will reimburse the City for staff time and third party expenses attributable to the negotiation of an agreement, up to \$20,000, and for any staff expenses associated with the hydro project operation.

NOW, THEREFORE, the Council directs:

- a. That the Portland Water Bureau is authorized to complete and submit an application on behalf of the City of Portland to the Oregon Water Resources Department and the Federal Energy Regulatory Commission for the required permits and license exemptions to allow for installation of the renewable energy project developed by Lucid Energy, Inc. and the Portland Water Bureau.

Section 2. The Council declares that an emergency exists because there are significant economic and logistical advantages by allowing Lucid Energy, Inc. to immediately begin construction of renewable energy facilities in conjunction with ongoing Water Bureau construction; further, the general public welfare will be served by the rapid implementation of a project that pays a return to the Water Bureau and provides clean, renewal energy. Therefore this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council,

DEC 12 2012

Commissioner Leonard
Michael Saling
November 28, 2012

LaVonne Griffin-Valade
Auditor of the City of Portland

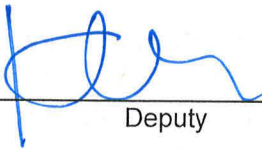
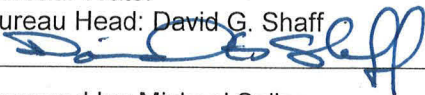

By
Deputy

Susan Parsons

Agenda No.
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INTRODUCED BY Commissioner/Auditor: Commissioner Leonard	CLERK USE: DATE FILED DEC 07 2012
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland By:  Deputy
BUREAU APPROVAL Bureau: Water Bureau Head: David G. Shaff  Prepared by: Michael Saling Date Prepared: November 28, 2012 Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Council Meeting Date December 19, 2012 12.12.2012  City Attorney Approval	ACTION TAKEN:

AGENDA TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input checked="" type="checkbox"/> Pulled
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz <input checked="" type="checkbox"/>	
2. Fish	2. Fish <input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman <input type="checkbox"/>	
4. Leonard	4. Leonard <input checked="" type="checkbox"/>	
Adams	Adams <input checked="" type="checkbox"/>	