

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Michael Saling		2. Telephone No. (503) 823-7411	3. Bureau/Office/Dept. Water
4a. To be filed (date): December 13, 2012	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: December 13, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

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

2) Purpose of the Proposed Legislation: The purpose of this ordinance is to authorize the Portland Water Bureau (PWB) on behalf of the City of Portland and in cooperation with Lucid Energy, Inc. (LEI), to complete and submit an application to the Oregon Water Resources Department (OWRD) and the Federal Energy Regulatory Commission (FERC) for the required permits and license exemptions to allow for installation of this renewable energy project.

In a Memorandum of Understanding between the City of Portland (City), PWB, 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.

PWB and LEI have signed a Final Term Sheet which describes an anticipated agreement to allow LEI access to PWB facilities to generate renewable electricity. 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) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|---|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

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.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

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.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- Will positions be created or eliminated in *future years* as a result of this legislation?

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

An October 13, 2011 Memorandum of Understanding between the City of Portland, Portland Water Bureau, Portland Development Commission and Lucid Energy, Inc. sets forth an understanding for the development and facilitation of a pilot hydropower system within the City of Portland. This council action authorizes the Portland Water Bureau to apply for permits for the facility and no public involvement is necessary.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

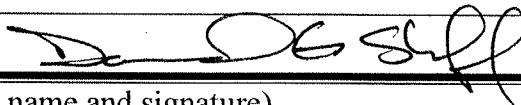
d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated. The installation of the project will be done in coordination with the Powell Butte Net Metering project and that project has an extensive public involvement component.

David G. Shaff, Administrator



BUREAU DIRECTOR (Typed name and signature)