ORDINANCE No. 188323

*Authorize High Pressure Gas Service Rider agreement with Northwest Natural Gas Company for a Renewable Compressed Natural Gas fueling station, at the Columbia Boulevard Wastewater Treatment Plant, for an estimated cost of \$1,941,830 (Ordinance)

The City of Portland ordains:

- Section 1. The Council finds:
 - 1. The Bureau of Environmental Services (BES) will construct a Renewable Natural Gas (RNG) production facility at the Columbia Boulevard Wastewater Treatment Plant (CBWTP). The RNG facility will upgrade the biogas produced at the CBWTP to natural gas quality for use as RNG for vehicle fuel.
 - 2. BES has planned to install a Renewable Compressed Natural Gas (RCNG) fueling station at the CBWTP to fuel City owned CNG (Compressed Natural Gas) vehicles, as well as contractorowned or privately owned CNG vehicles with operations at the site.
 - 3. BES has planned to enter into an HPGS Rider, or Rate Schedule H, agreement with Northwest Natural Gas Company (NWN) for the installation of the RCNG fueling station. The HPGS Rider program, which is regulated by the Oregon Public Utility Commission, is designed for NWN to help build an alternative fuel infrastructure in the region.
 - 4. Per the HPGS Rider program, NWN will design, construct and maintain the RCNG fueling station over the term of the agreement. There will not be upfront cost to BES, but all costs and expenses by NWN will be reimbursed over the contract term, per the Cost Recovery Schedule stated in the agreement.
 - 5. Major components of the RCNG fueling station consists of compression, storage and dispensing equipment.
 - 6. There is an Alternative Fuel Vehicle Infrastructure tax credit, with an estimated amount of \$300,000, from the Oregon Department of Energy (ODOE), associated with the RCNG fueling station. The ODOE tax credit program is scheduled to sunset on December 31, 2017.
 - 7. The total estimated cost over the term of the agreement is \$1,941,830. The level of confidence in this cost estimate is high. Funds will be available in the Sewer System Operating Fund, FY2017-FY2021 Budget, Bureau of Environmental Services.

NOW, THEREFORE, the Council directs:

a. The Commissioner-in-Charge is authorized to negotiate and execute a contract with Northwest Natural Gas Company for the purpose described in Section 1 provided that the contract is approved as to form by the City Attorney's Office.

b. The Mayor and Auditor are hereby authorized to draw and deliver warrants chargeable to the Sewer System Operating Fund Budget when demand is presented and approved by the proper authority.

Section 2.

The Council declares that an emergency exists to ensure on time completion of the RCNG fueling station before the sunset date at the end of the year. A delay will significantly increase the risk of losing the tax credit. Therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council, APR **1 9** 2017 Commissioner Nick Fish

Scott T. Gibson, PE March 31, 2017

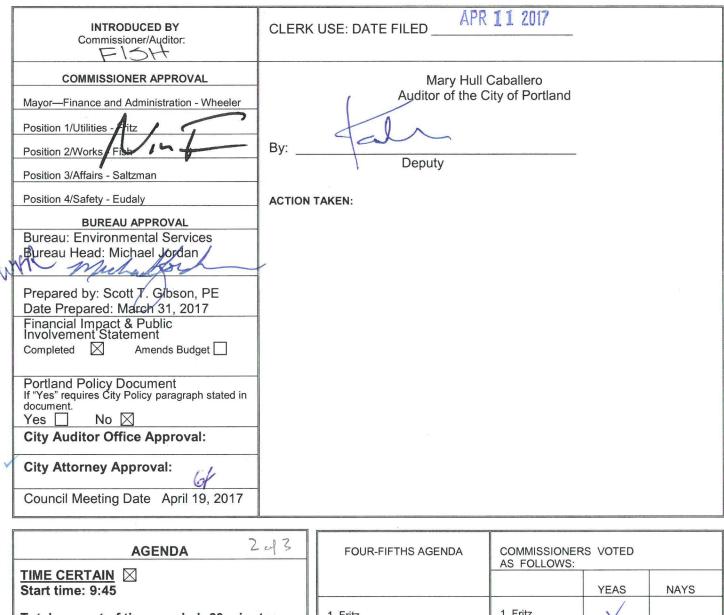
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Mary Hull Caballero Auditor of the City of Portland By Auran Pauron

Deputy

Agenda No. ORDINANCE NO. 188323 Title

*Authorize entering a High Pressure Gas Service (HPGS) Rider agreement with Northwest Natural Gas Company for a Renewable Compressed Natural Gas fueling station, at the Columbia Boulevard Wastewater Treatment Plant, for an estimated cost of \$1,941,830. (Ordinance)



Total amount of time needed: 60 minutes With other biogas agenda items (for presentation, testimony and discussion)

CONSENT

REGULAR Total amount of time needed (for presentation, testimony and discussion)

	AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	\checkmark	
2. Fish	2. Fish	\checkmark	
3. Saltzman	3. Saltzman	\checkmark	
4. Eudaly	4. Eudaly	\checkmark	
Wheeler	Wheeler	\checkmark	