

**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 contractor-owned 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,  
Commissioner Nick Fish

APR 19 2017

Scott T. Gibson, PE  
March 31, 2017

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**Mary Hull Caballero**  
Auditor of the City of Portland

By



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)

<p style="text-align: center;"><b>INTRODUCED BY</b>                  Commissioner/Auditor:  <i>FISH</i></p>	<p>CLERK USE: DATE FILED <u>APR 11 2017</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p>	<p style="text-align: center;">Mary Hull Caballero                  Auditor of the City of Portland</p> <p style="text-align: center;"><i>M. Caballero</i></p> <p>By: _____                  Deputy</p>
<p>Mayor—Finance and Administration - Wheeler</p>	
<p>Position 1/Utilities - <i>Fritz</i></p>	
<p>Position 2/Works - <i>Fish</i></p>	
<p>Position 3/Affairs - Saltzman</p>	
<p>Position 4/Safety - Eudaly</p>	<p><b>ACTION TAKEN:</b></p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p>	
<p>Bureau: Environmental Services                  Bureau Head: Michael Jordan  <i>M. Jordan</i></p>	
<p>Prepared by: Scott T. Gibson, PE                  Date Prepared: March 31, 2017</p>	
<p>Financial Impact &amp; Public                  Involvement Statement                  Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document                  If "Yes" requires City Policy paragraph stated in                  document.                  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b></p>	
<p><b>City Attorney Approval:</b> <i>GF</i></p>	
<p>Council Meeting Date April 19, 2017</p>	

<p><b>AGENDA</b> <span style="float: right;">2 of 3</span></p>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/>                  Start time: 9:45</p> <p><b>Total amount of time needed: 60 minutes</b>  <b>With other biogas agenda items</b>                  (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input type="checkbox"/>                  Total amount of time needed                  (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	