



Nick Fish, Commissioner  
Michael Stuhr, P.E., Administrator

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## IMPACT STATEMENT

**Date:** August 2, 2017

**Council Date:** August 16, 2017

**Legislation Title:** Authorize a Power Purchase and Sales Agreement with Portland General Electric Company for the sale of hydroelectric power generated by the Portland Hydroelectric Project (Ordinance)

**Contact Name:** Glenn O. Pratt

**Contact Phone:** (503) 823-6107

**Presenter Name:** David Peters, P.E.

**Purpose of proposed legislation and background information:**

In 1982 the City of Portland began the commercial operation of the Portland Hydroelectric Project (Project). The power generated from this facility was purchased by Portland General Electric Company under a Power Sales Agreement (PSA) that was signed in 1979. This original PSA expires on August 31, 2017.

When the Bureau of Hydroelectric Power approached Portland General Electric Company about renewing the PSA, Portland General Electric Company informed the Bureau of Hydroelectric Power that they would be interested in purchasing the power from the facility in a new negotiated agreement but would not want to continue to perform the operations and maintenance or the scheduling and dispatching operations.

Based on this the Bureau of Hydroelectric Power evaluated options for generating and selling the power generated by the Project, both to Portland General Electric Company and to other agencies. After evaluation of the options available, it was determined that a new Power Purchase and Sales Agreement with Portland General Electric Company is the most economically advantageous to the City. Portland General Electric Company desires to enter into a new Power Purchase and Sales Agreement (PPA) to purchase the power generated by the Project.

The Bureau of Hydroelectric Power will also establish separate agreements for the operations and maintenance, scheduling, and dispatching for the power generated by the Project; and for the maintenance of the transmission lines owned by the Project.

City Code allows the Bureau of Hydroelectric Power to work directly with Portland General Electric Company under the conditions described in Code Section 3.110.010, Ordinance No. 147822.

**Financial and budgetary impacts:**

Funds associated with the PPA will be budgeted by the Bureau of Hydroelectric Power.

Revenue generated from the PPA will be utilized in supporting the current operations of the Bureau of Hydroelectric Power. Operations and maintenance will be completed to meet industry standards and to meet federal licensing requirements. Revenue will also support the subsequent agreements for the operations and maintenance, scheduling and dispatching, and the transmission maintenance. The revenues will also be utilized to establish a fund reserve to meet all other obligations of the Bureau of Hydroelectric Power.

The term of the PPA is approximately fifteen years with an expiration date of June 30, 2032. The proposed PPA will not result in a change in the staffing levels to the Bureau of Hydroelectric Power.

**Community impacts and community involvement:**

There are no impacts to the community.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES: Please complete the information below.
- NO: Skip this section

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


8/8/17  
 \_\_\_\_\_  
 Michael Stuhr, P.E., Administrator Date

Motion August 16, 2017

908 Authorize a Power Purchase and Sales Agreement with Portland General Electric Company for the sale of hydroelectric power generated by the Portland Hydroelectric Project (Ordinance introduced by Commissioner Fish)

**Motion to add directive d to require that all revenues, including excess annual revenues, beginning balances, and surplus fund distributions from the Portland Hydroelectric Project accounts and operations, shall remain in the Hydroelectric Power Fund to ensure sustainable financial management of the Portland Hydroelectric Project until such time as the City's Chief Financial Officer, in consultation with the Water Bureau, has determined that distributions from the Fund can be made and are in the best interests of the City: Moved by Fish and seconded by Fritz.**  
(Y-4; Eudaly absent)

**PASSED TO  
SECOND READING  
AS AMENDED  
AUGUST 30, 2017  
9:30 AM**