



RESOLUTION NO. 39926

1 A RESOLUTION relating to renewable energy; authorizing execution an
2 Engineering Services and Construction Agreement with Puget Sound
3 Energy, Inc., in the amount of \$1,860,000, including sales tax, budgeted
4 from the Wastewater Fund, to construct a gas pipe line between the gas
5 processing facility to be located at the Central Wastewater Treatment Plant
6 and the Puget Sound Energy distribution line located in East Q Street and
7 Bay Street to allow the renewable natural gas produced at the Central
8 Wastewater Treatment Plant to be distributed, and further, authorizing
9 execution of a Receipt Service Agreement and Safety Services Agreement
10 governing the injection of renewal natural gas into the gas pipe line.

11 WHEREAS, in accordance with the 2008 Climate Action Plan and the
12 Environmental Action Plan, the City has committed to reducing its greenhouse gas
13 emissions, and

14 WHEREAS the Environmental Services Department (“ESD”) is challenged
15 with providing its ratepayers vital utility services at an economical price, and

16 WHEREAS, when bio-gas (methane) is processed, it can be used
17 interchangeably with natural gas and sold in the market place as a commodity, and

18 WHEREAS, according to the Environmental Protection Agency, using
19 methane from this source will reduce greenhouse gasses by at least 60 percent
20 compared to diesel fuel or natural gas extracted from the earth; in addition, if
21 processed bio-gas is used for vehicle fuel, it is eligible for an environmental credit,
22 and

23 WHEREAS the sale of bio-gas for use as a transportation fuel is a
24 necessary step in creating Renewable Identification Numbers (“RINs”); doing so
25 will create a public benefit by reducing greenhouse gas emissions by at least
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60 percent, supporting the use of renewable fuels for transportation purposes, and
1 increasing the revenue received by the ESD, and

2 WHEREAS the opportunity to reduce greenhouse gas emissions while
3 generating revenue to the wastewater utility through the sale of a valuable
4 commodity represents an extraordinary opportunity, and
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6 WHEREAS the City's energy services contractor conducted an investment
7 grade audit for the Central Wastewater Treatment Plant and recommended three
8 energy savings project including the installation of a Biogas processing facility
9 ("Biogas Project") to process excess bio-gas released from the Central Wastewater
10 Treatment Plant to create renewable natural gas, and
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12 WHEREAS, on October 11, 2017, ESD staff briefed the Infrastructure,
13 Planning and Sustainability Committee regarding the details of the proposed
14 energy savings projects, and
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16 WHEREAS, on December 19, 2017, the City Council approved Resolution
17 No. 39897, authorizing execution of an agreement with IGI Resources, Inc. for the
18 sale and purchase of renewable natural gas anticipated to be derived from
19 processing excess bio-gas released from the Central Wastewater Treatment Plant,
20 and using processing facilities designed, constructed, and installed by McKinstry
21 Essention, Inc., and
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23 WHEREAS, concurrent with this resolution, is a resolution approving an
24 agreement with McKinstry Essention, Inc. for the design, construction, and
25 installation of the processing facility, and
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WHEREAS it is necessary for the City to enter into an Engineering Services and Construction Agreement with Puget Sound Energy, Inc. ("PSE"), in the amount of \$1,860,000, including sales tax, , budgeted from the Wastewater Fund, for the construction of a gas pipeline for delivery of processed bio-gas to PSE, and

WHEREAS it is further necessary to enter into a Receipts Services Agreement and Safety Services Agreement with PSE to establish the terms and conditions upon which PSE will allow processed bio-gas to be injected into the gas pipeline, and

WHEREAS it is expected that the revenue derived from the sale of processed bio-gas with RIN credits will exceed the debt service costs and the ongoing costs of maintenance and operations for the life of the bio-gas processing facility; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to execute an Engineering Services and Construction Agreement with Puget Sound Energy, Inc., in the amount of \$1,860,000, including sales tax, budgeted from the Wastewater Fund, to construct a gas pipe line between the gas processing facility to be located at the Central Wastewater Treatment Plant and the Puget Sound Energy distribution line located in East Q Street and Bay Street to allow the renewable natural gas produced at the Central Wastewater Treatment Plant to be distributed, and are further authorized to enter into a Receipt Service Agreement and Safety Service Contract governing the injection of processed bio-gas into the gas pipe



1 line, said agreements to be substantially in the form of the documents on file in the
2 office of the City Clerk.

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4 Adopted _____

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Mayor

7 Attest:

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City Clerk

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Approved as to form:

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Chief Deputy City Attorney

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