



Legislation Text

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Clerk 12/06/2016

AN ORDINANCE relating to the sale and storage of biomethane and related environmental attributes held by the county; authorizing an amendment to an agreement approved under Ordinance 18363, for the sale and purchase of biomethane and environmental attributes associated with purified biomethane produced at the South wastewater treatment plant to IGI Resources, Inc.

STATEMENT OF FACTS:

1. The wastewater treatment division of the department of natural resources and parks operates three regional wastewater treatment facilities, including the South wastewater treatment plant in Renton, Washington, which treats approximately thirty billion gallons of wastewater each year.
2. Anaerobic digesters at the treatment plant generate methane digester biogas as part of the water and associated solid material treatment and purification processes.
3. Since 1988, the wastewater treatment division has been scrubbing impurities from the digester biogas to create biomethane, using some of the resulting pipeline-quality gas for internal heating purposes, and injecting the surplus pipeline-quality gas into the regional natural gas pipeline.
4. Under Ordinance 18363, a biomethane sale and purchase agreement was authorized to sell the biomethane to IGI Resources Inc. The agreement will significantly increase revenue to the county for the biomethane following Environmental Protection Agency approval of the transaction. On November 7, 2016, the county executed a biomethane sale and purchase

agreement to sell the biomethane to IGI Resources Inc. That agreement consisted of four components: a base contract; special provisions; addendum; and biogas transaction confirmation.

5. As contemplated in the biomethane sale and purchase agreement, the parties have since negotiated an amendment that will allow for storage of the gas while waiting for Environmental Protection Agency approval of the county's program application. This will allow the parties to generate additional revenue from the sales of the stored gas subsequent to Environmental Protection Agency approval of the application.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The King County executive is hereby authorized to execute a

Biogas Transaction Confirmation with IGI Resources, Inc., substantially in the form of Attachment A to this ordinance.