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King County Executive
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September 3, 2024

The Honorable Dave Upthegrove Chair, King County Council Room 1200 C O U R T H O U S E

Dear Councilmember Upthegrove:

This letter transmits a proposed Ordinance that, if enacted, would authorize an extension to the term of the existing service agreement for the purchase of renewable wind and solar energy from Puget Sound Energy (PSE) that is significantly reducing the County's operational greenhouse gas emissions consistent with the County's Strategic Climate Action Plan (SCAP).

The proposed legislation would authorize King County to extend its existing binding Service Agreement with Puget Sound Energy under Tariff Schedule 139 - Voluntary Long Term Renewable Energy, known as "Green Direct," to purchase wind- and solar-generated electricity, from a 10-year to a 20-year term. The original 10-year Green Direct Service Agreement was approved by Ordinance 18472. The updated Service Agreement extension will commit King County to purchase the electricity for a 20-year term through 2040, for specific facilities listed in Attachment B to the proposed Ordinance, which captures most of King County government's power purchased from PSE. King County will remain a full-service customer of PSE and will continue to partner with PSE on conservation and efficiency projects for the county and the community.

As part of evaluating the Green Direct power purchase opportunity to move from the 10-year term to 20 years, the economic impact and the quality of the provided power were considered. The move to the 20-year term will provide additional cost savings approaching \$1,000,000 through the remaining life of the agreement. This savings is on top of the County's current participation in the Green Direct program, whereby the program participation is providing savings as compared to PSE's standard power, as was contemplated in the original Ordinance 18472. Renewable Energy Certificates associated with the 100 percent renewable wind and solar energy resources will continue to be retired, ensuring that associated reductions in greenhouse gas emissions can be counted in King County's greenhouse gas emissions inventory through 2040.

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Extension of the Service Agreement will enable King County to secure the high-quality 100 percent renewable wind and solar resource through 2040. If King County does not extend the contract beyond the current 10-year term, the electricity use at our facilities would default to standard PSE power after 2030, which per the State's Clean Energy Transformation Act would be greenhouse gas neutral after 2030 but may not be 100 percent renewable.

King County's commitment to purchase wind and solar power for a 20-year term will:

- Further the SCAP goal of reducing total greenhouse gas emissions from government operations by at least 50 percent by 2025 and 80 percent by 2030, as compared to a 2007 baseline. Purchasing renewable electricity through the Green Direct program has reduced direct emissions from King County operations by approximately 16 percent, as of 2023.
- Follow through on SCAP commitments to increase consumption of renewable energy at King County facilities by 70 percent by 2020, 85 percent by 2025, and 95 percent by 2030.
- Provide greater certainty about future electricity costs for county operations.
- Demonstrate King County's commitment to climate action and preference for 100 percent renewable energy sources.

Thank you for considering this proposed Ordinance. This important legislation will help King County continue to make progress to meet the ambitious greenhouse gas emissions reductions targets the Council unanimously approved in the SCAP and will demonstrate King County's continued leadership in combatting climate change and supporting renewable energy development.

If you have any questions about this Ordinance, please contact Marissa Aho, Director of the Executive Climate Office, at 206-263-9605.

Sincerely,

for

Dow Constantine King County Executive

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Enclosures

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council Melani Hay, Clerk of the Council Karan Gill, Chief of Staff, Office of the Executive

Penny Lipsou, Council Relations Director, Office of the Executive

Marissa Aho, Climate Director, Executive Climate Office, Office of the Executive