



Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

June 15, 2018

Ordinance

Proposed No. 2018-0230.1

Sponsors Dembowski

1 AN ORDINANCE relating to the sale of biomethane and
2 related environmental attributes held by the county;
3 authorizing an amendment to an agreement approved under
4 Ordinance 18363 and amended under Ordinance 18439, for
5 the sale and purchase of biomethane and environmental
6 attributes associated with purified biomethane produced at
7 the South wastewater treatment plant to IGI Resources, Inc.

8 **STATEMENT OF FACTS:**

- 9 1. The wastewater treatment division of the department of natural
10 resources and parks operates three regional wastewater treatment facilities,
11 including the South wastewater treatment plant in Renton, Washington,
12 which treats approximately thirty billion gallons of wastewater each year.
- 13 2. Anaerobic digesters at the treatment plant generate methane digester
14 biogas as part of the water and associated solid material treatment and
15 purification processes.
- 16 3. Since 1988, the wastewater treatment division has been scrubbing
17 impurities from the digester biogas to create biomethane, using some of
18 the resulting pipeline-quality gas for internal heating purposes, and
19 injecting the surplus pipeline-quality gas into the regional natural gas

20 pipeline.

21 4. Ordinance 18363 authorized the King County executive to sell
22 biomethane and environmental attributes to IGI Resources, Inc., under an
23 agreement consisting of a base contract for sale and purchase of natural
24 gas, special provisions, a biogas addendum and a biogas transaction
25 confirmation. Ordinance 18439 authorized the King County executive to
26 execute an amended and restated biogas transaction confirmation with IGI
27 Resources, Inc., to allow for the storage and later sale of biogas upon the
28 receipt of Environmental Protection Agency approval of the county's
29 program. The agreement, as amended, has significantly increased revenue
30 to the county resulting from biomethane and environmental attribute sales.

31 5. On August 7, 2017, the Environmental Protection Agency formally
32 approved the county's program registration.

33 6. Given Environmental Protection Agency approval of the county's
34 program and in order to capture additional revenue resulting from the
35 environmental attribute sales, King County has negotiated with IGI
36 Resources, Inc., a new biogas transaction confirmation. The new biogas
37 transaction confirmation eliminates references to the pre-Environmental
38 Protection Agency approval delivery period, simplifies the references to
39 the delivery period end date as a full five year term, which is through July
40 31, 2022, provides a higher percentage of the environmental attribute
41 value to be paid to King County, and allows for sale of the biogas to other
42 markets, if mutually agreed by both parties.

43 7. The new transaction confirmation also allows for two BP Entities, IGI
44 Resources, Inc., and BP Products North America, to purchase and transact the
45 biomethane and environmental attributes.

46 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

48 amended and restated Biogas Transaction Confirmation, substantially in the form of
49 Attachment A to this ordinance.
50

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

J. Joseph McDermott, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. Biogas Transaction Confirmation