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Title: AN ORDINANCE relating to the King County Metro transit carbon offset program; and amending Ordinance 17971, Section 2, and K.C.C. 28.30.010, and Ordinance 17971, Section 4, and K.C.C. 28.30.030.

Sponsors: Larry Phillips

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Attachments: 1. Ordinance 18106.pdf, 2. 2015-0329_SR_RIN.docx, 3. 2015-0329_SR_RIN.docx, 4. 2015-0329_ATT2_Amdt1.docx, 5. 2015-0329_RevisedSR_RIN.docx

Date	Ver.	Action By	Action	Result
9/8/2015	2	Metropolitan King County Council	Hearing Held	
9/8/2015	2	Metropolitan King County Council	Passed	Pass
9/1/2015	1	Transportation, Economy, and Environment Committee	Recommended Do Pass Substitute	Pass
8/18/2015	1	Transportation, Economy, and Environment Committee	Deferred	
8/17/2015	1	Metropolitan King County Council	Introduced and Referred	

Clerk 08/13/2015

AN ORDINANCE relating to the King County Metro transit carbon offset program; and amending Ordinance 17971, Section 2, and K.C.C. 28.30.010, and Ordinance 17971, Section 4, and K.C.C. 28.30.030.

STATEMENT OF FACTS:

- King County Metro transit operates a fleet of one hundred fifty-nine electric trolley buses in the city of Seattle. Beginning in 2016, it will also operate two battery buses and may operate significantly more in the future.
- The electric trolley buses have over twenty million boardings per year and are a major component of the public transportation system.

3. The electric trolley bus fleet consumes an estimated eighteen million kilowatt hours of electricity each year, from renewably-derived electricity sources.
4. The transmitted 2015 King County Strategic Climate Action Plan reports that Metro transit has been exploring options to monetize the use and savings of fuel resources to operate its fleets, such as selling credits from the use of renewable or low carbon fuels.
5. Under the United States Environmental Protection Agency Renewable Fuel Standard Program, transit agencies can monetize the environmental attributes associated with the operation of a trolley fleet and battery-operated buses by creating a renewable identification number.
6. Metro transit has the potential to generate renewable identification numbers, which can be sold to a third party, based on the consumption of renewably-generated electricity used to power transit's trolley buses, future battery buses and other modes of transportation.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 17971, Section 2, and K.C.C. 28.30.010 are each hereby amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

A. "Additionality" means the principle of achieving net greenhouse gas emissions savings over and above those that would have arisen anyway in the absence of a given activity or project.

B. "Carbon neutral" means no net greenhouse gas emissions from operations, including when carbon offsets are applied to the emissions calculation

C. "Carbon offset" means a reduction in emissions of carbon dioxide or greenhouse gases made in order to mitigate for or to offset an emission made elsewhere.

D. "Environmental attributes" means any environmental benefit that can be monetized.

E. "Renewable identification number" means one of the mechanisms established to allow obligated parties to demonstrate compliance with renewable fuel volume obligations established under the Energy Policy Act of 2005 (Public Law 109-58) and the Energy Independence and Security Act of 2007 (Public Law 110-140). A renewable identification number is assigned to a unit of renewable fuel for purposes of tracking its production and use. Once the unit of fuel is consumed, the renewable identification number can be used to satisfy renewable fuel obligations and can be sold or traded to obligated parties to satisfy their renewable fuel obligations in current or future years.

F. "Transit carbon offset" means an investment by the transit division that results in a reduction of greenhouse gas emissions beyond standard operations, thereby achieving additionality.

SECTION 2. Ordinance 17971, Section 4, and K.C.C. 28.30.030 are each hereby amended to read as follows:

A. The King County Metro transit carbon offset and environmental attributes program is hereby created and shall be administered by the transit division.

B. Transit carbon offsets shall be reviewed by an independent third-party organization with proven experience in emission mitigation activities to ensure that transit carbon offsets meet the requirements of RCW 36.01.250.

C. The transit division shall ~~((also))~~ make carbon offsets or environmental attributes available for purchase by individuals or public or private entities, if doing so is likely to be financially beneficial to the division.

D. ~~((The transit division shall make carbon offsets available for purchase to the wastewater treatment division and the solid waste division as a means for those divisions to reduce their greenhouse gas emissions.))~~
The wastewater treatment division and the solid waste division shall evaluate the purchase of transit division carbon offsets, as necessary, to achieve the requirements of this chapter.

E. When purchasing carbon offsets, the wastewater treatment division and the solid waste division shall

ensure the offsets meet the requirements of RCW 36.01.250. In purchasing offsets, the wastewater treatment division and the solid waste divisions shall purchase offsets from ~~((t))~~ the transit division before purchasing carbon offsets from outside of the county if transit division offsets are comparably priced.

F. Revenue from the sale of carbon offsets or environmental attributes shall be used by the transit division solely for the purposes of reducing greenhouse gas emissions through providing additional transit service hours or investments that reduce the greenhouse gas emissions from transit operations beyond standard operations, thereby achieving additionality.

G. The executive shall ensure that transit carbon offsets or other environmental attributes are not double counted in calculating the greenhouse gas emissions for King County.

SECTION 3. A. The "Feasibility Evaluation of the Sale of Metro Transit Carbon Offsets" filed with the council on June 1, 2015, is hereby acknowledged.

B.1. The executive shall prepare a follow-up report to the council by December 1, 2015, evaluating potential revenues to transit if either a low carbon fuel standard, such as is used in California and British Columbia, or a cap and trade system, such as in California, or both, were enacted in Washington.

2. The executive must file the report in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director and the lead staff for the transportation, economy and environment committee, or its successor.

C.1. The executive shall report to council by December 1, 2015, on its proposed option for monetizing the renewable identification numbers that might come from the operation of the transit division's electric trolley fleet and battery buses operated with renewably-generated electricity. The report shall propose a process that maximizes financial returns, provides a stable revenue source and explains how the proposed transaction process ensures both maximum price and transparency. The report shall also describe options for the marketing of renewable identification numbers. The council intends to take action on any proposed contract for the sale of

renewable identification numbers only after receipt of the reports required in this section.

2. The executive must file the report in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director

and the lead staff for the transportation, economy and environment committee, or its successor.