



Gregory L. Geist
Director

February 13, 2020

Water Environment Services Board
Board of County Commissioners
Clackamas County

Members of the Board:

Approval of 2019 Renewable Development Fund Award Agreement Between Water Environment Services and Portland General Electric Company for Biogas Component of Water Resource Recovery Expansion Project

Purpose/Outcomes	Approval of 2019 Renewable Development Fund Award Agreement Between Water Environment Services and Portland General Electric Company for Biogas Component of Water Resource Recovery Expansion Project.
Dollar Amount and Fiscal Impact	The Agreement will award Water Environment Services up to \$250,000 Renewable Development fund award for Services Biogas Component of WRRF expansion Project.
Funding Source	Renewable Development Fund award from PGE.
Duration	The Agreement ends June 30, 2021.
Previous Board Action/Review	May 23, 2019, the Board approved WES to apply for this grant with PGE for renewable energy infrastructure construction.
Counsel Review	This agreement was reviewed and approved by County Counsel on February 5, 2020.
Strategic Plan Alignment	<ol style="list-style-type: none"> 1) This agreement will support our capital planning and management program initiative. By January 2021, WES will have completed the TC WRRF Solids Handling Improvements Project to support the expected 20-year growth horizon. 2) This agreement will support our resources recovery initiative. By June 30, 2030, WES will generate 50% of plant electrical needs from biogas. 3) This project supports the County Strategic Plan to build public trust through good government and building strong infrastructure.
Contact Person	Lynne Chicoine, WES Capital Program Manager (503)742-4559
Contract No.	NA

BACKGROUND:

The Tri-City Water Resource Recovery Facility (WRRF) is a water resource recovery facility owned and operated by Water Environment Services (“WES”). The facility operates a 30+ year-old 250 kW rich-burn cogeneration system, which is at the end of its useful life.

As part of the Tri-City Solids Handling Improvements (TCSHI) project, WES will install and operate a new lean-burn cogeneration system with increased capacity to use methane generated in the anaerobic digesters to create power and heat for use at the facility. The \$5.7 million cogeneration system will include gas treatment and storage and an engine with

a nameplate capacity of 600 kW and estimated to generate an average of 4,324 MWh per year. This combined heat and power facility will offset about 50% of the electricity needed to operate the Tri-City plant and provide heat for the digestion process and space heat for the solids processing area, the Administration Building and the Laboratory. The TCSHI project is under construction and the co-generation system will be completed in early 2021.

With this Agreement, PGE will provide WES a grant of up to \$250,000 towards the co-generation project and matching funds up to \$15,000 for tours, mural, community outreach, and other educational activities.

RECOMMENDATION:

WES staff recommends the Board, acting as the governing body of Water Environment Services, approve the 2019 Renewable Development Fund Award Agreement Between Water Environment Services and Portland General Electric Company for Biogas Component of Water Resource Recovery Expansion Project

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Greg Geist", with a long horizontal flourish extending to the right.

Greg Geist
Director, Water Environment Services

Attachments:
Renewable Development Fund Award Agreement

Renewable Development Fund Award Agreement

On behalf of participating Green FutureSM customers, Portland General Electric Company will provide up to \$250,000.00 to Water Environment Services (Recipient) to support the installation of a renewable energy project at 15941 S Agnes Ave Oregon City, OR 97045, upon completion of the project and confirmation that all award recipient requirements have been met.

The Renewable Development Fund award amount is based on the information provided in the application and during the interview process. Any unapproved material change to project design/plans/scope may result in forfeiture of funding or an adjustment to the RDF award amount. All modifications to the project design/plan/scope including those attributes listed below must be submitted for approval using the change request form provided by PGE.

Recipient agrees to meet all program requirements and deadlines set forth in this Agreement.

I. PROJECT ATTRIBUTES

A. Recipient shall install a renewable energy project with the attributes described in the table below (the "Project"):

Award Recipient	WES	RDF recognition activities/ location	Signage, Tours, Website information, Quarterly newsletter, Presentations, Onsite display
Technology	Biopower		
Expected Annual Output	4,198,000 kWh		
Minimum size¹	600 kW AC		
Project location	Inside treatment plant.		
Project address	15941 S Agnes Ave Oregon City, OR 97045	Education plan activities (First two years)	Match of up to \$15,000.00 for tours, mural, community outreach, and other educational activities.
Installation date	No later than June 30 th 2021		
Funding award²	Up to \$250,000.00		
Total project cost	\$5,668,071.00		

¹ RDF awards are competitive and funding is limited. If the Project received a partial funding award, a minimum project size has been established based on the reduced funding level, which differs from the project size identified in the application. If the Project does not meet the minimum size requirement listed above, funding may be reduced or rescinded.

² The RDF funding award represents an "up to" amount. Changes in project costs, design, and funding sources may result in adjustments to the final RDF funding amount.

- B. Recipient shall construct or install the Project by June 30th 2021 (“Installation Date”). If the Project is not completed by the Installation Date, PGE will rescind the RDF award and the Agreement will be terminated unless a change order form is submitted and approved by PGE extending the Installation Date.
- C. Recipient shall construct or install and maintain the Project in PGE’s service area over the life of the Project. Recipient shall refund the RDF award in the event Recipient relocates the Project outside of PGE’s service area.
- D. In the event the Project generates less than 50% of the Expected Annual Output for any 12-month period in the first ten (10) years of the project, Recipient shall refund the RDF award to PGE within sixty (60) days after such twelve (12) month period.
- E. In the event the Project experiences an insured loss to the renewable energy equipment and respective equipment installed as a result of this funding award, Recipient shall reimburse PGE a proportionate amount of RDF funds within sixty (60) days after receiving such insured amount.
- F. Recipient shall utilize a construction contractor licensed in Oregon to construct or install the Project and Recipient shall comply with all county/state building and electrical codes and utility interconnection requirements.
- G. Recipient shall execute a Net Metering Agreement or an Interconnection Agreement, as applicable, with PGE. Operation of the Project may not begin until PGE sets the net meter.
- H. Recipient shall only install new equipment at the Project, and provide PGE written documentation to substantiate that only new equipment was installed.
- I. Recipient shall install a production monitoring system that includes a publicly accessible (no log-in or password required) webpage featuring historic and present generation data. Recipient may not utilize the data collected in this monitoring system for direct marketing purposes. PGE may place a link to the monitoring site on its RDF program webpage. Information collected by this monitoring system may be used by PGE for educational purposes, performance analysis or any other reason PGE deems necessary.
- J. Recipient shall grant PGE title to a share of the project's renewable energy certificates (a.k.a. RECs, green tags, tradable renewable energy certificates, renewable energy credits) proportional to the amount of the RDF award and the total renewable energy project costs over the life of the project. REC allocation costs (e.g., WREGIS registration, meter recording) will be likewise be split by a proportional share. Recipient shall not make claims involving the environmental attributes of the RECs transferred to PGE. PGE may purchase additional renewable energy certificates associated with the Project from Recipient, up to 100 percent of the Project’s output. A renewable energy certificate represents one thousand kilowatt-hours of renewable energy that is physically metered and verified.
- K. Recipient, including its contractors, shall at all times comply with all applicable federal, state and local laws, statutes, rules, regulations and ordinances and shall bear all costs associated with such compliance.

II. USE OF RENEWABLE DEVELOPMENT FUNDS

Recipient may only apply RDF funds to capital costs associated with the installation of equipment and approved outreach and education expenses associated with the Project. Funds cannot be used to cover expenses such as fees incurred for Project estimates or bids, administrative or project management costs, non-renewable energy equipment such as electric vehicle supply equipment, and structural or other site improvements that would otherwise occur without the installation of the Project, such as landscaping or re-roofing. The sum of RDF funds and other outside funding sources may not exceed Project costs. In addition, solar incentives provided by other PGE programs may not be applied to the Project if RDF funding is accepted.

III. RECIPIENT DELIVERABLES

- A. **Recipient webinar:** Recipient shall attend the RDF award recipient webinar, along with the Recipient's renewable energy or construction contractor and project manager. The webinar will cover funding award requirements and expectations, along with guidance to expedite the documentation and funding process. Webinar details will be provided upon execution of the Agreement.
- B. **Quarterly updates:** Recipient shall provide a quarterly progress report to PGE on the 15th day of the month following each calendar quarter after the RDF award is granted until the Commercial Online Date. For example, April 15th for Q1, July 15th for Q2 and so on. These quarterly progress reports will be provided by completing the quarterly progress report form provided by PGE and emailing it to RenewableDevFund@pgn.com.
- C. **Change requests:** In the event Recipient desires to change the Project, Recipient shall complete and submit a change request form provided by PGE for any material change in project scope or project attributes listed in the table above in Article (I) or conveyed in the funding application.
- D. **Project completion and reimbursement:** Upon completion of Project installation and all other funding requirements, Recipient shall submit a final report in the form provided by PGE along with any required supplemental documentation to RenewableDevFund@pgn.com. Final reporting must be submitted no more than sixty (60) days following the execution of a Net Metering Agreement and interconnection Agreement and the Project's official on-line date (e.g. the date of receipt of PGE's Permission to Operate).

IV. EDUCATION AND OUTREACH REQUIREMENTS

- A. **PGE Renewable Development Fund Recognition statement:** Recipient shall include the following statement on all signage, materials, and communications, both print and non-print except for social media sites, produced as part of the Project: "This project has been made possible by customers participating in PGE's Green FutureSM program through the Renewable Development Fund." Contact RenewableDevFund@pgn.com with questions about use and modification of this language.

- B. **Approvals:** Recipient shall seek prior written approval at least three weeks in advance from PGE for each and all instances of promotional materials and advertising that identify RDF customers or use the PGE and RDF logos.
- C. **Celebrations and publicity:** Recipient shall celebrate Project completion through one or all of the following in accordance with the Education Plan described in the table above in Section I(A): media event, tour, media advisory, press announcement, stakeholder communications. Recipient shall notify PGE of such events and PGE may participate in such celebrations.
- D. **Permanent recognition:** Recipient shall develop, install and maintain for the life of the Project at least one piece of permanent, onsite signage that publicly recognizes the contributions of PGE's RDF customers. Upon request by Recipient, PGE will provide samples of signage design and support the development of content and messaging.
- E. **Project host website:** Recipient shall publish the PGE RDF logo (or equivalent) and the online project monitoring tool on Recipient's Project website at the time of Project completion.
- F. **Portland General Electric Company website:** PGE may include information regarding the Project in its customer communication material, including use of photographs of the Project in brochures and internet pages for purposes of supporting the RDF program. PGE will notify the Recipient and will follow Recipient's brand guidelines prior to inclusion.

V. REIMBURSEMENT

PGE will disperse the RDF award within thirty business (30) days after confirmation that all funding requirements set forth in this Agreement, including reporting and documentation, have been met.

Project completion shall be verified through the following steps:

- City/county permitting finalized, including electrical inspection.
- PGE has approved installation for operation (PGE installed net meter is operational and system is grid tied; for projects that are not to be net metered, PGE has approved interconnection agreement application and granted permission to operate).
- Publicly accessible production monitoring webpage is available – this can consist of an active monitoring website shared to PGE and available for public viewing.
- Final report is submitted and approved by PGE, along with:
 - Itemization of each eligible Project expense – i.e. labor, permits, renewable energy generation equipment and materials
 - Copies of detailed invoices documenting total and eligible system costs and supporting itemization of expenses
 - Documentation of each outside funding source
 - Photos of the installation (.jpg) of the Project
 - Photos of signage and other educational collateral
 - Photos of any onsite monitoring system displays
 - Documentation of public relations and outreach efforts (e.g. press coverage, celebrations, etc.) and/or schedule of future events if efforts have not yet occurred

VI. AUDIT

PGE may perform a technical and financial audit of Recipient's use of the RDF award. Recipient

agrees to provide support and cooperation for such audits and based on the audit results refund any amount that is deemed inadequate or inconsistent with this Agreement. Recipient has the right to cure any results derived from the audit of Recipient's use of RDF funds.

VII. MISCELLANEOUS

- A. **Limitation of Liability.** IN NO EVENT SHALL PGE BE LIABLE UNDER THIS AGREEMENT TO RECIPIENT OR ANY THIRD PARTY FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, AND/OR IN CONNECTION WITH THIS AGREEMENT REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT IT WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. EXCEPT FOR THIRD-PARTY CLAIMS OF BODILY INJURY OR PROPERTY DAMAGE ARISING OUT OF PGE'S WILLFUL MISCONDUCT OR NEGLIGENCE, PGE'S TOTAL AGGREGATE LIABILITY UNDER AGREEMENT SHALL NOT EXCEED THE TOTAL RDF FUNDING AMOUNT RECEIVED BY RECIPIENT UNDER THIS AGREEMENT.
- B. **Disclaimer.** Recipient acknowledges that PGE has not made any representations and has specifically disclaimed any and all warranties, expressed or implied, with respect to the renewable energy system installed or the electrical contractor, including but not limited to those concerning the electrical contractor's experience qualifications or background, the amount of energy generated or saved, if any, to be realized by the host customer, the quality of specific materials, components, or workmanship utilized in the installation or the nature of or whether building permit(s) or governmental approvals may be required.
- C. **Severability.** If any provisions of this Agreement are for any reason held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement should be construed to give effect as nearly as possible to the intent of the parties. The parties agree to work together to replace such invalid, illegal or unenforceable provision as promptly as possible with a provision that is valid, legal and enforceable.
- D. **Controlling Law and Venue.** THE AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH AND GOVERNED BY THE SUBSTANTIVE AND PROCEDURAL LAWS OF THE STATE OF OREGON WITHOUT REGARD TO CHOICE-OF-LAW PRINCIPLES. RECIPIENT IRREVOCABLY CONSENTS TO THE JURISDICTION OF THE COURTS OF THE STATE OF OREGON OR OF THE U.S. DISTRICT COURT FOR THE DISTRICT OF OREGON FOR ANY ACTION, SUIT, OR PROCEEDING IN CONNECTION WITH THE AGREEMENT AND WAIVES ANY OBJECTION THAT RECIPIENT MAY NOW OR HEREAFTER HAVE REGARDING CHOICE OF FORUM.

E. **No Third Party Beneficiaries.** This Agreement is intended solely for the benefit of the parties hereto. Nothing in the Agreement shall be construed to create any liability to or any benefit for any person not a party to the Agreement.

F. **Successors and Assigns.** This Agreement shall be binding on the parties' successors, and insofar as assignment is permitted, on the parties' assignees.

The parties, through their duly authorized representatives, have executed this Agreement as of the dates indicated below.

RECIPIENT

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Company: _____

PORTLAND GENERAL ELECTRIC COMPANY

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Renewable Development Fund – Change Request Form

Use this form to request approval for changes from your original project plan as described in your award agreement. Email completed form to RenewableDevFund@portlandgeneral.com for approval, using the titling format "Project Name_Change Order". Failure to submit form may result in delayed award reimbursement or a rescinded offer of funding.

Note: Changes to your project may result in a reduced award amount or project cancelation.

Project Details

Project Name	Click here to enter text.
Organization <i>Funding award recipient</i>	Click here to enter text.
Location <i>City, State</i>	Click here to enter text.
Technology	Click here to enter text.
Award Year	Click here to enter text.
Award Amount	Click here to enter text.

Contact Information

Contact Name <i>Person completing this form</i>	Click here to enter text.
Contact Organization	Click here to enter text.
Contact Email	Click here to enter text.
Contact Phone	Click here to enter text.

Change(s) Requested

- | | | |
|---|--|--|
| <input type="checkbox"/> Project Size | <input type="checkbox"/> Project Location | <input type="checkbox"/> Project Completion Date |
| <input type="checkbox"/> Total Project Cost | <input type="checkbox"/> Project Funding Sources | <input type="checkbox"/> Project Design |

Change Description

For each change selected above, describe the reason for the change, the alternatives considered, and the impact of the change. Write "N/A" if that aspect is unchanged.

Project Size <i>Specify change in nameplate capacity, annual energy production, and justification for size change.</i>	Original project size: Click here to enter text. New project size: Click here to enter text. Description and justification: Click here to enter text.
--	---

Project Location <i>Describe new location or siting structure and justification for change.</i>	Click here to enter text.
Project Completion Date <i>Specify new commercial online date and reason for change.</i>	Click here to enter text.
Total Project Cost <i>State original project cost. Describe changes in total cost and reason(s) for the change.</i>	Click here to enter text.
Project Funding Sources <i>Describe variance(s) from original funding plan and impact on project development. Include reason for the change/delay, a revised list of funding sources, dollar amounts, and an updated funding status (secured or unsecured).</i>	Click here to enter text.
Project Design <i>Describe changes in system layout, equipment, additionality, visibility, or other project attributes.</i>	Click here to enter text.

PORTLAND GENERAL ELECTRIC – CHANGE REQUEST REVIEW

Change request review status:

- Approved
- Denied

The Renewable Development Fund award will be:

- Changed

Original funding award: Click here to enter text.

New finding award: Click here to enter text.

- Unchanged

Approver Name: _____

Approver Title: _____

Approver Signature/Date: _____

Renewable Development Fund – Quarterly Project Report

This form is due on the 15th day following the close of each calendar quarter until the project is operational. Failure to submit may result in delayed award reimbursement or a rescinded offer of funding. Email completed form to RenewableDevFund@pgn.com for approval.

If any changes have occurred since the original application, please submit a Change Request Form to RenewableDevFund@pgn.com documenting and explaining the revisions before proceeding.

*Note: If your project was completed this quarter, do not submit this form. Submit a **Final Reporting Form** and supporting documentation within the timeframe specified in your signed award agreement.*

Quarter: Choose an item.

Year: Choose an item.

Project Information

Project Name	Click here to enter text.
Year Funded	Choose an item.
Award Recipient	Click here to enter text.
Name and Address for Check Payment	Click here to enter text.
Primary Project Contact <ul style="list-style-type: none"> • Name • Title • Email • Phone 	Click here to enter text.
Contractor Contact <ul style="list-style-type: none"> • Name of project lead • Company Name • Email • Phone 	Click here to enter text.

Project Design/Process Update

Please use the table below to indicate information that has changed in the last quarter. Be specific. If no changes have occurred, please write "N/A" in the box provided.

Project design <i>If the project size, technology, anticipated energy production, or location has changed, please explain and indicate whether a change request has been approved.</i>	<input type="checkbox"/> Click here to enter text.
Are you in communication with the PGE customer generation group about interconnection? <i>PGE recommends that awardees notify the group about project plans as early in the installation process as possible.</i>	<input type="checkbox"/> Click here to enter text.

Funding/Costs Update

Please use the table below to indicate information that has changed in the last quarter. Be specific. If no changes have occurred, please write "N/A" in the box provided.

<p>Estimated project costs If changed, please explain and indicate whether a change request has been approved.</p>	<input type="checkbox"/> Click here to enter text.
<p>Have you secured all funding? Confirmation that all funds necessary to complete the project have been secured is due within 18 months of initial notification of funding award.</p>	<input type="checkbox"/> Choose an item.
<p>New funding secured Please specify any new funding sources secured and include the dollar amount.</p>	<input type="checkbox"/> Click here to enter text.
<p>Pending sources of funding Please list all pending funding sources and include the status and dollar amount expected. Has the funding timeline changed?</p>	<input type="checkbox"/> Click here to enter text.

Education/Community Engagement Update

Please use the table below to indicate information that has changed in the last quarter. Be specific. If no changes have occurred, please write "N/A" in the box provided.

<p>Education updates Describe any progress towards implementing the proposed education plan or changes to the plan.</p>	<input type="checkbox"/> Click here to enter text.
<p>RDF recognition updates Describe any progress towards creating signage, media announcements, or web page for the project recognizing RDF customers for their support.</p>	<input type="checkbox"/> Click here to enter text.
<p>Celebrations or media events Describe any progress on planning proposed events. Include details such as date, location, invitees, agenda and changes as available.</p>	<input type="checkbox"/> Click here to enter text.
<p><i>Award recipients are required to notify PGE of all opportunities to participate in project celebrations and news/press announcements. In addition, recipients must provide the Renewable Development Fund team an opportunity to review use of PGE/Renewable Development Fund logos and project-related content such as signage, brochures, website copy, and videos, Expect a 3 week turnaround time for all reviews. Please contact RenewableDevFund@pgn.com for review, and to discuss joint media opportunities.</i></p>	

Please send this completed quarterly report to RenewableDevFund@portlandgeneral.com.

Please include the organization/project name in all submitted documents.

Renewable Development Fund – Final Project Report

General Information

Project Name	Click here to enter text.
Year Funded	Choose an item.
Award Recipient	Click here to enter text.
Name and Address for Check Payment	Click here to enter text.
Primary Project Contact <ul style="list-style-type: none"> • Name • Title • Email • Phone 	Click here to enter text.

Project/Installation Information

Installation Address	Click here to enter text.
Commercial Online Date	Click here to enter a date.
Project Size (Rated kW DC)	Click here to enter text.
Was there any change in project size from your original application? If yes, please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No Click here to enter text.
Anticipated Annual Generation	Click here to enter text.
Contractor Information <ul style="list-style-type: none"> • Name of Project Lead • Company Name • Email • Phone 	Click here to enter text.
Describe and explain any changes to your original plan. <i>Include changes in size, location, completion date, materials used, etc.</i>	Click here to enter text.
Describe and explain any challenges faced through this process and lessons learned.	Click here to enter text.
Describe any feedback for the RDF team.	

Financial Report – Renewable Energy Installation Costs Only

Renewable Development Fund Award Amount	\$Click here to enter text.	
Total Eligible System Cost	\$Click here to enter text.	
Provide an itemized list of eligible costs associated with the project. <i>Be specific and attach documentation. Note: Activities not directly related to the capital costs of new renewable energy</i>	Engineering and design	Click here to enter text.
	Equipment	Click here to enter text.
	Labor	Click here to enter text.
	Permitting fees (itemize)	Click here to enter text.
	Education/outreach (itemize)	Click here to enter text.

<p><i>systems are not eligible. Visit www.portlandgeneral.com/RDF for more information about project requirements and eligibility. If easier, please attach a spreadsheet instead to document costs.</i></p>	<p><i>Signage, events, monitoring display, etc.</i></p>	
	<p>Other eligible costs (itemize)</p>	<p>Click here to enter text.</p>
<p>Note: Please be sure to attach all invoices and other supporting financial documentation. If there is a mismatch in the invoices and total installed system cost listed above, please specify the reason for the variance.</p>		
<p>Identify all other funding sources and amounts for the project.</p>	<p>Click here to enter text.</p>	
<p>Public link to online monitoring system</p>	<p>Click here to enter text.</p>	
<p>Website information <i>Provide links to any information about this project on your organization's website.</i></p>	<p>Click here to enter text.</p>	
<p>Media and events <i>Summarize existing or future plans to publicize the completion of your project, such as media events, press releases, and social media postings. Please provide as much detail as possible – dates, attendees, etc.</i></p>	<p>Click here to enter text.</p>	
<p>Other outreach and educational activities <i>Summarize other activities completed or planned to educate the public about the project.</i></p>	<p>Click here to enter text.</p>	
<p>Please contact RenewableDevFund@pgn.com to discuss joint media opportunities.</p>		