

***Long-term Carbon Free
Utility Agreement
Delegation of Authority***

Board of Directors

2/25/21

Why we are here

Motion:

Delegation of authority for CEO to enter into and amend **Long-Term Carbon Free Utility Agreements**

- Any long-term, fixed priced product to purchase renewable or carbon free (hydropower) product
- Power purchase agreements, such as Green Direct from PSE



Benefits of Motion

Rationale:

Streamline approval process in light of expanding opportunities:

- Anticipate additional future agreements with multiple energy utilities
- As an example, both Green Direct Phase 1 and Green Direct Phase 2 agreements require amendment

Energy Utilities serving ST

- Lakeview Light & Power
- Tacoma Power
- Puget Sound Energy
- Seattle City Light
- Snohomish Public Utility District

Guidelines

Thresholds for delegation:

Agreement must be a power purchase or similar utility agreement for *carbon-free energy* that:

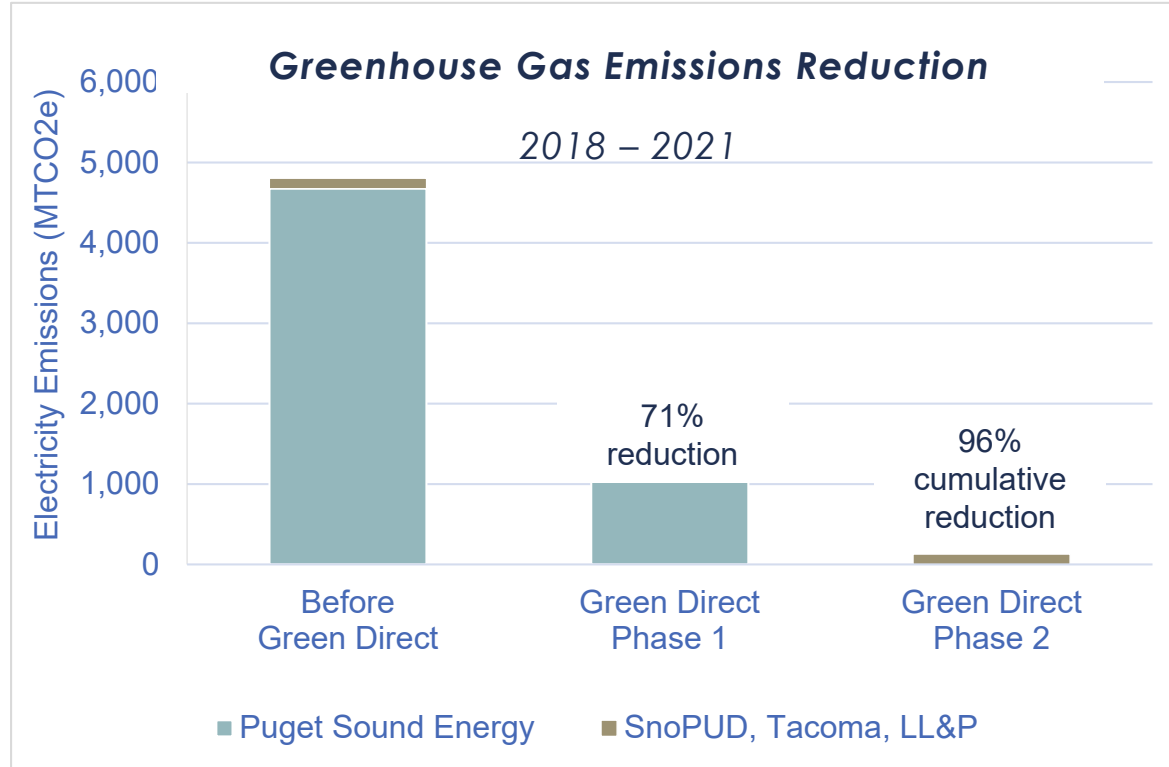
- Requires no up-front capital investment by the agency
- Offers cost-effective financial terms and other co-benefits
- Is within the agency's legal authority
- Demonstrates achievement towards agency sustainability goals
- Is consistent with adopted budgets and financial plans

Reporting

- Annual Sustainability Progress report will include status update for utility agreements for carbon free energy including

Environmental Benefits

- **Green Direct Phase 1 & 2 = 96% reduction** in GHG emissions within existing electricity portfolio
- Makes current Link light rail alignment the nation's first major light rail system to run on 100% carbon free power



Pathways to Carbon Free Operations





Thank You

Thank you.



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