



**PSE Green Direct Program – Phase 2
Executive Committee
8/2/2018**

SOUND TRANSIT

Motion

- ❑ **Authorize CEO to sign 2018 agreement with Puget Sound Energy (PSE) to enroll additional Sound Transit PSE electricity accounts in Green Direct Program.**
- ❑ **Authorize CEO to sign amendment that lowers the price of the 2017 Green Direct agreement.**



Green Direct



A utility program, approved by WA Utilities and Transportation Commission that creates fixed-rate, long-term contracts to buy locally produced renewable energy directly from Puget Sound Energy (PSE).

Background

2007 – Sustainability Initiative (R2007-12)

Sustainability will be integrated into all aspects of agency business

2011 & 2015 – Sustainability Plans

Electricity will be carbon neutral by 2030

2016 – ST3 Plan Approved

Reaffirms agency carbon neutrality commitments

2017 – PSE Green Direct Phase 1 – Board Approved

Enrolled all existing light rail utility accounts

2018 – Resource Conservation Manager hired

Increased focus on energy efficiency & carbon neutrality

Alignment **Strong regional GHG commitments**

Carbon Neutrality Goals

- City of Seattle – gov't & community by 2050.
- King County – county operations by 2025.

GHG Reduction Goals

- K4C - 25% by 2020 and 50% by 2035
- WA State – 1990 levels by 2020; 20% below 1990 by 2035

Overview – Green Direct Phase 1

- ✓ Board approved in January, 2017
- ✓ A 10-year power purchase agreement starting in 2019
- ✓ Wind energy project – Lewis County
- ✓ 6 Link light rail accounts - 6.7 million kWh of electricity
- ✓ In 2019, Link light rail will run on 100% clean energy
- ✓ No capital cost

Motion - Amendment to Green Direct Phase 1

Recommendation: Authorize CEO to sign amendment letter to Green Direct – Phase 1

- Participation in Phase 2 = Lower costs for Phase 1
- Reduces fixed annual inflation rate
- Projected savings expected in 2021 opposed to 2023

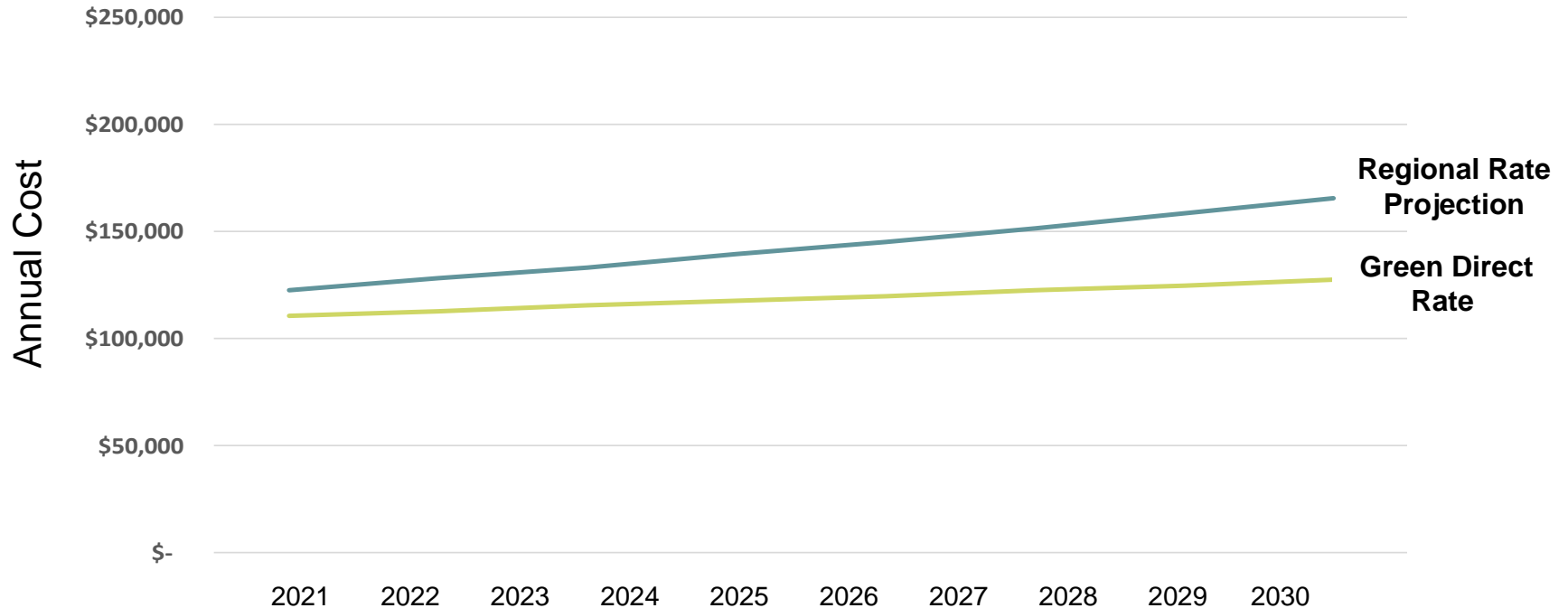
Motion – Enroll in Green Direct Phase 2

Recommendation: expand Sound Transit's participation by enrolling remaining PSE electricity accounts

- ❑ 10-year power purchase agreement starting in 2021
- ❑ 32 accounts - 2.4 million kWh
- ❑ Solar energy project – South Central WA
- ❑ No capital cost
- ❑ Lowers utility rates by 5%

Projected Cost Savings – Phase 2

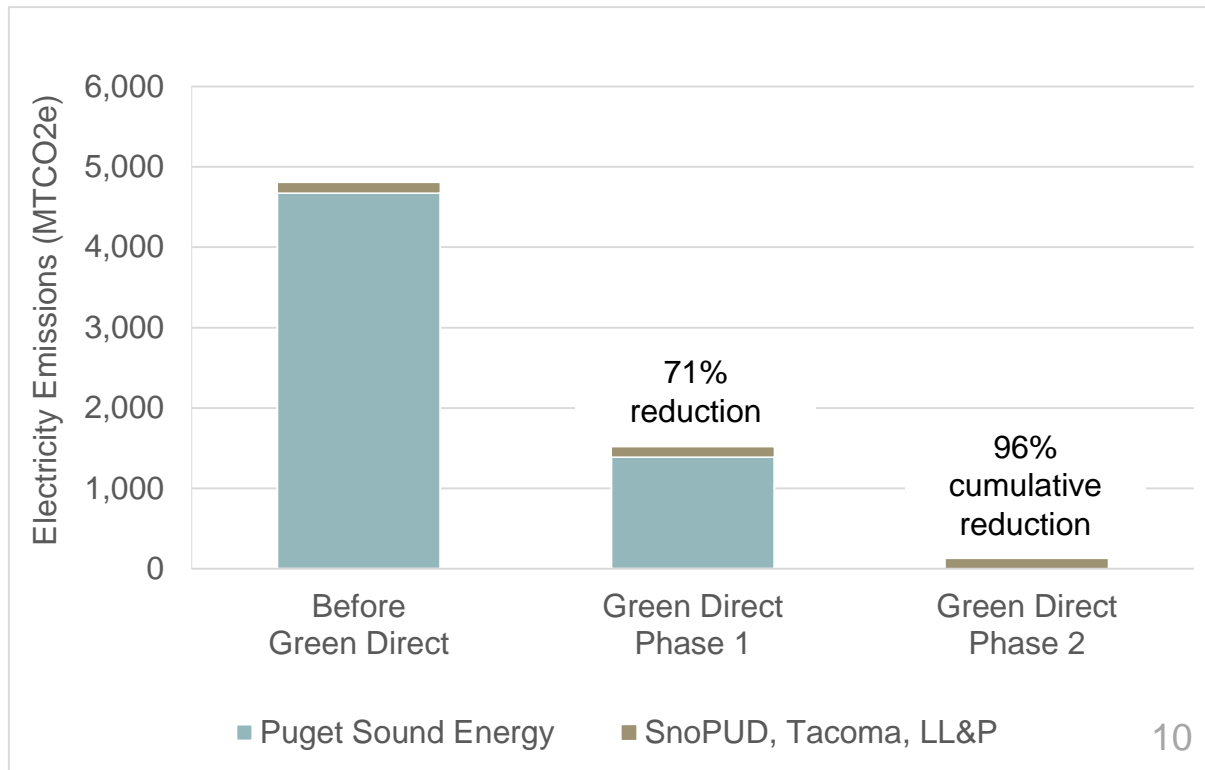
\$196,000 savings over 10-year term



Environmental Benefit

- **96% reduction** in GHG emissions from electricity
- Most cost-effective path to reaching carbon neutrality goal

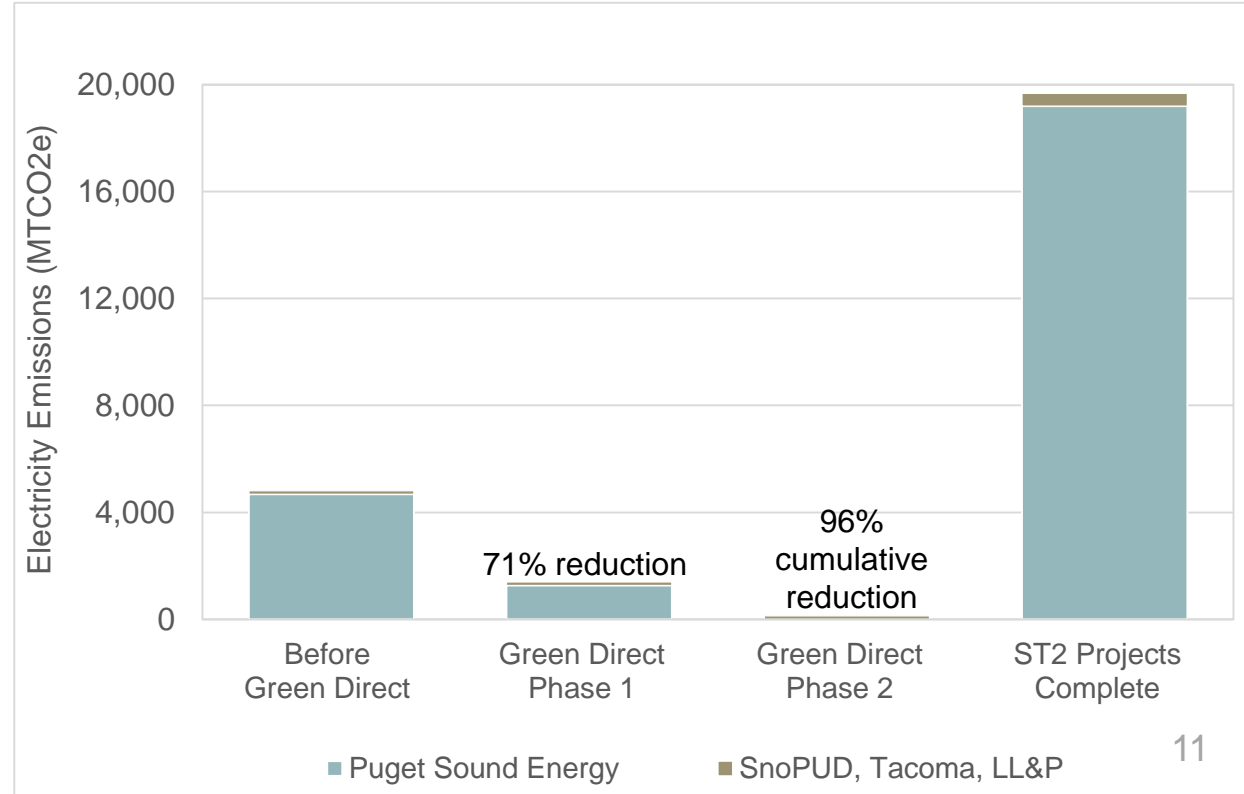
Greenhouse Gas Emissions Reduction
2018 – 2021



Future Challenge

- Continued growth requires ongoing efforts to evolve carbon neutral strategy
- Potential Green Direct Program expansion expected in 2022/23

Greenhouse Gas Emissions after ST2 Completion 2018 - 2024



Pathways to Continued Carbon Neutrality



Conservation

Power
Purchase
Agreements

Onsite
Renewables

Summary **Green Direct program**

- ✓ Cost effective – savings
- ✓ Benefits the environment
- ✓ Aligns with agency mission
- ✓ Demonstrates leadership



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