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Title:	AN ORDINANCE relating to achieving greater energy efficiency as well as reductions in greenhouse gas emissions in capital improvement projects; and adding a new section to K.C.C. chapter 4.16.		
Sponsors:	Larry Phillips, Jane Hague, Larry Gossett, Pete von Reichbauer, Julia Patterson		
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9/13/2010	2	Metropolitan King County Council	Passed as Amended	
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9/13/2010	3	Metropolitan King County Council	Passed as Amended	Pass
8/31/2010	1	Environment and Transportation Committee	Recommended Do Pass Substitute	Pass
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3/1/2010	1	Metropolitan King County Council	Introduced and Referred	

AN ORDINANCE relating to achieving greater energy efficiency as well as reductions in greenhouse gas emissions in capital improvement projects; and adding a new section to K.C.C. chapter 4.16.

STATEMENT OF FACTS:

1. Local governments have an essential role in addressing climate change and reducing greenhouse gas emissions.

2. King County's Comprehensive Plan recommends that the county seek to reduce energy use and greenhouse gas emissions from all facets of its operations and actions associated with construction and management of county-owned facilities, energy supply infrastructure, land use

planning, transportation, and environmental protection programs.

3. Energy costs and environmental goals require that the county continuously increase its energy efficiency and work to reduce greenhouse gas emissions.

4. The King County Comprehensive Plan calls on King County to work with utilities to become a model of energy efficiency in facilities owned or operated by King County.

5. The King County Comprehensive Plan recommends King County foster the development and increased use of clean, renewable and alternative fuel and energy technologies.

6. Powered equipment in county facilities can be a source of carbon emissions from county operations, and the cost to operate equipment powered by fossil fuels could increase if federal legislation establishes a tax or cap on carbon emissions.

7. Increasing the energy efficiency of powered equipment in county facilities can reduce energy usage and the quantity of greenhouse gasses released into the environment.

8. Procuring or producing renewable energy can also reduce greenhouse gas emissions.

9. Although there can be an additional cost to improving the efficiency of powered equipment or producing or procuring renewable energy, the additional project cost may be offset by financial incentives offered by utility companies or by the reduction in operating costs.

10. Utility companies offer financial incentives for qualified design, materials and installation of equipment that will save energy.

11. The county's current capital improvement procedures would benefit from having mechanisms in place to ensure that the county is considering energy efficiency and greenhouse gas reduction in designs where appropriate and taking advantage of all available utility incentives for reducing energy consumption and reducing greenhouse gas emissions.

12. King County would benefit from a coordinated approach for tracking all of the energy resource savings, greenhouse gas reductions and utility grants and rebates received for capital

improvement projects.

13. Promoting increased energy efficiency and greenhouse gas emission reduction in the county's capital improvement projects can encourage new energy technologies and green jobs that support a sustainable economy and energy independence.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The intent of this ordinance is to develop a more coordinated, strategic approach to energy-efficiency and greenhouse gas emission reduction investments.

NEW SECTION. SECTION 2. There is hereby added to K.C.C. chapter 4.16 a new section to read as follows:

A. For the purposes of this section, "incremental project cost" means the additional cost, if any, in design, procurement, and construction and long term maintenance for achieving a reduction in energy usage or greenhouse gas emissions greater than the reduction that would be achieved under the applicable building code requirements.

B.1. The executive shall require the architect, engineer or energy performance contractor to develop a written analysis to be delivered to the project manager before the completion of the project's design for all county capital improvement projects, including new construction, remodeling and energy-saving performance contracts and equipment retrofits and replacement:

a. that include at least two hundred fifty thousand dollars of costs for powered equipment; and

b. for which reasonable alternatives appear to be available for reducing energy usage by at least ten percent below applicable building code requirements or reducing greenhouse gas emissions.

2. The analysis shall include, at a minimum:

a. options to achieve a reduction in energy usage of at least ten percent below levels that would be achieved under applicable building code requirements;

b. any reasonable options to achieve greenhouse gas emissions reductions;

c. identification of all available financial incentives from utility companies or other parties for achieving a reduction in energy usage or greenhouse gas emissions;

d. a financial analysis of the incremental project cost for achieving the reductions in energy usage based on a life-cycle cost analysis that calculates net present value of the incremental cost, net of any financial incentives from utilities or other outside sources, and the operational and utility savings for a period of not more than fifteen years, unless specifically justified by the attributes of the project; and

e. a financial analysis of the incremental project cost for implementing any reasonable options for achieving the reductions in greenhouse gas emissions based on a life-cycle cost analysis that calculates net present value of the incremental cost, net of any financial incentives from utilities or other outside sources, and the operational and utility savings for a period of not more than fifteen years, unless specifically justified by the attributes of the project.

3. The written analysis required in subsection B.1 shall apply to county capital improvement projects for which design work is commenced after the effective date of this ordinance.

C. The project manager shall consider the financial analysis and life-cycle cost analysis in the selection of the alternative under subsection B. of this section, with a goal of selecting the alternative that meets the county's operational needs and that will result in a reduction of energy usage and greenhouse gas emissions and for which the life-cycle cost analysis of the incremental project cost demonstrates that there would not be an additional cost to the county. Documentation of the decision must be provided if an alternative is selected that does not reduce energy consumption or greenhouse gas emissions, or if an alternative is selected for which the financial analysis in subsection B. of this section determines that there will be an incremental cost.

D. For a project under subsection B. of this section, where a financial incentive from a utility is available and the county has decided to pursue the incentive, the project manager shall be responsible for ensuring completion of all requirements of the utility's incentive.

E.1. For a project under subsection B. of this section, upon the expiration of the project's construction

warranty period, the department shall report the energy reduction and greenhouse gas emissions achieved as a result of the project and the total rebates and grants received from utilities or other parties as compared to the projected outcomes in energy usage and greenhouse gas emissions, and any financial incentives identified in the financial analysis required in subsection B.3. of this section. After the initial report, the project's actual versus projected energy usage and greenhouse gas emissions shall be monitored for at least three years, using the county's energy accounting software or other measurement tools as appropriate based on the size and complexity of the project.

2. The executive shall adopt written procedures outlining the methodology and process by which a project manager reports on the energy and greenhouse gas emissions reductions achieved as a result of the project and the annual monitoring of energy and greenhouse gas emissions reduction. The procedures shall include a process for identifying those projects that include at least two hundred fifty thousand dollars of costs for powered equipment, but for which reasonable alternatives were unavailable for reducing energy consumption by at least ten percent below applicable building code requirements. The procedures shall include a reporting mechanism by which the data in subsection E.1. of this section is compiled, summarized and transmitted to the council.

SECTION 3. The first version of the procedures adopted under section 2.E.2 of this ordinance shall be transmitted by the executive to the council by January 1, 2011, in the form of a paper original and an electronic copy filed with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to

the committee coordinator for the environment and transportation committee or its successor.