



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance 19562

Proposed No. 2022-0413.2

Sponsors Dembowski

1 AN ORDINANCE relating to the sale of environmental
 2 attributes held by the county; authorizing the King County
 3 executive to enter into a new short-term agreement in
 4 substantially the same form as the current agreement
 5 approved under Ordinance 17022 for the sale of emissions
 6 credits, also known as environmental attributes, to Puget
 7 Sound Energy, that are associated with the beneficial use of
 8 gas derived from landfill gas produced by the Cedar Hills
 9 regional landfill.

10 **STATEMENT OF FACTS:**

- 11 1. The solid waste division of the department of natural resources and
 12 parks operates the Cedar Hills regional landfill, accepting municipal solid
 13 waste from unincorporated King County and thirty-seven cities.
- 14 2. As authorized by Ordinance 15872, the solid waste division contracted
 15 with Bio Energy (Washington), LLC, to build a landfill gas purification
 16 facility, purchase landfill gas produced at the Cedar Hills regional landfill
 17 and purify the landfill gas to a product gas quality that meets natural gas
 18 pipeline quality standards. The contract, the Amended and Restated
 19 Project Development and Gas Sales Agreement, was signed on February

Ordinance 19562

20 29, 2008. The contract continues until 2030 and allows up to two
21 additional five-year extensions.

22 3. Bio Energy (Washington), LLC, subsequently entered into a contract
23 with Puget Sound Energy to sell the purified landfill gas, referred to as
24 product gas, to Puget Sound Energy. The county is not a party to that
25 contract, the Cedar Hills - Pipeline Quality Gas Purchase and Sale
26 Agreement, dated October 9, 2008.

27 4. The landfill gas generated from decomposing waste buried in the Cedar
28 Hills regional landfill is classified as a "renewable resource" as defined in
29 RCW 19.285.030(21) of chapter 19.285 RCW, the Energy Independence
30 Act. Given this status as a renewable resource, the landfill gas has
31 associated environmental attributes, which are a form of intangible
32 property that has economic value.

33 5. Under 4.13 of the Amended and Restated Project Development and
34 Gas Sales Agreement, the solid waste division owns and retains any and
35 all rights to any emissions credits, also referred to as environmental
36 attributes, attributable to the landfill gas produced by the landfill.

37 6. K.C.C. 4.56.250 exempts the sale of emissions credits, offsets or
38 allowances, or renewable energy certificates, credits, benefits,
39 environmental air quality credits and similar rights, title or interests held
40 by the county from the notice and sale to the highest bidder requirements
41 of K.C.C. chapter 4.56 when unique circumstances are present. Under that
42 provision, such sales may be made in the best interests of the public to a

Ordinance 19562

43 person or entity through a direct agreement negotiated by the county
44 executive and approved by the county council.

45 7. Ordinance 17022 authorized the King County executive to sell
46 environmental attributes, referred to as emissions credits, to Puget Sound
47 Energy. A contract between King County and Puget Sound Energy was
48 executed on February 11, 2011, for an initial term of eleven years ending
49 at the end of the calendar year of the eleventh anniversary of the execution
50 of the agreement. Consultants' reports at the time supported the division's
51 conclusions that the proposed sale of the rights to emission credits to
52 Puget Sound Energy presented the unique circumstances that there had
53 been no directly comparable sale of rights to emissions credits and that
54 there was not then a market for selling rights to emissions credits alone,
55 without the gas.

56 8. In 2019, King County sent a Notice of Termination of Purchase and
57 Sale Agreement at End of Initial Term ("the termination notice") to Puget
58 Sound Energy, to terminate the contract authorized by Ordinance 17022
59 on December 31, 2022.

60 9. After sending the termination notice, the county sued Puget Sound
61 Energy in 2020 over the interpretation of the payment terms in the existing
62 contract, which resulted in a settlement agreement.

63 10. The termination notice stated the expectation that a new contract
64 between King County and Puget Sound Energy could potentially be
65 negotiated. Executive staff believe that King County could negotiate a

Ordinance 19562

66 future environmental attribute contract with Puget Sound Energy that
67 would provide greater public benefit.

68 11. King County has retained third-party support to assist with the
69 negotiation of a future environmental attribute contract. To establish the
70 best value for solid waste division ratepayers, the division seeks additional
71 time to negotiate a longer-term contract while maintaining the current
72 revenue from the sale of the environmental attributes to Puget Sound
73 Energy.

74 12. This ordinance seeks authorization for the executive to enter a new
75 short-term agreement with Puget Sound Energy, which is in substantially
76 the same form as the current contract. However, the new agreement,
77 Attachment A to this ordinance, will have a term of only six months and
78 have an effective, starting date of January 1, 2023.

79 13. Executive staff have concluded that the unique circumstances present
80 in 2011 for the original agreement are still present to justify the proposed
81 short-term contract, stating that for at least the next six months there are
82 no viable options for King County to sell the environmental attributes to
83 an entity that does not also purchase the processed gas.

84 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

85 SECTION 1. The King County council hereby finds that an extension of six
86 months, at the discretion of the executive, for a direct negotiated sale of environmental
87 attributes, referred to as emissions credits, and related rights attributable to or generated
88 or otherwise provided in connection with the beneficial use of landfill gas produced by

Ordinance 19562

89 the Cedar Hills regional landfill to Puget Sound Energy is in the best interests of the
90 public.

91 SECTION 2. The executive is hereby authorized to execute a new short-term
92 agreement with Puget Sound Energy substantially in the form of Attachment A to this
93 ordinance.

Ordinance 19562 was introduced on 10/18/2022 and passed by the Metropolitan King County Council on 12/13/2022, by the following vote:


Yes: 9 - Balducci, Dembowski, Dunn, Kohl-Welles, Perry, McDermott, Upthegrove, von Reichbauer and Zahilay

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

DocuSigned by:

F8830816F1C4427...
Claudia Balducci, Chair

ATTEST:

DocuSigned by:

C267B914088E4A0...
Melani Pedroza, Clerk of the Council

APPROVED this _____ day of 12/22/2022, _____.

DocuSigned by:

4FBCAB8196AE4C6...
Dow Constantine, County Executive

Attachments: A. Purchase and Sale Agreement Between Puget Sound Energy and King County, December 7, 2022

PURCHASE AND SALE AGREEMENT
BETWEEN PUGET SOUND ENERGY AND KING COUNTY

This PURCHASE AND SALE AGREEMENT (as amended pursuant to its terms, this "Agreement"), effective as of January 1, 2023 ("Effective Date") once fully executed, is entered into by and between King County, Washington, a Washington municipal corporation, acting by and through its Solid Waste Division ("Seller"), and Puget Sound Energy, Inc., a Washington corporation ("Buyer"). Seller and Buyer may be referred to in this Agreement together as the "Parties" and each individually as a "Party." Capitalized terms used in this Agreement, unless otherwise defined herein, have the meanings set forth in the Landfill Gas Sales Agreement (as defined in Recital A).

Recitals

A. Seller and Bio Energy (Washington), LLC ("Bio Energy") are parties to the Amended and Restated Project Development and Gas Sales Agreement made as of February 29, 2008 (the "Landfill Gas Sales Agreement"), pursuant to Section 5.2.1 of which Seller sells to Bio Energy, and Bio Energy purchases from Seller, all Landfill Gas collected by the Collection Facilities or the Expansion Collection Facilities to the extent Seller retains the rights to such Landfill Gas or such rights revert to Seller at a future date.

B. Pursuant to Section 4.13 of the Landfill Gas Sales Agreement, Seller owns and specifically retains any and all rights to any Emission Credits attributable to or generated or otherwise provided in connection with the Plant, the Plant Site, or the generation or sale of Product Gas or otherwise attributable to or generated or otherwise provided in connection with the Landfill or the Landfill Site (collectively, "Landfill Emission Credits").

C. Buyer and Bio Energy are parties to the Cedar Hills - Pipeline Quality Gas Purchase and Sale Agreement dated October 9, 2008 (the "Pipeline Quality Gas Agreement"), pursuant to which, Bio Energy sells to Buyer and Buyer purchases from Bio Energy pipeline quality gas.

D. The Parties executed a Purchase and Sale Agreement for Seller to sell to Buyer all of the Product Gas Credits (as defined below) on February 11, 2011, which ended after its initial term on December 31, 2022.

E. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all of the Product Gas Credits (as defined below), subject and pursuant to the terms and conditions set forth in this Agreement.

1. TERM

The term of this Agreement shall commence on January 1, 2023 once fully executed, and shall, unless sooner terminated pursuant to Section 6, remain in full force and effect until June 30, 2023 ("Term").

2. PURCHASE AND SALE

Seller hereby sells to Buyer, and Buyer hereby purchases from Seller, during the Term that portion of the Landfill Emission Credits attributable to or generated or otherwise provided in connection with the Plant, the Plant Site, or the generation or sale of Product Gas ("Product Gas Credits"). Seller hereby acknowledges and agrees that Seller does not retain any rights, title or interests in or to any RECs, certificates, credits, benefits, emissions reductions, environmental air quality credits, or emissions reductions credits, offsets or allowances, howsoever entitled and howsoever arising (through federal, state or local legislation, regulation or otherwise), resulting from the avoidance of the emission of any gas, chemical or other substance, in each case attributable to or generated or otherwise provided in connection with the Plant, the Plant Site, or the generation or sale of Product Gas, and Seller agrees that all such rights, title and interests heretofore retained by Seller, together with any Reporting Rights and Marketing Rights associated therewith, are by this Agreement sold and transferred to Buyer. For purposes of this Agreement, the following terms have the meanings set forth below:

(a) "REC" means a certificate of proof, issued through the Western Renewable Energy Generation Information System (together with its successor entity or any other entity mutually agreed-upon by the Parties, "WREGIS"), that one megawatt-hour of electricity was generated by using Pipeline Quality Gas.

(b) "Marketing Rights" means the exclusive right to claim and advertise to customers and to the public that the specific MWhs of energy associated with the RECs purchased and sold under this Agreement were generated by the Plant. "Marketing Rights" does not mean the right to make oral or written statements relating to the Landfill Gas Agreement, or that certain Amended and Restated Plant Site Lease between Seller and Bio Energy dated February 29, 2008. Seller shall not hold itself out as the owner of Product Gas Credits or RECs purchased and sold under this Agreement.

(c) "Reporting Rights" means the exclusive right to report ownership of the Product Gas Credits, RECs and Indistinguishable Attributes (as defined below) purchased and sold hereunder to any agency, authority or other party under any emissions trading, tracking or reporting program, public or private (whether voluntary or involuntary).

(d) "Renewable energy credits" means RECs, certificates, credits, benefits, emissions reductions, environmental air quality credits, or emissions reductions credits, offsets or allowances, howsoever entitled and howsoever arising (through federal, state or local legislation, regulation or otherwise), resulting from the avoidance of the emission of any gas, chemical or other substance, in each case attributable to or generated or otherwise provided in connection with the Plant, the Plant Site, or the generation or sale of Product Gas.

3. PURCHASE PRICE

3.1 Calculated Price

On or before April 1 of 2024, Buyer shall calculate, and shall provide such calculations to Seller, of each of the prices referred to in subsections (a) and (b) below (to the extent Buyer has entered into one or more transactions of the type described in subsection (a) or (b) or both such subsections):

(a) Renewable energy credits. The weighted average price per renewable energy credit Buyer received for the sale of renewable energy credits in transactions (entered into by Buyer in Buyer's sole discretion, if any) with third parties during the immediately preceding full or partial calendar year of the Term. For purposes of such calculations, if Buyer did not sell any renewable energy credits during any full calendar year, the proxy price for that calendar year shall be determined based on the average of prices quoted by two independent brokers of renewable energy credits mutually selected by Buyer and Seller;

(b) Qualified renewable gas. The average price (stated in dollars per decatherm or per MMBtu) received by Buyer in transactions (entered into by Buyer in Buyer's sole discretion, if any) with third parties during the immediately preceding full or partial calendar year of the Term for the purchase of Pipeline Quality Gas from Buyer either at wholesale or for use in generating electricity, less the sum of (i) the price per decatherm or MMBtu paid by Buyer to Bio Energy for such Pipeline Quality Gas, plus (ii) the price (stated in dollars per decatherm or per MMBtu) to store and deliver the Pipeline Quality Gas to such third party, as established by applicable transporter's tariff.

The weighted average price or such proxy price, as applicable, referred to in Section 3.1(a) and the price referred to in Section 3.1(b) are each referred to elsewhere in this Agreement as a "Calculated Price."

3.2 Purchase Price

(a) On or before July 1, 2024, Buyer shall pay to Seller, as full compensation for all Product Gas Credits sold to Buyer during the immediately preceding full or partial calendar year of the Term.

(b) Buyer's Payment to Seller = [(Total Revenue - Calculated Purchase Price - Allowed Expenses +/- Prior Period Adjustments) * 0.25] - [.25 * (Excess Purchase Price calculated monthly* Product Gas Volumes)] Where:

(1) "Total Revenue" = Gas Sales + Green Premium, as currently reported in PSE's annual audit;

(2) "Calculated Purchase Price" = Total for PSE payment to Bio Energy for purchase of pipeline quality gas, capped at \$5.25 per Dth (PSE will pay Bio Energy under the current PSE/ Bio Energy formula under the PSE/ Bio Energy Pipeline Quality Gas Agreement and provide King County the ability to earn the Gas Quality Premium from Bio Energy; but PSE's Calculated Purchase Price for Bio Energy pipeline quality gas is capped

at \$5.25/Dth only for purposes of calculating PSE's annual payment to King County);

(3) "Allowed Expenses"= Other allowable costs of reselling the Pipeline Quality Gas, consistent with the methodology in PSE's annual audits since May 31, 2018;

(4) "Prior Period Adjustments"= Accounting adjustments, plus or minus, related to correcting prior estimates or errors as currently reported in PSE's annual audit;

(5) "Excess Purchase Price" equals that portion of the average purchase price of pipeline quality gas paid by PSE to Bio Energy that is in excess of \$6.50 per Dth, calculated monthly;

(6) "Product Gas Volumes" equals the volume of Product Gas produced by Bio Energy each month, also referred to as pipeline quality gas;

(7) The symbols in the above formula: "=" means equals, "-" means minus, "+" means plus, "*" means multiplied by and "+/-" means plus or minus.

(c) The Parties agree that Buyer shall not enter into any transaction involving pipeline quality gas from the Plant that does not result in compensation for Seller under this Section 3.2.

(d) Should there be any change in the regulatory requirements for Washington State or for any applicable future federal program or standard such that Product Gas Credits and RECs become legally combined into a single, indistinguishable environmental attribute ("Indistinguishable Attribute") with respect to any full or partial of the Term, then in lieu of the payment pursuant to Section 3.2(a)(i) for such full or partial portion of the Term, Buyer shall pay Seller an amount equal to the product of (i) thirty percent (30%) of the Calculated Price multiplied by (ii) the number of Indistinguishable Attributes attributable to or generated or otherwise provided in connection with the Plant, the Plant Site, or the generation or sale of Product Gas and actually received by Buyer during such full or partial portion of the Term. The timing of such payment shall be as set forth in Section 3.2(a).

3.3 Audit

On or before May 1 of 2024, Buyer shall cause the accuracy of (i) the calculations provided by Buyer to Seller on or before April 1, 2024, pursuant to Section 3.1, (ii) the number of RECs or renewable energy credits pursuant to Section 3.2 the Buyer's Payment to Seller pursuant to Section 3.2(b), and, if applicable, (iv) the number of Indistinguishable Attributes pursuant to Section 3.2(d), together with the source data for such calculations, to be verified by an audit performed by an independent third party reasonably satisfactory to both Seller and Buyer ("Verifier"). Audits shall include verification of the source data basis and calculations of both Calculated Price and Purchase Price, including, but not limited to, the applicable pipeline fuel to deliver gas, as established by applicable transporter's tariff, directly to Buyer's generation resources, into and out of storage or to a third party; and the quantity of RECs and Indistinguishable Attributes. Buyer shall cause such third party to provide such verification, in writing and containing a description of the source data reviewed and methodology employed, to Seller on or before June 1 of such calendar year.

4. WREGIS TRACKING; PRODUCT VERIFICATION

4.1 WREGIS Account Transfer

Seller shall cooperate with Buyer's efforts to register, record and track the transfer of all RECs and, to the extent applicable, Product Gas Credits and Indistinguishable Attributes, from Seller's account to Buyer's account on the WREGIS renewable energy registry and tracking system ("WREGIS Tracking System") promptly following the generation or provision thereof, all in accordance with the WREGIS Operating Rules and any and all applicable WREGIS requirements.

4.2 Product Verification

During the Term and for a period of four (4) years following the end of the Term, Seller shall maintain records as identified by Buyer, of the RECs and Product Gas Credits and Indistinguishable Attributes purchased and sold under this Agreement. Upon Buyer's request, Seller shall provide Buyer with information possessed by or known to Seller regarding the Plant, the RECs and Product Gas Credits and Indistinguishable Attributes purchased and sold hereunder as reasonably necessary for Buyer to comply with (a) the requirements of any applicable federal or state laws or regulations, and (b) the rules, regulations, orders and requirements of the Washington Utilities and Transportation Commission. Upon Buyer's request, Seller shall promptly provide to Buyer documentation substantiating the generation and sale to Buyer of the RECs, Product Gas Credits and Indistinguishable Attributes purchased and sold hereunder. Seller hereby consents to Buyer's use of any information described in this Section 4.2 for the purpose of documenting to any governmental, quasi-governmental, regulatory, certifying or standard-setting authority, agency or body that Buyer obtained title to, and ownership of, such RECs, Product Gas Credits and Indistinguishable Attributes purchased and sold hereunder. Seller hereby consents to Buyer's disclosure of any information provided to Buyer by Seller described in this Section 4.2.

5. REPRESENTATIONS AND WARRANTIES

5.1 General

Each Party represents and warrants to the other Party that (a) it is duly authorized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (b) it has the power and authority and the legal right to enter into, deliver, and perform its obligations under this Agreement; (c) the execution, delivery and performance of this Agreement by such Party has been authorized by all necessary action on its part and does not contravene any provision of its certificate of incorporation, bylaws, or other constitutive documents; and (d) this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms (except as may be limited by any law affecting the enforceability of creditors' rights generally and subject to equitable principles of general application).

5.2 By Seller

Seller represents and warrants to Buyer that (a) Seller owns and has good and legal title, free and clear of all liens, claims, encumbrances and rights of others, to all RECs, Product Gas Credits and Indistinguishable Attributes purchased and sold hereunder, and has the exclusive right to use, sell, dispose of, assign or transfer all of such RECs, Product Gas Credits and Indistinguishable Attributes, and (b) upon the full execution of this Agreement, Buyer will own and will have good and legal title, free and clear of all liens, claims, encumbrances and rights of others, to all RECs, Product Gas Credits and Indistinguishable Attributes, and will have the exclusive right to use, sell, dispose of, assign or transfer all of such RECs, Product Gas Credits and Indistinguishable Attributes.

6. TERMINATION

This Agreement is subject to termination as follows:

(a) Either Party shall have the right to terminate this Agreement, for any reason or no reason, by providing the other Party with at least thirty (30) days written notice of its intent to terminate. In such case, the Agreement shall terminate on the thirtieth (30th) day following the date of such notice.

(b) Either Party shall have the right to terminate this Agreement pursuant to the terms of Section 7, in the event of a Default of the other Party.

(c) If, during the Term of this Agreement, any judicial, regulatory or legislative action or change renders performance of this Agreement impossible or illegal, the Parties shall use reasonable efforts to revise this Agreement so that this Agreement, as revised, preserves, to the maximum extent possible, the Parties' respective commercial positions and performance under the Agreement is no longer impossible or illegal. If the Parties cannot agree on revisions to this Agreement to achieve the foregoing within thirty (30) days following a Party's notice to the other Party that such an event has occurred, then either Party may, by written notice thereof to the other Party, terminate this Agreement.

Either Party shall have the right to terminate this Agreement immediately upon providing the such other Party: (i) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (ii) makes a general assignment, arrangement, or composition with or for the benefit of its creditors; (iii) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed, or restrained in each case within thirty (30) calendar days of the institution or presentation thereof; (iv) passes a resolution for its dissolution, winding-up, or liquidation; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian, or other similar official for it or for all or substantially all of its assets; (vi) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration, or other legal process levied,

enforced, or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed, or restrained, in each case within thirty (30) calendar days thereafter; (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in clauses (i) through (vi), inclusive; or (viii) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

7. DEFAULT

7.1 Definition

It shall be a "Default" of a Party under this Agreement if (a) such Party fails to perform any material obligation or material covenant imposed upon such Party under this Agreement or (b) any representation or warranty made by such Party in this Agreement is materially incorrect when made. The Party in Default under this Agreement shall be referred to as the "Defaulting Party," and the other Party shall be referred to as the "Non-Defaulting Party."

7.2 Notice of Default; Opportunity to Cure

Following receipt of written notice of a Default describing such Default in reasonable detail, the Defaulting Party may cure such Default within ten (10) business days after receipt of such notice. If, within such ten-business day cure period, the Defaulting Party does not cure the Default, the Non-Defaulting Party may exercise the remedies set forth in this Section 7.

7.3 Rights Upon Default

Upon the Defaulting Party's failure to cure a Default within the ten-business day cure period provided for in Section 7.2, the Non-Defaulting Party shall have the right (but not the obligation) to terminate this Agreement by providing written notice of termination to the Defaulting Party.

7.4 Remedies Not Exclusive

Each and every right and remedy specifically provided to a Non-Defaulting Party under this Agreement shall be in addition to every other right and remedy now or hereafter available to the Non-Defaulting Party at law or in equity and shall be cumulative, so that the exercise of one right or remedy shall not waive the right to exercise any other right or remedy. No delay or omission in the exercise of any right or remedy, and no renewal or extension of any performance due under this Agreement, shall impair any such right or remedy or operate to waive any default.

8. CONFIDENTIALITY; PUBLICITY

8.1 Confidentiality

This Agreement shall be considered a public document and will be available for inspection and copying in accordance with the Public Records Act, chapter 42.56 of the Revised Code of Washington (the "Act"). If Buyer considers any record, in whole or in part, provided to Seller under this Agreement, whether in electronic or hard copy form, to be protected from disclosure under the Act, Buyer shall clearly identify each such record with words such as "CONFIDENTIAL," "PROPRIETARY" or "BUSINESS SECRET." If a request is made for disclosure of such record, Seller will determine whether the material should be made available under the Act. If Seller determines that the material is subject to disclosure, Seller will notify Buyer of the request and allow Buyer ten (10) business days to take whatever action it deems necessary to protect its interests. If Buyer fails or neglects to take such action within said period, Seller will release the record(s) or portions thereof reasonably deemed by Seller to be subject to disclosure. Seller shall not be liable to Buyer for inadvertently releasing records pursuant to a disclosure request not clearly identified by Buyer as "CONFIDENTIAL," "PROPRIETARY" or "BUSINESS SECRET."

8.2 Publicity

8.2.1 General. Seller may release oral or written statements relating to this Agreement including but not limited to statements concerning the general environmental benefit associated with the generation and sale of Product Gas, and Seller's role in adopting public policies that promote environmental stewardship, such as its participation in projects that convert landfill gas to pipeline quality gas.

8.2.2 Non-Ownership. Notwithstanding Section 8.2.1, Seller shall not report that it is, claim to be, market itself as, otherwise hold itself out as, or make any statement that it is, the owner of Product Gas Credits or RECs purchased and sold under this Agreement (collectively, "Ownership Statements"). At Buyer's request, Seller shall correct any Ownership Statements and provide copies of such correction to those third parties as Buyer may identify. Seller further agrees to include the following statement on the King County Department of Natural Resources and Parks website in conjunction with any webpage entry relating to the Landfill Gas Sales Agreement:

Pursuant to a purchase and sale agreement executed in 2023, King County has conveyed to Puget Sound Energy the exclusive right to use, sell, dispose of, report on, assign or transfer any renewable energy certificates or credits and any other certificates, credits, offsets and allowances arising in connection with the generation of gas produced by the Bio Energy plant that is pipeline quality and suitable for injection into any pipeline interconnected to the plant or the electric energy produced from such gas.

9. ALTERNATIVE DISPUTE RESOLUTION

Before any form of litigation may proceed with respect to any dispute between the Parties

under this Agreement, a representative appointed by each Party (each, a "Representative") shall meet to attempt to resolve such dispute, either in person or by telephone, within five (5) business days after the written request of either Party. If the Representatives are unable to resolve such dispute within thirty (30) days after their initial meeting (in person or by telephone), either Party may proceed to exercise any other right or to seek any other remedy it may have at law or otherwise.

10. MISCELLANEOUS

10.1 Trading System

In the event that a Regulatory Requirement (as defined below) is imposed or enacted, pursuant to which the transfer of any of the RECs, Product Gas Credits or Indistinguishable Attributes purchased and sold hereunder is required to be documented or recorded on any exchange or trading system other than WREGIS (including, without limitation, in order for Buyer to make marketing claims regarding such RECs, Product Gas Credits or Indistinguishable Attributes or to use such RECs, Product Gas Credits or Indistinguishable Attributes in a green pricing program), then the Seller shall cooperate in Buyer's efforts to transfer, and record the transfer of, such RECs, Product Gas Credits or Indistinguishable Attributes from Seller to Buyer on such exchange or trading system. For purposes of this Agreement, "Regulatory Requirement" means any federal or state statute, regulation, order or other requirement of any governmental, regulatory or quasi-governmental authority (including, without limitation, any regional transmission operator or similar entity) having jurisdiction.

10.2 Assignment

Neither Party shall assign or transfer this Agreement or any of its rights or obligations hereunder, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Any assignment in violation of this Section 10.2 shall be void and shall have no force or effect. Subject to the foregoing restrictions on assignment, this Agreement shall be binding upon, and shall inure to the benefit of, the respective successors and permitted assigns of the Parties.

10.3 Notices

Any notice or communication required under this Agreement shall be in writing and shall be (a) delivered in person, (b) sent by United States mail (certified with return receipt requested) or by overnight courier and addressed to the intended recipient at the address set forth below; or (c) sent by facsimile if confirmed in writing by the Party receiving notice, to the address set forth below (or at such other address of which a Party is notified from time-to-time): if to the Buyer, at Puget Sound Energy, Inc., Attn: Environmental Markets Manager, 10885 NE 4th Street (PSE- 04S), Bellevue, WA 98004-5591, Fax: 425-462-3010; if to the Seller, at Department of Natural Resources, King Street Center, 201 South Jackson, Suite 701, Seattle, WA

98104-3855, Attn: Solid Waste Division Director, Fax: 206-205-0197. Notices shall be deemed

effective upon receipt.

10.4 Amendment

This Agreement shall not be amended, changed or modified except by a written agreement hereafter signed by duly authorized representatives of both Parties. The Parties agree that this Agreement shall not be amended, changed or modified by any course of dealing or course of performance between the Parties.

10.5 No Waiver

No failure or delay of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any other right under this Agreement, and no course of dealing or performance with respect thereto, shall be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect. The express waiver by either Party of any right or remedy under this Agreement in a particular instance or circumstance shall not constitute a waiver thereof in any other instance or circumstance.

10.6 Relationship of Parties

This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligations or liability upon either Party. Further, neither Party shall have any right, power or authority to enter into any agreement or undertaking for or on behalf of, to act as or be an agent or representative of, or to otherwise bind the other Party.

10.7 No Third-Party Beneficiary

There are no third-party beneficiaries of this Agreement. Nothing contained in this Agreement is intended to confer any right or interest on any person or entity other than the Parties, their respective successors and permitted assigns.

10.8 Governing Law

This Agreement shall be governed by, construed and enforced in accordance with, the laws of the state of Washington, without giving effect to such state's choice of law principles to the contrary.

10.9 Further Assurances

Each Party agrees to execute and deliver to the other Party such other instruments, documents, and statements including, without limitation, instruments and documents of recordation, assignment, transfer, conveyance and clarification and take all other actions reasonably necessary to carry out the purposes of this Agreement.

10.10 Severability

In the event any of the terms, covenants or conditions of this Agreement shall be held to be invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of this Agreement not adversely affected thereby shall remain in force and effect; provided, however, that Buyer and Seller shall negotiate in good faith to attempt to implement an equitable adjustment in the provisions of this Agreement with a view toward effecting the purposes of this Agreement by replacing the provision that is held invalid, illegal, or unenforceable with a valid provision, the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, illegal or unenforceable.

10.11 Headings

Section headings used in this Agreement are for ease of reference only and do not constitute a part of this Agreement.

10.12 Counterparts

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and all of which, taken together, shall constitute a single instrument. Facsimile signatures shall have the same effect as original signatures.

10.13 Entire Agreement

This Agreement sets forth the Parties' entire agreement with respect to the subject matter hereof and supersedes all prior or contemporaneous proposals, agreements, understandings and communications between the Parties, oral or written, regarding that subject matter.

[Remainder of page intentionally left blank. Signatures on next page.]

IN WITNESS WHEREOF, the Parties have each caused this Agreement to be executed by their duly authorized representatives as of the dates set forth below.

PUGET SOUND ENERGY, INC.

By: _____

Name: _____

Title: _____

Date: _____

**KING COUNTY, WASHINGTON,
acting by and through its Solid Waste Division**

By: _____

Name: _____

Title: _____

Date: _____

Certificate Of Completion

Envelope Id: A873CDE3E2F74189AA99AC1831352B14	Status: Completed
Subject: Complete with DocuSign: Ordinance 19562.docx, Ordinance 19562 Attachment A.docx	
Source Envelope:	
Document Pages: 5	Signatures: 3
Supplemental Document Pages: 12	Initials: 0
Certificate Pages: 5	Envelope Originator:
AutoNav: Enabled	Cherie Camp
Enveloped Stamping: Enabled	401 5TH AVE
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	SEATTLE, WA 98104
	Cherie.Camp@kingcounty.gov
	IP Address: 198.49.222.20

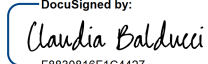
Record Tracking

Status: Original	Holder: Cherie Camp	Location: DocuSign
12/15/2022 12:12:40 PM	Cherie.Camp@kingcounty.gov	
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: King County-Council	Location: DocuSign

Signer Events

Claudia Balducci
 claudia.balducci@kingcounty.gov
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

 F8830816F1C4427...
 Signature Adoption: Pre-selected Style
 Using IP Address: 73.181.163.252

Timestamp

Sent: 12/15/2022 12:13:59 PM
 Viewed: 12/16/2022 11:26:20 AM
 Signed: 12/16/2022 11:26:35 AM

Electronic Record and Signature Disclosure:

Accepted: 12/16/2022 11:26:20 AM
 ID: c01f877f-34cb-49c5-b43f-8eb19ff654db

Angel Foss
 Angel.Foss@kingcounty.gov
 Deputy Clerk of the Council
 King County Council
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 C267B914088E4A0...
 Signature Adoption: Pre-selected Style
 Using IP Address: 198.49.222.20

Sent: 12/16/2022 11:26:37 AM
 Viewed: 12/16/2022 11:34:16 AM
 Signed: 12/16/2022 11:34:28 AM

Electronic Record and Signature Disclosure:

Accepted: 9/30/2022 11:28:30 AM
 ID: 020c9a0a-c529-4443-8490-bad8ecc7fb95
 Supplemental Documents:

Ordinance 19562 Attachment A.docx

Viewed: 12/16/2022 11:34:24 AM
 Read: Not Required
 Accepted: Not Required

Dow Constantine
 Dow.Constantine@kingcounty.gov
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 4FBCAB8196AE4C6...
 Signature Adoption: Uploaded Signature Image
 Using IP Address: 198.49.222.20

Sent: 12/16/2022 11:34:30 AM
 Viewed: 12/22/2022 2:26:18 PM
 Signed: 12/22/2022 2:26:29 PM

Electronic Record and Signature Disclosure:

Accepted: 12/22/2022 2:26:18 PM
 ID: 9bc7cb51-6a3b-4ca0-81c5-456d9fc65195

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events	Status	Timestamp
-----------------------	--------	-----------

Intermediary Delivery Events	Status	Timestamp
------------------------------	--------	-----------

Certified Delivery Events	Status	Timestamp
---------------------------	--------	-----------

Carbon Copy Events	Status	Timestamp
--------------------	--------	-----------

Kaitlyn Wiggins kwiggins@kingcounty.gov Executive Legislative Coordinator King County Executive Office Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div style="border: 2px solid blue; padding: 5px; display: inline-block;">COPIED</div>	Sent: 12/16/2022 11:34:30 AM Viewed: 12/16/2022 1:24:42 PM
--	---	---

Witness Events	Signature	Timestamp
----------------	-----------	-----------

Notary Events	Signature	Timestamp
---------------	-----------	-----------

Envelope Summary Events	Status	Timestamps
-------------------------	--------	------------

Envelope Sent	Hashed/Encrypted	12/15/2022 12:13:59 PM
Certified Delivered	Security Checked	12/22/2022 2:26:18 PM
Signing Complete	Security Checked	12/22/2022 2:26:29 PM
Completed	Security Checked	12/22/2022 2:26:29 PM

Payment Events	Status	Timestamps
----------------	--------	------------

Electronic Record and Signature Disclosure
--

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, King County-Department of 02 (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact King County-Department of 02:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: cipriano.dacanay@kingcounty.gov

To advise King County-Department of 02 of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at cipriano.dacanay@kingcounty.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from King County-Department of 02

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to cipriano.dacanay@kingcounty.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with King County-Department of 02

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to cipriano.dacanay@kingcounty.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify King County-Department of 02 as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by King County-Department of 02 during the course of your relationship with King County-Department of 02.