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2 **REVISED ENERGY AND SUSTAINABILITY MOTION**
3 **OF THE**
4 **PORT OF SEATTLE COMMISSION**

5
6 **PROPOSED**
7 **DECEMBER 19, 2017**

8
9 **PREAMBLE**

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11 This motion furthers the recommendation of the Port's Energy and Sustainability
12 Committee, unanimously chartered by motion on January 26, 2016.

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14 First, staff is instructed to develop an evaluation framework, the Sustainability
15 Evaluation Framework, (Framework) which will inform Commission decision-
16 making to advance the Port's energy and sustainability initiatives by transparently
17 documenting environmental and societal considerations associated with
18 Commission actions.

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20 Second, staff will select up to four pilot projects for approval by the Commission,
21 to be used to validate the key environmental and societal components that will
22 constitute the Framework.

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24 Third, staff is instructed to explore a method of valuing and internalizing the
25 external costs of carbon.

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27 Fourth, Scope 2 carbon reduction goals are added to the Century Agenda,
28 supplementing the previous addition of Scope 1 and Scope 3 goals, passed
29 unanimously on April 11, 2017.

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31 Fifth, to implement the above mentioned actions and more broadly advance the
32 Port's energy and sustainability goals, the Interim Executive Director will include
33 adequate resources in the 2018 budget to to expand the Maritime program's
34 focus from primarily regulatory compliance to include environmental
35 sustainability and to and to support Aviation Facilities and Infrastructure to meet
36 the new Century Agenda goals.

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38 Sixth, Port staff will coordinate with the Northwest Seaport Alliance, as

39 appropriate.

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TEXT OF THE MOTION

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43 Moved, that the Port of Seattle shall take the following actions:

44 1. Develop a Port Sustainability Evaluation Framework to assist the
45 Port in meeting its greenhouse gas reduction and sustainability
46 goals.

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48 2. Select up to four pilot projects, divided between the airport and maritime,
49 beginning with a solar project on Pier 69, to test and validate the
50 Framework and determine how to incorporate the following environmental
51 and societal components into the Framework to be used to more fully
52 inform the Commission of project proposals including:

53 a. Reduce greenhouse gas emissions

54 b. Increase energy resilience

55 c. Protect public health and the environment

56 d. Support local economic development

57 e. Advance racial and social equity

58 f. Leverage partnerships

59 g. Advance innovation

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61 3. Evaluate and recommend methods for valuing and internalizing the
62 external costs of carbon port-wide.

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64 4. Adequately resource sustainability efforts to meet the recently
65 amended Century Agenda greenhouse gas emission goals and to
66 implement the Energy and Sustainability Committee
67 recommendations.

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69 5. Amend the Century Agenda to add Scope 2 goals. With the amendment,
70 the greenhouse gas emission reduction goals will be as follows (new section
71 in red):

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- a. Scope 1 emissions, which are direct greenhouse gas emissions from Port owned or controlled sources, shall be:
 - i. 15 percent below 2005 levels by 2020. This advances the initial Century Agenda goal by 17 years.
 - ii. 50 percent below 2005 levels by 2030. This advances the initial Century Agenda goal by 7 years.
 - iii. Carbon Neutral by 2050 OR Carbon Negative by 2050. This creates a new long-term stretch goal.

- b. Scope 2 emissions, which are indirect greenhouse gas emissions from consumption of purchased electricity, heat or steam. The new Port-wide goals for Scope 2 shall be:

- i. 15 percent below 2005 levels by 2020.
- ii. 50 percent below 2005 levels by 2030.
- iii. Carbon Neutral by 2050 OR Carbon Negative by 2050.

- c. Scope 3 emissions, which are greenhouse emissions the Port has influence over, not direct control. The new Port-wide goals for Scope 3 shall be:

- i. 50 percent below 2007 levels by 2030
- ii. 80 percent below 2007 levels by 2050

6. Work with the Northwest Seaport Alliance through the Port of Seattle’s Environment and Sustainability Center of Expertise (COE) to advance mutually shared goals, whenever practicable.

7. The COE is directed to present the four proposed pilot projects to the Commission within 90 days of passage of the 2018 Budget, to include a proposed timeline for completion of the pilot projects.

8. The COE will meet with key stakeholders across the Port including Project Management Group (PMG), Engineering, Facilities and Infrastructure, lease

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105 teams and other teams as necessary to implement and review the pilot
106 projects. The pilot project results will be presented to Commission, with a
107 recommended Policy Directive.

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109 9. The COE will report progress twice yearly on the Century Agenda
110 greenhouse gas emission reduction goals and will maintain a public facing
111 environmental scorecard reflecting that progress.

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113 STATEMENT IN SUPPORT OF THE MOTION

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115 The Port of Seattle Commission unanimously chartered the Energy and
116 Sustainability Committee by motion on January 26, 2016. The charter tasked the
117 Committee to develop and propose Policy Directives to help guide the
118 development of policies to support the Port of Seattle’s greenhouse gas emissions
119 reductions effort, with a focus on energy efficiency and alternative energy
120 generation. Commissioners Felleman and Gregoire were named as Co-Chairs of
121 the Committee. This motion is a culmination of those efforts.

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123 The Committee established four subcommittees comprised of a broad range
124 stakeholders to assist in developing the recommendations included in this
125 Motion, and embedded in the descriptions of the new FTE’s in attachment B. The
126 first recommendation of the Committee was unanimously passed by the
127 Commission in a motion on April 11, 2017, amending the Century Agenda to
128 reflect the Commissions increased commitment to reducing greenhouse gas
129 emissions. The 2017 budget also created a one-million dollar fund to support the
130 recommendations of the Committee, including further greenhouse gas
131 reductions, leveraging matching funds and collaborating with neighboring
132 jurisdictions.

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134 **Sustainability Evaluation Framework**

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136 The Committee has reviewed and recommends a pilot program based on
137 Attachment A - the Port Sustainability Evaluation Framework, to assist the Port of
138 Seattle in achieving two primary goals. The goal of the Framework is to advance
139 energy and sustainability initiatives that will reduce greenhouse gas emissions and
140 increase the resilience of its energy systems. The Framework will include any

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141 current evaluation criteria, for example, return on investment or total cost of
142 ownership.

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144 A clear Sustainability Evaluation Framework will increase transparency of the
145 Commission decision-making process. The Committee also recognizes that the
146 Port’s existing decision-making processes include consideration of environmental
147 and social criteria, but the framework is intended to increase transparency both
148 within Port decision-making processes and with the community. In the past, the
149 factors considered and the final decision to pursue or reject a potential project
150 may not always be elevated to the Port Commission. With this motion, these
151 factors will be evaluated and presented to Commission.

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153 **Valuing and internalizing the external costs of carbon**

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155 This item instructs staff to explore a method of creating internal financial
156 incentives for carbon reduction, such as determining or calculating an internal
157 cost of carbon, for Port programs and departments. This could be a tool to
158 reduce Port scope 1 and 2 carbon emissions.

159 **Port-wide Sustainability Effort**

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161 Currently, the Port has a skilled environmental team focused on compliance with
162 some dedicated sustainability expertise at the airport. The Interim Executive
163 Director has included resources in the 2018 budget to support the sustainability
164 activities developed by the Committee and staff per the April 11, 2017 “Motion
165 Amending the Port of Seattle Century Agenda Greenhouse Gas Reduction Goals,”
166 that was unanimously supported by the Commission. That Motion instructed the
167 Environment and Sustainability Center of Expertise (COE) to “to prepare an
168 assessment of the actions, resources, and timelines necessary to develop and
169 implement Policy Directives for review by the Commission, informed by the
170 Committee work groups.” In response, the COE delivered the “Energy and
171 Sustainability Policy Directive Resource Assessment” to the Commission on July
172 11, 2017, see Attachment B.

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174 In coordination with the Committee, the Executive Director reviewed the
175 Resource Assessment and will embed the recommended sustainability activities
176 as described in Attachment C – Sustainability Resource Allocation
177 Recommendation.

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179 **Scope 2 Goals**

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181 The addition of Scope 2 emissions was recommended by advisors to the Energy
182 and Sustainability Committee and is a category of emissions that the Port has
183 been working hard to reduce, including through green power purchases from
184 Puget Sound Energy’s Green Direct. Consistent with the Scope 1 and 3 goals
185 added on April 11th, the Scope 2 goal is defined by the Greenhouse Gas Protocols
186 as developed by the World Resources Institute and the World Business Council on
187 Sustainable Development:

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189 Scope 1 are also referred to as Direct greenhouse gas emissions, and are defined
190 as ‘emissions from sources that are owned or controlled by the organization’,

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192 Scope 2 are also referred to as Energy Indirect greenhouse gas emissions, and are
193 defined as ‘emissions from the consumption of purchased electricity, steam, or
194 other sources of energy (e.g. chilled water) generated upstream from the
195 organization’.

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197 Scope 3 are also referred to as Other Indirect greenhouse gas emissions, and are
198 defined as ‘emissions that are a consequence of the operations of an
199 organization, but are not directly owned or controlled by the organization’.