



COMMISSION
AGENDA MEMORANDUM

Item No. 7a

BRIEFING ITEM

Date of Meeting July 11, 2017

DATE: June 23, 2017
TO: Dave Soike, Interim Executive Director
FROM: Elizabeth Leavitt, Senior Director Environment and Sustainability
Paula Edelstein, Senior Director Human Resources
SUBJECT: Energy and Sustainability Policy Directive Resource Assessment

EXECUTIVE SUMMARY

In response to Commission direction, the Environment and Sustainability Center of Expertise (COE) and other stakeholders have estimated the 2018 needs for staff and consultant resources to implement key components of the Energy and Sustainability Policy Directive. This memorandum summarizes the resource effort process and results.

RESOURCE EFFORT

Background

The Port of Seattle Commission unanimously chartered the Energy and Sustainability Committee by motion on January 26, 2016. The charter tasked the Committee to develop and propose policy directives to support the Port's greenhouse gas (GHG) emissions reductions efforts, with a focus on energy efficiency and alternative energy generation. Commissioners Felleman and Gregoire were named as Committee Chairs.

The Chairs brought together 23 advisors from diverse sectors of our community to help formulate the policy recommendations. The Committee organized the advisors into the following four work groups:

- (1) **Regional Goals Alignment** that recommended changes to the Century Agenda (since adopted by the Commission) to align Port GHG reduction goals with those of other regional governments;
- (2) **Energy Production** that developed a preliminary recommended framework for analyzing Port projects with energy implications;
- (3) **Energy Conservation** that developed a number of specific recommendations to reduce Port-controlled emissions, to reduce (through contracting, incentives, or other measures) Port-influenced emissions, and to use metering to improve decision-making; and
- (4) **Equity** that recommended establishment of an inter-departmental team to support Port involvement with near-Port environmental justice communities.

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The Port Commission tasked the Environment and Sustainability COE with assessing the resources and timeframes necessary to implement the policy recommendations and estimating a 2018 budget proposal for the work.

Process

The Environment and Sustainability COE worked extensively with internal stakeholders from across the Port to evaluate the work group recommendations. Stakeholders included members from the COE, as well as AV Facilities & Infrastructure, AV Commercial Management, AV Planning, Maritime and EDD Property Management, Seaport Project Management, Maritime, Finance, Public Affairs, Legal, Engineering, and other departments. The COE consulted with each department to identify as many relevant stakeholders as possible.

For each Energy and Sustainability recommendation, stakeholders (1) defined (at a preliminary level) the types of efforts that would be required to respond to the work group recommendations; (2) identified efforts for 2018; and (3) estimated staff and consultant resource needs for the 2018 work items. Some work efforts will start after or extend beyond 2018; those items are not the focus of these initial resource estimates. It is assumed that most of the staff needs are long-term; the COE will revisit this assumption as the resource estimates are incorporated into the proposed 2018 budget.

Major Accomplishments to Date

The Port already has implemented a number of energy conservation and other initiatives to reduce GHG emissions across its facilities. Every Port construction project is considered for energy and sustainability opportunities. Some of our many accomplishments include:

- (1) Energy conservation upgrades to Sea-Tac mechanical systems, escalators, and parking garage lighting;
- (2) Installing pre-conditioned air and electrical power at Sea-Tac terminal gates to reduce aircraft idling;
- (3) Installing charging stations across the airport for airlines and baggage companies to convert their fossil-fueled ground support equipment to electric (eGSE);
- (4) Developing and implementing the Environmental Key Performance Indicator (e-KPI) metric to reduce GHG emissions from transportation network companies such as Uber, Lyft, and Wingz;
- (5) Installing shorepower for cruise vessels to plug into while at berth to reduce the use of fuel while at berth;
- (6) Energy efficiency programs throughout the Maritime and Economic Development Divisions that have reduced 6,322,000 kW hours/year of electricity use;
- (7) Initiating the Puget Sound Maritime Emissions Inventory which calculates emissions from all maritime emissions in Puget Sound. The 2011 Emissions Inventory showed that the Port reduced GHG from maritime emissions by 14% from 2005; and

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- (8) Commissioning a pilot project to evaluate switching drayage trucks from diesel to compressed natural gas.

In addition to these accomplishments, the Port has conducted sophisticated and systematic analysis and planning toward achieving GHG reductions. These efforts include, among others, the Port-wide Energy and Greenhouse Gas Assessment, the Aviation Biofuels Infrastructure Study, and the North Ports Clean Air Strategy.

Resource Estimates

Regional Goals Alignment

Although the Commission adopted new and revised Century Agenda GHG reduction goals in response to the work group recommendations, Port staff recommends two additional efforts: (1) identifying and addressing data gaps in current Port GHG inventories and records, and (2) developing new or modified sustainability initiatives to achieve the now-adopted GHG goals. Staff focused on areas where implementing this part of the Policy Directive would not overlap with other work group recommendations.

Efforts proposed for 2018 include:

- Developing and revising inventories for Maritime GHG Scope 1, 2, and 3 (Port direct, purchased electricity, and Port-influenced) emissions to provide a consistent base for evaluation;
- Identifying and beginning to implement additional Aviation and Maritime measures to meet the more aggressive Scope 1 and 2 near-term goals;
- Completing a study to follow up on the Aviation Biofuels Financing Study recommendations, to continue to advance efforts to reduce Scope 3 aviation GHG emissions; and
- Continuing long-term planning to reduce Maritime Scope 3 emissions.

Remaining work efforts such as Scope 3 emissions from ground transportation are either already being implemented using existing Maritime and Aviation resources, or will be considered for implementation after 2018.

Commissioners have also expressed interest in a running tally of GHG reductions relative to the Century Agenda goals. Port staff recommends addressing this request by:

- (1) Continuing to report annually on the results of GHG inventories,
- (2) Updating and sharing information on the project-specific and cumulative GHG reductions from proposed projects, and
- (3) Conducting research on the overall carbon benefit from multiple Port projects such as carbon sequestration.

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Resource estimates for this work include partial full-time equivalent positions (FTEs) for the COE and Facilities and Infrastructure (F&I). In addition, Port staff recommends approximately \$600,000 for consultants to help identify additional Scope 1 and 2 measures, continue with the aviation biofuels financing work, revise and update the Maritime GHG inventories, conduct long-term Scope 3 planning for Maritime, and conduct research on the overall carbon benefit of multiple Port projects.

Energy Production

To estimate resources needed to apply the Energy and Sustainability Framework (the Framework) to relevant projects, Port staff began by evaluating how the Port currently reviews proposed projects. Staff identified a number of systems that must be revised in order to reflect the Framework, such as Aviation and Maritime capital investment processes, procurement processes, design standards, Port master specifications and Dining and Retail Design Guidelines, among others. Staff quickly recognized that the Port must conduct a more complete evaluation of these processes to fully address and test the Framework.

Therefore, in 2018, staff recommends that a Port-wide team, consisting of the COE, the Project Management Group (PMG), Engineering (ENG), F&I, and others as necessary, apply the Framework to one operational and one capital/complex bidding process project each at the Maritime and Aviation divisions. These four pilot projects will provide insight into how the overall process, as well as project-related systems (e.g., those noted above) will need to be adjusted to reflect the framework. Based on the results, the Port-wide team will recommend changes to Port project review processes/systems to the Commission.

The team also will consider and make recommendations regarding the need for other sustainability tools such as GHG calculators, sustainability checklists, and tools that have been successfully used at similar organizations such as the City of Seattle, the City and County of San Francisco, and Chicago's O'Hare International Airport.

Additional resources will be needed to provide utility and energy management planning and evaluation of a potential micro-grid near container cargo facilities and a small-scale electricity power generation center.

Resource estimates for this work are allocated among key departments including partial FTEs for the COE, PMG, F&I, and ENG. In addition, Port staff recommends approximately \$200,000 for consultants to review methodologies and assumptions embedded in the range of calculators available to the Port and make recommendations if appropriate.

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Energy Conservation

The Energy Conservation work group recommendations include a number of specific items that are grouped into categories below. To address these items, Port staff recommends the following:

Transportation: The COE is already developing a 2017 Green Fleet Plan that will be generally responsive to the recommendation on the purchase of fossil fuel vehicles. To increase the percentage of electric or other low emission rental vehicles, staff recommends evaluating a voluntary program with corporate partners in the region who have agreements with Sea-Tac rental car companies. To address GHGs from employee commuting, the Port would expand existing tracking mechanisms and estimating protocols to cover all employees. Additional resources would be used to develop a proposal to reduce GHG emissions for all commercial vehicles serving the airport.

Habitat: The Port would use existing staff and hire a consultant to develop calculations of the carbon sequestration benefits from new and existing habitat projects.

Leasing: Addressing the work group recommendations in this category will require a significant, multi-year effort. In 2018, the Port will collect lease information, research best practices, conduct a gap analysis, develop a strategy for updating lease templates, and identify areas of initial focus. An additional staff person, likely in the Real Estate Group will be needed to complete this effort.

Infrastructure and Energy Efficiency: Aviation is currently developing a metering plan to identify areas of highest energy use and ensure that tenants are billed directly for their energy use. Maritime is developing strategies including infrastructure upgrades and modifications as part of energy audits of individual facilities. Recommendations for infrastructure investments are typically requested as part of capital budget submittals; the Energy and Sustainability framework may help to expand the number of opportunities identified. As part of the 2018 resource estimate, Maritime will install smart meters at Fishermen’s Terminal, evaluate data and establish policy on smart meter deployment, and evaluate additional metering opportunities.

Resource estimates for this work are allocated among key departments including partial FTEs for the COE and Properties/EDD. In addition, Port staff recommends approximately \$470,000 for consultants to expand the employee commuting tracking mechanism, develop methods for calculating carbon sequestration from habitat projects, study leasing practices, and help evaluate the feasibility of an internal carbon tax.

Resource Effort Estimate: Equity

The Port of Seattle will join a number of public agencies and professional sectors in developing a policy and a set of operating principles and practices addressing equity, diversity and inclusion by the end of the year.

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The Energy and Sustainability Committee Work Group recommendation to “Develop a Port-wide equity policy similar to the County’s and City’s” spurs the Port of Seattle to act boldly and broadly to recognize the existence and impact of institutional racism on both day to day Port operations and the region we serve. This recommendation aligns with the Port’s commitment in 2016 to become a model of equity, diversity and inclusion as stated in the Long Range Plan Strategy 4: High Performance Organization, Priority Action 1.

The Port recently joined the Government Alliance on Race and Equity (GARE), a national network of governments working to achieve racial equity and advance opportunities for all. Between July and December 2017 GARE’s consulting group will work with the Executive Leadership Team and a design team consisting of employees from across the port to develop a Port of Seattle Equity Policy and Strategy to recommend to the Commission, lay ground work to normalize racial equity as a key value and have clear understanding and shared definitions; build capacity to operationalize equity via new policies and by transforming the underlying culture of our organization; and produce an implementation plan. In order to meaningfully and productively engage community representatives in this work, the Port will contract with a second consultant who will participate as a member of the design team and be responsible for developing and executing a community engagement strategy.

Efforts proposed for 2018 include:

- Implement an equity strategy and practices in three departments and evaluate the results.
- In support of this initiative, provide employees training on institutional racism and the Port’s equity, diversity, and inclusion strategy and model of practice.
- Continue to partner with local agencies—including the City of Seattle and King County—and agencies around the country in building government accountability for equity.

Port of Seattle executive leadership recognizes that a successful Port-wide effort requires expertise and experience. Longer term resource needs will become clearer once the policy and strategy have been developed. Nonetheless we’ve learned from the City of Seattle and King County programs that new FTEs will likely be required to launch a successful Port equity program. Resources in the City and County’s models include:

- Senior leader - Provides strategic planning and direction and establishes relationships with key governmental and community stakeholders.
- Manager(s) - Serves as a strategic advisor or program manager, coordinates interdepartmental teams, develops equity tools and trains and organizes community advisory bodies.
- Administrative support – Performs administrative tasks in support of the program.

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Resource Effort Summary

All work teams submitted estimates of 2018 staffing and consultant dollars to complete the efforts outlined above. The COE then reviewed the staffing estimates and revised them to reflect realistic potential staff positions. The estimated needs for 2018 are as follows:

Department	Staffing (FTE)	Consulting Fees
Environmental COE	3.0 (2 M and 1 AV)	\$1,080,000
Aviation F & I	1.0	
PMG (Aviation/Maritime)	0.5	
ENG	0.5	
EDD	1.0	\$200,000
Equity effort*	4.0	\$150,000
Total	10.0	\$1,430,000

*Department to be identified by end of 2017.

As noted previously, a number of the Committee recommendations are already being implemented or can be implemented in 2018 using existing resources. However, the timeline for implementation of items requiring additional staff is subject to budget authorization for the positions and the time needed to bring new staff on board. To speed implementation, the COE recommends hiring an additional staff person this year to begin work. The new FTE would do the work formerly done by air emissions-related staff who moved to the North West Seaport Alliance. In addition, staff recommends not waiting until 2018 to begin recruitment for the other new staff.

The Energy and Sustainability Committee charter’s intent included the development of policies; the April 11, 2017 adoption of the revised Century Agenda goals fulfills part of that intent. As the COE works in 2018 to implement specific Committee recommendations, the COE will likely propose additional policies for Commission consideration. The nature and timing of these policies will be determined by the outcome of the 2018 work.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides
- (2) Motion to Charter the Energy and Sustainability Committee
- (3) Motion to amend the Port of Seattle Century Agenda
- (4) Proposed Port Energy Production Project Evaluation Criteria

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 11, 2017 – The Commission amended the Port of Seattle Century Agenda to include greenhouse gas reduction goals consistent with those adopted by regional municipalities. The April 11, 2017, motion also included direction to the COE to develop a 2018 budget proposal for implementation of the Policy Directives.

February 28, 2017 – The Commission was briefed on the recommendations of the work groups established by the Energy and Sustainability Committee.

January 26, 2016 – The Commission chartered the Energy and Sustainability Policy Committee.

PREVIOUS ENERGY AND SUSTAINABILITY COMMITTEE POLICY DIRECTIVE BRIEFINGS

January 24, 2017 – Sixth meeting of the Energy and Sustainability Policy Directive Committee was held.

- Group presentations of proposed final policy directives.

November 28, 2016 – Fifth meeting of the Energy and Sustainability Policy Directive Committee was held.

- Report outs from work groups. Next steps and schedule discussed.

October 11, 2016 – Fourth meeting of the Energy and Sustainability Policy Directive Committee was held.

- Workgroups breakouts including Regional Alignment, Energy Production, Energy Conservation, and Environmental Equity to begin work on potential Policy Directives.

September 13, 2016 – Third meeting of the Energy and Sustainability Policy Directive Committee was held.

- Focused on committee process and policy proposals by subject matter. Advisors chose work groups based on subject matter.

July 26, 2016 – Second meeting of the Energy and Sustainability Policy Directive Committee was held.

- King County Cities Climate Collaboration, or K4C, briefed us on the goals as developed by 11 cities within King County.
- Port staff provided an updated Port environmental scorecard for review and a briefing on Port solar projects.
- Got Green provided a briefing on Environmental Equity principles.

June 14, 2016 – First meeting of the Energy and Sustainability Policy Directive Committee was held.

- Provided information about the Port of Seattle’s current greenhouse gas reduction goals and what work we are doing to reduce our greenhouse gas emissions.