

August 4, 2014

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Technical expertise needed to supplement the multi-jurisdiction Environmental Impact Statement (EIS) for the Energize Eastside Project where necessary to address Bellevue-specific issues.

FISCAL IMPACT

There is no fiscal impact associated with Council directing staff to draft Requests for Proposals (RFPs) for Independent Contractor work necessary to supplement the multi-jurisdictional EIS for Energize Eastside when necessary to address Bellevue-specific issues. Contracts for consultant services and identification of funding sources would be presented to Council as required by Bellevue's contracting procedures. This work is not currently proposed in the 2015-16 operating budget or the 2015-21 Capital Improvement Program budget, and would need to be added. Opportunities to share costs with other jurisdictions affected by Energize Eastside would be explored as a cost containment measure.

STAFF CONTACTS

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POLICY CONSIDERATION

Comprehensive Plan policy (UT-32) defers to the serving utility the implementation sequence of utility plan components, and mandates a robust data validation process. The question before the Council is whether the City should secure technical expertise to supplement the multi-jurisdictional EIS where necessary to address Bellevue-specific issues related to Energize Eastside?

DIRECTION NEEDED FROM COUNCIL

- Action
- Discussion
- Information

Staff seeks Council direction on whether to draft an RFP for Independent Contractor work, coordinate with other affected Cities regarding cost sharing for work that is outside the scope of the EIS, and bring back contracts for Council review and approval in September.

BACKGROUND

Council received a July 21 management briefing that described options for the use of consultants with technical expertise to review the Energize Eastside project. Instead of applying for a specific transmission line project to connect facilities located in Renton and Redmond and to distribute the associated power in Bellevue, PSE staff voluntarily agreed to embark on an EIS to define the purpose

and need for the project, evaluate alternatives, and develop a preferred project to meet its objectives and that is responsive to community and rate-payer values. The process agreed to by PSE, in concept, exceeds what would be required under the State Environmental Policy Act (SEPA) requirements related to EIS preparation.

The City of Bellevue will, as lead agency, be responsible for coordinating the multi-jurisdictional EIS and managing to timeline expectations, just like any other development review process, which balances the need to provide for public comment and also certainty and predictability for PSE as the applicant. The EIS as currently contemplated is being scoped to include the validation of PSE’s work as well as the traditional project-specific identification of impacts and appropriate mitigation. The EIS is proposed to be divided into two phases. Phase I will consist of programmatic (or non-project) review that will include the validation work that is contemplated by Policy UT-32 and clarification of project purpose. This work has been identified as essential to the people who made comments during the Bellevue Forum held on this topic and in comments to the City Council and to the City’s Energize Eastside e-mail box. Phase II will consist of project-level review. These levels of analysis were described in greater detail in the July 21 Study Sessions materials. Initiation of the EIS process will continue through the summer with an expectation that an interlocal for multi-jurisdictional collaboration and third-party contact for EIS services will be presented to Council for approval in September. No additional direction is needed from Council on the EIS process at this time.

The focus of the August 4 meeting will be to present a consolidated list of issues raised by Council and stakeholders and to describe how and when they are proposed to be addressed during the Energize Eastside review process. The proposal identifies where an independent contract may be a desirable solution for addressing a specific issue or question, with the understanding that such independent work would ultimately be folded into the EIS to inform mitigation decisions that will be included in the final project permits.

Asking a question through independent review may feel duplicative when it is also asked as part of the EIS process. The goal of the staff approach documented below is to mirror the two-phase regional (non-project) and local (project) approach of the EIS, while making sure that questions that are specific to Bellevue are framed in parallel to the larger regional concerns that will otherwise be included in the EIS.

City staff proposes to scope and “price” the desired independent review for Bellevue-specific issues through the RFP process, then return with any necessary contracts, as appropriate, for Council approval. Staff is interested in continuing to receive input from the public on the appropriate scope for this work. It is anticipated that any contract will need to include a component of “on-call” services to respond to unanticipated Bellevue-specific issues that arise during the EIS review.

The matrix included immediately below provides a summary of the component parts that will be required to facilitate review of the Energize Eastside project and the anticipated timeframe for completion of each review component.

Components of Energize Eastside Review	Timeframe
Multi-jurisdictional Interlocal Agreement (ILA)	Draft in August; Council approval in September.
	RFP preparation

Third Party Contract for Environmental Impact Statement	underway; Third party contract approval anticipated in September.
Independent contract(s) /separate RFPs for Bellevue-specific issues	Draft RFP for EIS support in August; Council approval in September.
Two-phase programmatic and project Environmental Impact Statement (EIS) including Scoping	Scoping in October; project schedule to be developed with EIS consultant and affected cities
Processing of Conditional Use Permit (CUP) pursuant to City code authority LUC 20.20.255	Timing triggered by PSE permit submittal

The next matrix includes a summary of the questions and issues raised by the City Council and stakeholders, and identifies where the questions and issues are anticipated to be addressed as part of the Energize Eastside project review process.

Question/Issue (Source)	Review Component
1. Is electrical system improvement needed to meet Bellevue’s growth (Council) 2. Purpose, need and timing should be specifically documented for Bellevue (Chelminiak)	Independent contractor
3. What is the “right size” and form of such improvement (Council)	EIS
4. Will Energize Eastside meet the need for additional reliable electric power (Council)	EIS
5. As proposed, would Energize Eastside “overbuild” the electrical grid serving Bellevue (Council)	EIS
6. Does updating the Electrical Reliability Study provide sufficient analysis to validate the scope and scale of Energize Eastside (Council)	Independent contractor
7. What are best practices for investor owned utilities in forecasting and supplying demand (Balducci)	EIS
8. How does the Columbia Grid multi-utility process influence Energize Eastside (Chelminiak)	EIS
9. What are the financial incentives for PSE (Chelminiak)	Independent contractor
10. What is the City’s authority to impose additional mitigation if the project is “overbuilt” (Council)	CUP
11. Who pays for that mitigation (Council)	EIS
12. How can we use this process to teach people to conserve energy (Robinson)	EIS
13. Can other jurisdictions pay for the cost of review (Robertson)	ILA

14. What are least intrusive infrastructure for transmission (Robertson)	EIS
15. What is city authority to shape the project (Robertson)	Council influence over preferred project selection prior to PSE permit submittal; CUP
16. Who else has oversight authority (Robertson)	EIS
17. What are the economic impacts (Robertson)	Independent contractor

OPTIONS

1. Direct staff to draft an RFP for Independent Contractor work identified above and to coordinate with other affected cities through development of an ILA regarding cost sharing for work that is outside the scope of the EIS and to bring back contracts for Council review and approval in September.
2. Provide staff with alternative direction.

RECOMMENDATION

Direct staff to draft an RFP for Independent Contractor work identified above and to coordinate with other affected cities through development of an ILA regarding cost sharing for work that is outside the scope of the EIS and to bring back contracts for Council review and approval in September.

MOTION

Motion to direct staff to draft an RFP for Independent Contractor work identified above and to coordinate with other affected cities through development of an ILA regarding cost sharing for work that is outside the scope of the EIS and to bring back contracts for Council review and approval in September.

ATTACHMENT

N/A