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July 12, 2011

## **Consultant picks Yesler Terrace for first district energy project**

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Since December, a team of international consultants have been analyzing Seattle neighborhoods for their potential as the site for a district energy system. They concluded Yesler Terrace/First Hill offers the best opportunity and said work should start soon.

The district energy pre-feasibility study presented yesterday to Seattle City Council said the city should develop a community partnership model focused on that area that could be expanded to other areas. The partnership would help attract a private utility to develop, finance, own and operate the district energy infrastructure.

The study said the First Hill area is the place to start largely because the 30-acre Yesler Terrace site is being redeveloped by Seattle Housing Authority.

The study recommended the city form a steering committee with representatives from various city departments to move ahead with district energy.

Joshua Curtis, project manager for the city's Office of Sustainability and Environment, said the committee will be expanded over the next two weeks, and start meeting with stakeholders like Seattle Steam, SHA and First Hill hospitals.

Curtis said the city plans to issue a request for information this fall and return to council with concrete ideas about the process and legislative changes. Teams will be shortlisted and by January, one will be chosen to build the system. The city would like to have a partnership agreement with the team in place by June of 2012.

What the partnership will look like or what type of district energy system will be built won't be known until the team is chosen to design and develop the system. Curtis said the system would provide heating and cooling, but not electricity.

He said this is the first time the city has been proactive about getting a district energy system built.

Energy districts are popular in Scandinavia and getting more attention in Canada and the U.S. They operate more efficiently and reduce costs by letting several buildings share energy from a

main source, such as steam, geothermal, biomass or waste heat. They are expensive to build because pipes must be installed underground and buildings must be connected to the system.

In December, Seattle hired a consultant team led by Affiliated Engineers NW of Seattle and Denmark's Cowi to review and rank 10 neighborhoods for district energy potential. The neighborhoods are: Capitol Hill, Interbay/Terminal 91, Mount Baker Light Rail Station, Northgate, Seattle Center, South Lake Union, University of Washington's East Campus, UW West Campus, Pioneer Square/North Lot and Yesler Terrace/First Hill.

Trent Berry of Compass Resource Management has been serving as an advisor to the city on the opportunities and issues that need to be addressed to move quickly.

Curtis said speed is important because in some parts of the city, like South Lake Union, opportunities already have been missed. Curtis also said the city will need to figure out how to deal with Seattle Steam's existing district energy steam system, which has been in operation for more than 100 years.

Berry has worked on district energy internationally. He said Seattle, Vancouver, B.C., and Portland are “neck and neck” in terms of district energy: “You're certainly catching up to Vancouver and you're exceeding Portland, though they're close behind.”

At Yesler Terrace, the study recommends choosing a private utility partner who would be granted a retail franchise for delivering energy on First Hill. That utility would create a strategy for developing a district energy system at Yesler Terrace.

Berry said successful systems have a champion with a clear vision who starts with one geographical node, and then builds from there. First Hill is a great place to start, he said, because of its growth, location and high level of energy use.

The systems are expensive and take a long time to build, involving multiple owners and sites.

Berry said he has worked on six district energy projects in the last year. He said generally five or six credible parties bid on such projects.

The study suggests the city pursue policy reforms related to infrastructure, utilities and incentives. It also recommends additional feasibility analysis of Capitol Hill and the University of Washington. OSE has \$50,000 reserved for these efforts in 2011.

The district energy model that is created in the next year could be used to bring district energy to other parts of the city. Areas with near-term potential, Berry said, are Capitol Hill, the UW and future development in South Lake Union. To create a South Lake Union system, he said the city could partner with Vulcan Real Estate.

Other areas also considered promising are Interbay, Pioneer Square and Mount Baker. The consultant team determined Seattle Center and Northgate are not currently promising for district energy.