Franchise Agreement Negotiation Timeline

July 2019

City Council adopted Ordinance to extend Franchise Agreement 6-months.

April 2020

City Council adopted Ordinance to extend Franchise Agreement 6-months to November 11, 2020.

July 2020

Council WS update on Franchise and carbon reduction negotiations.

Council directed Manager to initiate a new Ordinance on a 6-month extension.

Sept 9, 2020

Council WS to update negotiations and answer questions.

Sept 21, 2020

Scheduled Public Hearing on Ordinance to extend the Franchise for 6-months.

New termination date is May 11, 2021.

Sept 28, 2020

Scheduled Council Action on Ordinance to extend Franchise for 6-months.

Item Number	Items on which COE & NWN Agree	Remaining/Related Items to be Discussed
1	Carbon Reduction Agreement (CRA)	Parties agree that CRA will be a separate agreement from the franchise. Details & terms to be further negotiated.
2	Franchise Agreement	Agreement on current franchise form generally remaining the same for renewal, pending further negotiation of terms coinciding with CRA negotiations.
3	Length of Franchise and CRA each will be 10 years, with reopeners in each at Year 3	Further terms of CRA and franchise to be negotiated.
4	Franchise Fee will be 5.5% of gross revenue for Years 1 & 2, 6.0% for Years 3-10	Current agreement on Franchise Fee increase based on successful negotiations of CRA. Franchise Fee amount could change depending on outcome of CRA negotiations.
5	Carbon Reduction Fee (CRF) will be equal to 2.5% of gross revenue of designated customers*, CRF will be phased in, with 1.25% for Years 1&2, and 2.5% for Years 3-10	How CRF is created and additional terms and implementation of the CRF are to be negotiated, and agreements conditioned upon OPUC approval. *Designated customers definition is still being negotiated.
6	Reporting on CRF uses	Parties agree that there should be a reporting component in the CRA terms, specific terms to be further discussed & negotiated by parties.
7	CRF – Low Income Assistance	Parties both support addressing the impact of the CRF to low income customers. Details to be further discussed and negotiated.

Topics still being negotiated

1. Carbon Reduction Agreement and Fee.
    1. Creation. How is the fee assessed and upon whom?
    2. Oversight. How is the Carbon Reduction Fund administered? What is the make up of the body to provide oversight/advisory?
    3. Uses. What investments are eligible for use of the funds?
    4. Linkage. How is the CRF linked to the Franchise Agreement?
    5. Termination. Term within agreement that would allow parties the ability to initiate termination of the CRF agreement. Including Council policy action.
    6. Public Input. What level of input or involvement will there be?