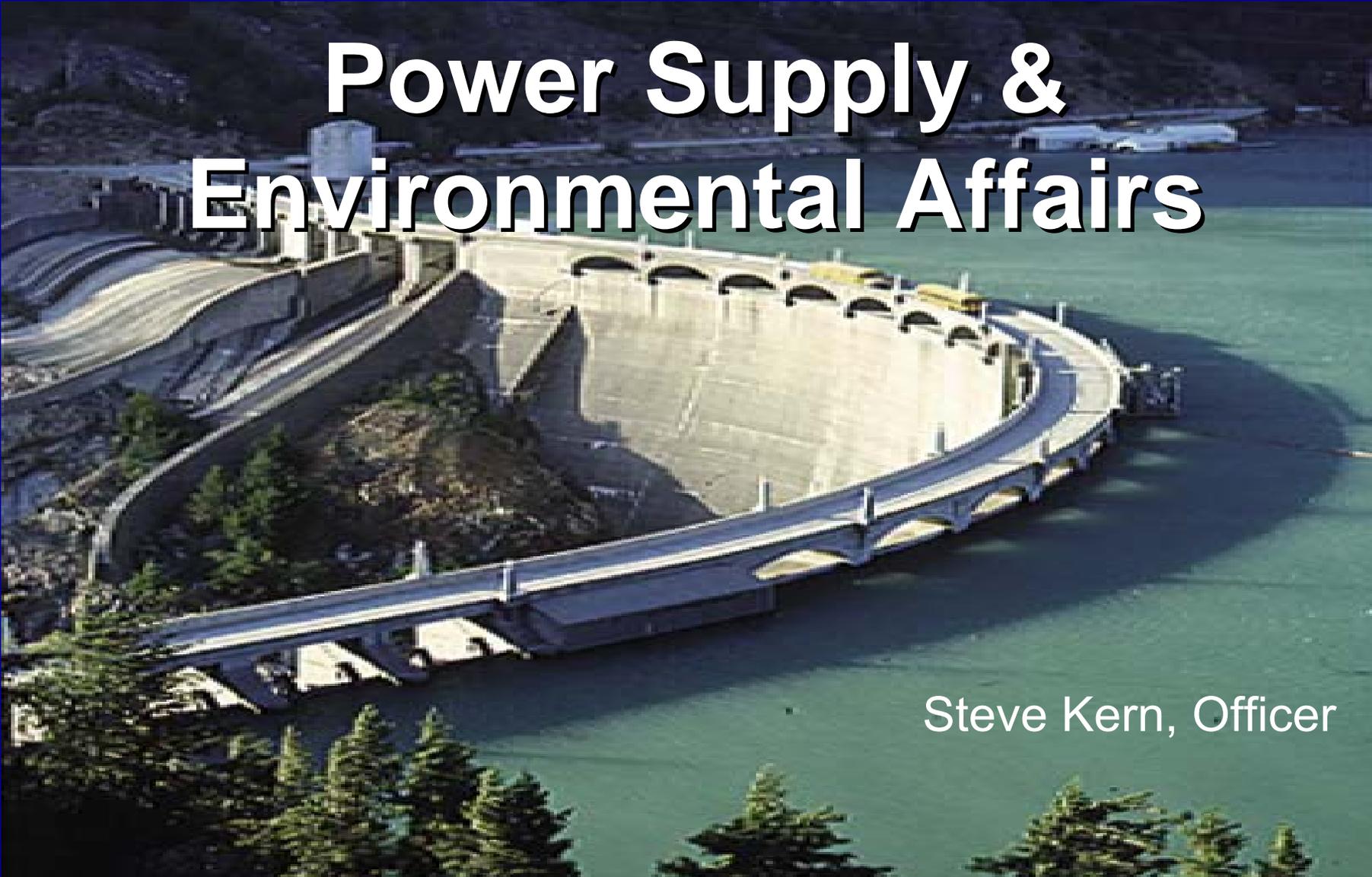


Power Supply & Environmental Affairs



Steve Kern, Officer



Seattle City Light

PS&EA Overview

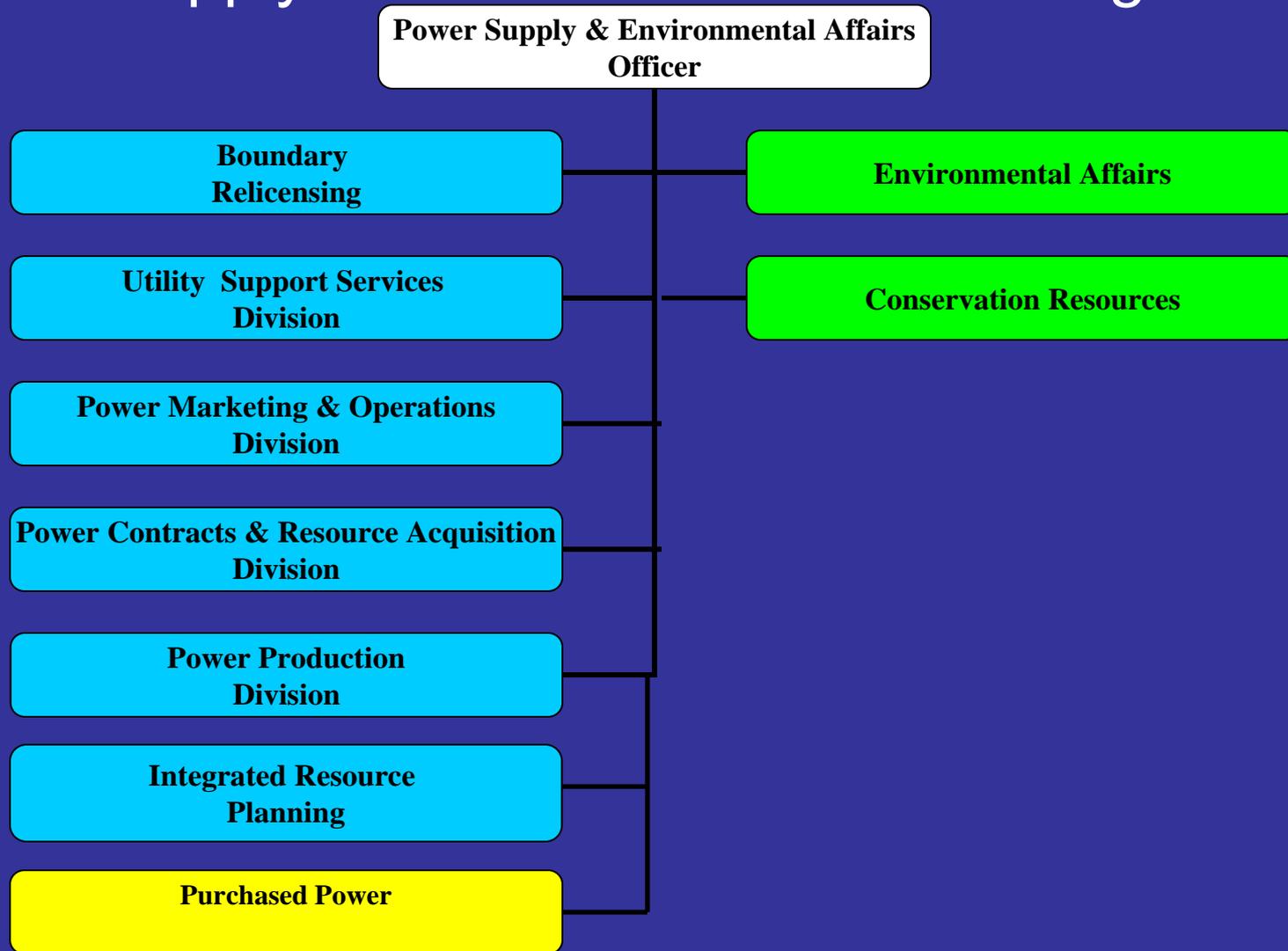
Responsible for:

- Generating, managing and procuring power to meet customer needs
- Providing conservation resources and protecting the environment in which the utility operates
- Providing utility-wide support in the areas of real estate, fleets, facilities and shops



Seattle City Light

Power Supply & Environmental Affairs Org Chart



Power Supply & Environmental Affairs Business Unit

Comprised of 2 Budget Control Levels (BCLs):

1. Power Supply BCL
2. Conservation & Environmental Affairs BCL

Total FTEs for Business Unit:

- Approximately 475 (including vacancies)

Total Adopted 2010 Budget for Business Unit

O&M:	\$ 63,970,173
Deferred O&M:	\$ 42,935,559
CIP:	\$ 46,264,834
Purchased Power:	\$405,347,045

Power Supply - Budget Control Level (BCL)

Comprised of Six Operating Divisions, including:

1. Officer Division
2. Power Operations and Marketing
3. Power Contracts and Resource Acquisition
4. Power Production
5. Boundary Relicensing
6. Utility Support Services

370 FTES (including vacancies)

2010 Adopted Budget:

O&M:	\$51,745,712
Deferred O&M:	\$ 8,992,462
CIP:	\$44,750,980

Power Supply BCL – Power Operations and Marketing Division

Primarily responsible for:

1. Managing power supplies and transmission to City Light's retail customers on a hourly, daily and monthly basis
2. Marketing surplus energy, capacity and other products into the wholesale energy markets on an hourly, daily and forward month basis
3. Developing short to mid term resource operating plans

Power Supply BCL – Power Contracts and Resource Acquisition Division

Primarily responsible for:

1. Managing long term wholesale power supply and transmission agreements (e.g. BPA)
2. Developing purchased power contract budget forecasts
3. Preparing various reports for internal and external uses (e.g. FERC)
4. Preparing analysis to support Power Operations
5. Preparing long term Integrated Resource Plan – must be filed with State of Washington by 9/1/10
6. Acquisition of new Power Supplies and Transmission

Power Supply BCL – Power Production Division

Primarily responsible for:

1. Operation and maintenance of City Light's owned hydroelectric generating station
 - Approximately 1900 MW installed capacity
 - 21 generating units
2. Multi-discipline engineering support for generating stations, dam safety and utility-wide civil construction
3. Technical resource support for drawing production and document management
4. Capital program management for generation projects
5. Public works project construction management services, utility-wide

Power Supply BCL – Boundary Relicensing Division

Primarily responsible for:

1. Development and completion of new long term FERC License
 - Settlement Agreement Reached March 2010
 - Current License Expires September 2011
2. Implementation of new FERC License measures

Power Supply BCL – Utility Support Services Division

Primarily responsible for:

1. Acquisition/Disposition of Real Property/Property Rights
2. Property Management
 - Manage North and South Service Centers and other properties owned or controlled by SCL
 - 1200 use permits
3. Operational Support by 6 Skilled-Craft Shops (maintenance, repair, reconstruction, etc)
4. Management of Fleet and Mobile Equipment
5. Facilities Design/Capital Improvement Projects
6. Facilities Maintenance and Custodial Services
7. Space/ergonomic design and employee moves

Conservation Resources & Environmental Affairs - Budget Control Level (BCL)

Comprised of Two Operating Divisions:

1. Conservation Division
2. Environmental Affairs



105 FTES (including vacancies)

2010 Adopted Budget:

O&M:	\$12,224,461
Deferred O&M:	\$33,943,097
CIP:	\$ 1,512,854

Conservation Resources & Environmental Affairs BCL - Conservation Resources Division

Primarily responsible for:

1. Planning, design, implementation, marketing, tracking and reporting of energy efficiency (conservation) programs consistent with the 5 Year Conservation Plan.
2. Development of customer delivered demand response programs.
3. Development and delivery of small scale customer focused renewable programs and systems
 - Green Power, Green Up, Customer Generated Production Incentive (Net Metering), Community Solar
4. Reduced budget should capture 12.3 aMW in Conservation in 2010

Conservation Resources & Environmental Affairs BCL - Environmental Affairs Division

Primarily responsible for:

1. Implementing natural and cultural resource programs to meet FERC license requirements at City Light's hydroelectric projects.
2. Implementing programs to reduce environmental risk and ensure compliance with environmental regulations.
3. Managing the Green House Gas (GHG) Mitigation Program and ensuring that City Light is GHG neutral.
4. Assisting in the recovery of Endangered Species Act-listed salmon and trout in the Skagit, Tolt, and Cedar Watersheds.
5. Providing environmental expertise and permitting support utility wide.

PS&EA Challenges in 2010 Budget Reductions

O&M Reduction Taken:

- From 2010 Endorsed Budget
 - \$6.4 million, 10% of endorsed O&M budget
 - Included 25.5 FTEs, elimination of shops, furloughs, tail race/trash rack, Generation supplies & maintenance, peakload engineering services, training/travel, Conservation marketing, memberships
- From 2010 Mid-year reductions
 - \$2.85 million, 4.5% of adopted O&M budget
 - Included Conservation Programs – refrigerator recycling, conservation potential assessment, hiring delays, training/travel, greenhouse gas offsets

PS&EA Challenges in 2010 Budget Reductions

Resulting Challenges

- Management of maintenance and supplies at Generating Projects - degradation of facilities and potential increase in forced outages, loss of revenue and possible licensing requirement violations.
- Support of field operations limited due to staffing and budget reductions.
- Limited program delivery for Conservation, resulting in reduced conservation (currently, approx 25% of Conservation Savings are from CFLs; in 2012 these savings will have to be made from add'l new programs which need to be developed prior to 2012).
- Difficulty in maintaining level of environmental stewardship that the City has enjoyed in the past.
- Reduced support across BCL, impacting internal and external customer service; limited representation at regional agency meetings; limited opportunity for staff development and succession planning.

2008 Strategic Plan: Focus Areas for PSEA

Priority	Objective	Initiative	Status
Environmental stewardship	<ul style="list-style-type: none"> • Environmentally responsible in operations • Natural Resource Protection • Community Leadership 	<ul style="list-style-type: none"> • Compliance Program • PCB Program • Recycling • Pollution Prevention • Environmental Leadership • Salmon Protection • Enhanced Natural Resource Protection 	
Balanced resource portfolio	<ul style="list-style-type: none"> • Optimal power portfolio • Portfolio management capabilities 	<ul style="list-style-type: none"> • Resource acquisition program • Power Management • Renewable energy credit trading • Transmission strategy • Bonneville Power Agreement • Conservation Resources Program • Boundary Relicensing 	
Improved energy delivery infrastructure			
Financial Strength			
High Performance Organization			

Power Supply & Environmental Affairs Business Unit

Questions and Answers