



### City Light Review Panel Meeting Meeting Minutes

Date of Meeting: January 31, 2012

MEETING ATTENDANCE					
Panel Members:					
Name		Name		Name	
David Allen	✓	Stan Price	✓	Debbie Tarry	✓
Tom Lienesch	✓	Julie Ryan	✓	Eugene Wasserman	✓
Matt Lyons	x	Sue Selman	✓		
Staff and Others:					
Brian Brumfield	✓	Tony Kilduff	✓	Paula Laschober	✓
Maura Brueger	✓	Calvin Chow	✓	Anne Fennessy	✓
Kim Kinney	✓	Councilmember O'Brien	✓	Kris Faucett	✓
Suzanne Hartman	✓	Sahar Fathi	✓	Vanessa Lund	✓
Jorge Carrasco	✓	Phil West	x	Kelly Enright	✓
Karen Reed	✓	Jim Baggs	✓	Tuan Tran	✓
Steve Kern	x	DaVonna Johnson	✓	Mike Haynes	✓
				Rollin Fatland	✓

#### **Call To Order**

The meeting was called to order at 1:00 p.m.

Karen Reed welcomed everyone to the meeting and began with a review and approval of the agenda. The agenda was approved.

#### **Approval of Minutes**

The meeting participants reviewed the draft meeting minutes of January 6, 2012. The minutes were approved as submitted.

#### **Presentations / Information**

There was no public comment offered for today's meeting.

#### **Chairs Report:**

Stan Price reported that he and Eugene Wasserman are scheduled to meet with Council on February 21<sup>st</sup>. Eugene added that they also have a meeting planned for February 23<sup>rd</sup> at 2:00 p.m. with the Seattle Chamber to discuss the strategic plan (this is one of the outreach meetings).

Karen advised there were no new letters received in for the general mailbox. She mentioned that there was a memo from Matt Lyons, who sent a note containing his comments since he was going to be absent today.



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Karen noted that the Panel's next meeting is scheduled for Friday, February 24<sup>th</sup> at 11:00 a.m. Kim Kinney has sent a Doodle request out to schedule a March meeting and Panel members should respond if they haven't already. Eugene noted we are trying to schedule only one panel meeting per month instead of two.

Councilmember O'Brien addressed the meeting participants to speak on SCL rates. He recalled testimony at the Panel's December meeting from John Odland (of MacMillan Piper). Councilmember O'Brien was concerned about his comments regarding Seattle rates appearing to be two times higher than those of Tacoma and felt that it was important to clarify the comparison between the two utility's rates. The Councilmember stated he had reached out to John for some more information and they identified six different meters and analyzed usage to compare Seattle and Tacoma. At the end of the day they found that the *bills* were just about identical, although there was a difference in some of the component underlying rates.

Anne Fennessy from Cocker Fennessy addressed the group to talk about the development of the working draft Strategic Plan. She explained that in addition to writing the draft Plan, they are compiling content for a summary four-page folio to be used in the public outreach. Anne handed out an outline summarizing the proposed Strategic Plan organizational structure they are use to frame up the policy choices and the direction Seattle City Light is proposing as its preferred path. Their intent is to present the information in language that can be easily understood by all audiences in the outreach effort. Anne asked for comments on the working draft and feedback on the outreach plan to be sent back by February 6<sup>th</sup>, 2012. All comments should be sent to Maura Brueger and Kim Kinney by the close of business on February 6<sup>th</sup>. Subsequently Maura and Kim will organize/consolidate all feedback and send it to Cocker Fennessy.

Kris Faucett from Cocker Fennessy spoke on the enclosure contained in the packet regarding the outreach timeline. There has already been extensive outreach and their intent is to build on that outreach. She advised they met with the Co-Chairs and obtained additional input from them in this outreach plan. She asked that the Review Panel members advise on how they want to be engaged in this outreach, if they would like to participate at particular outreach events, and if they have any suggestions on the plan. They'd like to welcome as many Review Panel members as they can at the outreach sessions depending of course on schedule availability.

Referring to her materials distributed to the Panel, Kris advised that the first two pages outline what they're trying to get from the outreach and the timeline and the tools they'll use for each audience. They are focusing on highlighting the five policy choices developed by the Utility. She reported that currently they are conducting executive interviews and they are going well. Stakeholder forums will be scheduled for February and March; they will try to partner up with existing events, including for example, one of Councilmember O'Brien brown bag lunches. There will be smaller forums and there will be two big public forums. Eugene Wasserman stated his view that major institutions need to be engaged as well.

After discussion, the Review Panel requested that Cocker Fennessy provide a calendar showing outreach event dates to the Review Panel members so they can plan which particular events they



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will be able to attend. They also asked for a summary of each outreach meeting be distributed to them, using a similar format for each summary

Superintendent Carrasco noted that the outreach previously was directed at a very general level and this outreach will be more concrete. Cocker Fennessy encouraged the Review Panel members to come to the outreach meetings. Panel members can decide what role they want to play during outreach.

Councilmember O'Brien said it's important that the stakeholders and public know about the Strategic Plan process. He will work to engage the City Council to keep the Plan "on the radar." The February 21 Committee of the Whole Meeting has been set to bring a Strategic Plan briefing to the full Council.

Councilmember O'Brien encouraged Cocker Fennessy to engage with low income communities in the Strategic Plan outreach process. Kris confirmed that this is included in the plan.

The next topic on the agenda was Advanced Metering Infrastructure (AMI). In a previous meeting, the Review Panel had requested further information on AMI asking the utility if they had industry resources to provide an industry perspective on lessons learned and best practices.

Superintendent Carrasco introduced Bernie Neenan from The Electric Power Research Institute (EPRI), who gave the first of two presentations on AMI. EPRI is an independent non-profit organization that conducts research, development and analyses related to the generation, delivery and use of electricity for the benefit of the public.

Bernie stated that EPRI has done a lot of work around AMI. Benefits EPRI has observed are both "hard" and "soft". The softer the benefit, the more difficult it is to quantify—these tend to be societal (soft) benefits like people knowing more about their utility bill. In contrast, meter reading costs and back office billing costs are much easier to measure.

In 2008 when EPRI saw the first wave of AMI proposals, a lot of the proposals were seen to have more "soft" benefits (more societal/behavioral) than operational. Since then, the metering equipment has become quite advanced however, the communications technology systems are still evolving.

There are some advantages to phasing AMI deployment (i.e. lower cost) but it all depends on the utility's customer base—type and location. A phased and constantly monitored approach limits technology obsolescence risks. Each utility has a different experience as each business case is entirely unique. He noted the importance of having the "back office" prepared to provide the service.

Next, Superintendent Carrasco introduced Bruce Carpenter, Vice President of Distribution from Portland General Electric (PGE). Bruce was invited to describe Portland General Electric's AMI experience. Bruce referred to his handout, the Smart Metering Fact Sheet which captures what PGE has done.



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Bruce observed that many of the benefits of AMI come from the operational savings and improved customer tools and information. In his opinion, it is best to implement AMI as quickly as possible rather than through phasing. If you phase it out over time, it increases significantly the internal management challenge.

Bruce highlighted some of the benefits from AMI:

- The remote meter reading avoids costs of manual meter reads
- Ability to connect and disconnect meters remotely reduces field costs (especially in those rural areas where it's extra driving to get out there)
- Better identification of outage locations
- Automation of on-cycle billing system – faster dispute resolution
- It's a powerful diagnostic tool allowing ability to proactively identify energy loss or theft (lost revenue protection)
- Reduced truck rolls benefit the environment

Bruce noted that PGE has looked at several technology options over the years. Some of their early choices failed. Depending on the service territory characteristics (urban, rural, etc.), some are better than others. There are a small number of technologies dominating the industry at this point.

Bruce shared some of PGE's lessons learned/best practices:

- It's imperative that the utility determine all its business requirements and be sure to write their technical specs first before hiring a technology firm.
- It's critical to have a good communication plan
- It's very important to have your processes revamped first
- It is essential to put in place a good employee change management plan
- It's important to ensure that the utility is ready for that particular level of data volume and activity or you'll run into the challenge of having to stop and upgrade your IT systems
- Select a good experienced installation contractor

The group discussed the concern about AMI radio emissions. Bruce noted PGE hired a consultant to do a study on this: they found that their meter generates a 0.13% of the allowed emissions from a device, which is very low in his view. His view is that people should be more concerned about the R.F. emitted from cell phones and also baby monitors than a smart meter located outside their house.

There isn't an organized plug and play situation in place yet—not all technology options are interchangeable. The industry is working towards this but it will take some time to get there. PGE bought their own private license so that no one else is on their frequency (no collision of frequency on their service).

The group discussed the communication between the utility and the customer meters. After hearing about some of the information that the meter sends to the utility, they asked what PGE is



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able to communicate to their customer meters? Bruce advised that their AMI system can read and put in pre-pay options, including load limiting options. Also, PGE can ping a meter and check voltage on the meter (helps to see whether the problem is on the utility side or the customer's side).

The group asked if PGE or SCL could partner with another utility to share in the expense of the communications system. Bruce said that depending on your good association with the other utility, it is possible. However, you can run into problems if for instance you want to upgrade your systems and your partner utility does not.

Bruce advised that utilities need to select technology based on their specific needs. He recommended a serious first look at what functionality is wanted—for the utility, for its customers. Then define specifications to achieve this. After that, talk to the people that have the technology in place to fit those specs. Kelly Enright mentioned that SCL was being courted by some vendors.

The Panel thanked Bruce and Bernie for their helpful and informative presentations.

Brian Brumfield referred to the handout showing the cumulative list of the major capital improvement projects included in the baseline. He advised that these were essential projects in required to maintain the level of service. He said that this was a chart from the financial baseline document – there is a lot more information in the actual document. The baseline report will be an appendix attached to the Strategic Plan. Calvin Chow recommended grouping the capital projects in several subgroups (as they do in the presentation of their CIP Budget) to help organize this presentation.

Eugene Wasserman raised questions on conservation and the value proposition associated. He remarked that it would be helpful for people to know things like: whether conservation was being ramped up or down, information for example that informs people – if we double our conservation program efforts - what do they get for that? Superintendent Carrasco agreed and said that it would be helpful and we need to incorporate this in our outreach efforts.

Karen asked the Review Panel if they would like to issue a short letter to the Council and Mayor as a companion document for the upcoming phase of public outreach. A draft letter is included in the packet materials for today's meeting, developed with input from the Co-Chairs. The Panel discussed this and agreed that there are many areas where they are still deliberating and cannot now offer final comments; however, a more general comment letter could be issued. Karen will work with the Panel members to gather comment and finalize the interim communication.

Superintendent Carrasco spoke to the group to mention an item he wanted to arrange for the next Review Panel Meeting. He would like to invite the utility's Human Resource Officer, DaVonna Johnson, to provide a report on Retention and Compensation. He added that the presentation would also include Carl Mykoff, who has done a lot of recruiting work in the power industry. They would provide information on the issue of compensation.



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**Action Items**

Karen will send out a word template by email so the Review Panel members can comment on the sections of the working draft plan in a format that can be easily organized and reviewed by the Utility and Cocker Fennessy. Karen will also send a revised Panel comment letter to be signed by the co-chairs on behalf of the Panel as part of the outreach communication. Comments on each will be due from Panel members by close of business on the 6<sup>th</sup>.

Cocker Fennessy will draft a calendar to share with the Review Panel on the outreach events so they can determine which events they might be able to attend.

Kim Kinney will set up a meeting date for the month of March.

**Adjournment**

There being no further business, the meeting was adjourned at 4:00 p.m.