



CITY LIGHT REVIEW PANEL MEETING
Meeting Summary for Tuesday, November 10, 2015
11:00 AM – 2:00 PM
SMT, Conference Room 3205

MEETING ATTENDANCE					
Panel Members:					
Name		Name		Name	
David Allen	✓	Julie Ryan	✓	Eugene Wasserman	x
Tom Lienesch	✓	Sue Selman	✓	Sara Patton	✓
Chris Roe	✓	Eric Thomas	✓	Gail Labanara	✓
Staff and Others:					
Sephir Hamilton	✓	Karen Reed	✓	Kim Kinney	✓
Maura Brueger	✓	Tony Kilduff	✓	Paula Laschober	✓
Jeff Bishop	✓	Calvin Chow	x		
Jim Baggs	x	Greg Shiring	✓		
Mike Jones	✓	CM Sawant	x		

The meeting convened at 11:10 am. Karen Reed opened with a review of the agenda items. It was noted that Michael Mattmiller has offered to come to an upcoming Review Panel meeting to speak to concerns the Panel raised with respect to the IT consolidation.

Eric Thomas and Chris Roe advised the Panel that they would be resigning from the “residential customer” and “industrial customer” positions respectively. Eric is willing to stay on until the Strategic Plan update is complete; Chris will stay on until his replacement is appointed. Julie Ryan thanked Eric and Chris for their service and their willingness to stay on as offered. The Panel asked to be emailed a list of the member appointments showing the term expirations.

The 10/13/15 Meeting Notes were reviewed. There was one change noted regarding the 10/13 attendance list. After this correction, a motion was made for the notes to be approved and the Meeting Notes were unanimously approved.

Public Comment: There was no public comment.

Chair’s Comments: Julie Ryan provided the Chair’s Report. She informed the Panel that she had reached out to Deputy Mayor Kate Joncas regarding the General Manager search and was advised that there will be an announcement coming on November 18th.

Communications: Kim Kinney advised that there were no new emails received. The Panel received a copy of City Light’s Energy Advisor response to D. Brubeck on his solar incentive concern.



Discussion on Potential Strategic Plan Update Topics: Karen reviewed the discussion guide, which includes the “brainstorming” list of ideas from the Panel, sorted into 10 topics and further divided by strategic/policy issues *versus* tactics/observations, and some proposed principles. Julie asked that the Panel focus on identifying strategic policy issues, initiatives and principles rather than tactics. The Panel discussed the topics on the list and provided their perspective on each of the emerging trends. The input provided follows, by topic:

Solar:

- The Focus of Panel’s input is primarily on *local* solar programs, rather than utility-scale concepts, or 3rd party leasing issues, but that should not preclude the Utility from proposing projects within scope of the latter 2 issues.
- In terms of local solar deployment:
 - The Panel supports continued deployment/ programs to incentivize solar power production within the service territory. These projects are high visibility and have strong customer support.
 - Programs should be shaped considering the impacts on all ratepayers – seek a balance between benefits to all ratepayers and the utility.
 - Consider the implications of “solar ready” requirements in current building codes— how will this impact customers? How will it impact SCL?
 - The Panel supports work to expand the state cap on solar incentives.
 - It is important to monitor storage technology trends in connection with solar.
 - The Panel defers to the Utility on the tactics.

Electric Vehicle Future & Strategies / Electrification of Transportation:

Sephir Hamilton advised that City Light is concluding a study on this topic and they plan to report back next month with some of the findings. It appears to be economically good for our ratepayers if the utility is able to accelerate adoption of electrification of transportation.

- The Panel supports exploring the continued electrification of the transit system.
- The Panel thinks this area generally should be actively encouraged but it is important to find the balance – consider the rate impacts on all customer classes.
- The Panel supports continued deployment/ programs to incentivize EV usage within the service territory. These projects are high visibility and have strong customer support.

Is the utility’s traditional relationship to customers changing?

- Generally these points run throughout the plan.
- Some of this should become guiding principles: Utility should meet evolving customer expectations.

Excellent Customer Service:

- Customer choice is increasing. SCL should seek to be the customer’s first choice for information about energy service options, even if the Utility doesn’t provide all energy services.



- Explore and identify SCL’s core competencies. Consider this in selecting which services to provide.
- Quickly evolving technology impacts customer service expectations, as well as the challenges of protecting customer information
- Add a principle around being “customer-oriented.”
- Pay attention to the needs of low income customers and the impacts of Utility actions on these customers. Look for ways to support them other than direct subsidy – e.g., deploying conservation incentives/programs with low-income customers.
- The Panel defers to the Utility on the tactics.

Importance of technology to SCL’s success:

The group discussed the importance of IT and whether the Utility should be working with partners on larger scale technologies to enable improvements around all initiatives.

- Many of these issues are subsumed under other areas—customer interface, electrification of transportation/EVs.
- SCL must be nimble enough to adopt and change in this arena, since technology changes very quickly.
- Technology initiatives must protect customer privacy, meet federal and state compliance requirements, and ensure system reliability and community/employee safety.
- Cyber security remains a separate and important concern.
- The Panel defers to the Utility on the tactics.

Environmental Leadership:

- Panel supports the environmentally progressive position of the Utility, including but not limited to its work to incorporate climate change issues into the strategic plan.
- It’s also important to continue to manage on-the-ground impacts of SCL activities (site remediation, etc.)

Resource Portfolio:

- Under this issue, Panel encourages the utility to track and develop responses to the changes in the wholesale power markets.
- Panel support SCL’s continued regional engagement and influence on the wholesale market issues.

Demand Side Services / Energy Efficiency:

- Panel encourages the Utility to track and analyze new ideas in this area.
- The Utility should continue to acquire energy efficiency as a first priority strategy to meet new power demand.
- The Utility should analyze the cost/benefit of acquiring more DSM and energy efficiency than needed to meet load growth in order to be able to sell more hydro and thus displace fossil fuel generation in the region



Rate Path / Financial Policies:

- RSA policy recommendation - this will be discussed in a future meeting. Following that, the Panel may recommend this be part of the Strategic Plan.
- Cost management should continue to be a central guiding principle. If the Utility has to raise rates, it needs to demonstrate it has managed costs to the best of its ability.

Rate Design:

- The Strategic Plan should “set the framework” for future discussion around rate design—what is changing in the Utility’s environment and what does that mean for rate design, given the other guiding principles?

Employees / Labor Relations:

- The Panel supports continued focus on Employee/Labor Relations initiatives to ensure a sustainable and committed workforce.

Long-term Vision:

- Panel recommends adding an initiative around developing a long-term vision for SCL’s future.
- In the future, SCL will need to not only focus on utility asset management and but also on other energy services. That said, it is critical to take care of the foundation—the assets.

After lengthy discussion on the aforementioned topic areas, the Review Panel recommended the following draft principles be considered for the strategic plan (not prioritized):

- The Plan should be adaptive to changing conditions
- The Plan should embrace the idea that customers will expect more from SCL in the future
- The Plan will reflect a future of declining demand
- The Plan will consider impacts on all rate classes when developing new initiatives
- The Plan will build on core competencies when deciding which energy services to deploy
- The Plan will promote a customer-oriented culture
- The Plan will be sensitive to the access of Low income customers to all Utility services and programs (for example, energy conservation)
- The Plan will consider how changing technology can support or otherwise impact other strategic plan goals
- The Plan will keep cost management and the search for and implementation of efficiencies as a priority for the Utility.
- The Plan will have measurable targets to show progress towards goals

Baseline Metrics and Efficiencies: Jeff Bishop provided an update on the components of the 2015-2020 Strategic Plan baseline, assumptions in the baseline and cost drivers. He reviewed a handout summarizing status of the 22 major baseline assumptions underpinning the utility’s ability to deliver current service levels to its customers. These reflect the 4 pillars of: (a) Power Supply and Environment (b) Reliability (c) Customer Service and (d) Infrastructure and Support.



Paula Laschober gave an overview of the financial assumptions behind City Light's 2015-2020 Strategic Plan (inflation rates, borrowing costs, etc.).

Jeff described the efficiency targets and accomplishments in 2014-2015. The overall commitment in the initial Strategic Plan was to reduce the baseline by \$18M on an ongoing basis through efficiencies. Much of this was assumed to come through labor contract renegotiations and those were delayed and had different outcomes impacting about \$7M in efficiencies. However, the Utility identified a series of other potential efficiencies and is now on track to deliver more than \$18M in ongoing savings through efficiencies. Jeff noted there are also other efficiency items underway not yet quantified because studies are still being done. He said that they won't count as savings until they have been quantified and implemented.

The Panel reviewed and approved an outline of the meeting agenda topics from December through February in order to develop and review the next update to the Strategic Plan.

The next Review Panel meeting will occur on December 8th at 11:00 a.m.

Adjournment:

There being no further business, the meeting adjourned at 2:10 p.m.