

Seattle City Light Advisory Committee Minutes

February 17th, 2009

Seattle City Hall, Boards and Commissions Room

Attending:

Committee Members – Don Wise (Chair), Robin Calhoun, Tim Hogan

City Light – Jorge Carrasco, Sung Yang

Council Staff – Tony Kilduff, Michael Jerrett

Executive Staff – Kathryn Repp, Karl Stickel, Alec Fisker

Don Wise opened the meeting noting that Councilmember Harrell had approved the Committee's workplan for 2009. Alec Fisker added that the Mayor's letter of approval had been mailed. Mr. Wise also noted that he had added time in the agenda for any comments from Council or Executive staff, and that the main focus of the Committee's efforts would be work on City Light's Strategic Plan.

Superintendent Carrasco's report

Superintendent Carrasco noted that the snow pack as of early February was below normal, and that could be a negative signal for 2009 energy sales. He reported that the snowpack in the Pend Oreille basin (Boundary Dam) was at 89% of normal, while the snowpack in the Skagit basin was 65% of normal. The Columbia River at the Dalles was predicting 87% of normal. He also noted that prices for gas and electricity had been very low by recent standards - \$4.73 per mbtu for gas and \$37 per megawatt hour for electricity – which also could be a harbinger of lower net income from sales of wholesale power.

The Superintendent said that current projections for wholesale revenue in 2009 were \$109 million.

He also noted that the final application for relicensing of Boundary Dam would be delivered to FERC in September of 2009, and he discussed several of the mitigation options that City Light is considering including in the application.

He said that he was looking forward to a leadership retreat with his senior staff toward the end of February. He also discussed the press coverage regarding the mitigation payments made by City Light to the communities around Boundary Dam, pointing out that City Light also provided a substantial amount of power at cost to the local electric utility (Pend Oreille PUD).

The Superintendent said that he expected a revised draft of the Strategic Plan would be available in March, and that it would include the material suggested by all the comments received to date, including those of the Advisory Committee.

In response to questions, he also noted that hiring for the CFO was going well, and that more interviews would be conducted over the next two weeks, and that work on the "self-build" power marketing proposal should be available to the Committee soon.

Council Report

Michael Jerrett said that Concilmember Harrell and staff had been working on the Committee's workplan and also on the workplan for the Council's Energy and Technology Committee. Tony Kilduff added that the Strategic Plan" would be a "major body of work" for Council staff over the next year.

Executive Report

Alec Fiskien said that he wasn't sure he had anything to add to the Superintendent's report, since the Superintendent was speaking for the Executive branch. A discussion ensued regarding whether the Advisory Committee could play a useful role in the discussion of current issues involving City Light and the Mayor's Office.

Strategic Plan discussion

Don Wise introduced the discussion of the Strategic Plan by noting that his goal was to encourage a process for development of the plan that "everyone can buy into." He noted that the final plan should be more than just a City Light document, and become a collective agreement about the long-term future of the utility.

Sung Yang noted that City Light was planning to organize a retreat with City Council members and staff to educate the Council on utility issues and discuss the long-range plan, and that this meeting might be a useful part of the process. Advisory Committee members asked to be included in that meeting when it is set up.

Superintendent Carrasco noted that the utility has done a lot of work on future options for the utility, particularly in the Integrated Resources Plan. He noted that, "Policy makers need to buy into the plan with the recognition of what the implications are for current planning and rates."

Don Wise agreed and pointed out that it will be important to build on the work that's been done and identify the underlying assumptions. He also listed five key questions that he expected the plan, and the plan process, would answer:

1. Where are we today?
2. What is our aspirational goal?
3. What does it take to get us from here to there?
4. What are the obstacles in the way?
5. What are the broad assumptions that constrain our choices?

Robin Calhoun pointed out that the goals would be issues like where we want to go with conservation and renewables, and what we are willing to do to get there. Michael Jerrett brought up the need for more coordination among the parties concerned with these issues, and Sung Yang reiterated the importance of an "in-depth" session with the City Council.

Don Wise ended the meeting with an announcement that he expected to maintain the same committee membership as last year, and he noted that David Doctor and Carol Butler would be attending the next meeting to talk about performance measurement.