

City Light Advisory Committee Meeting
June 10, 2008, 8:30 a.m. – noon
MEETING SUMMARY

Committee Members present: Bill Alves, Carol Arnold, Robin Calhoun, Ron Ernst, Tim Hogan, Don Wise,

City staff present: Sung Yang, Herb Hogue, David Clement, Robert Balzar, Mike Little, Steve Kern (Seattle City Light), Michael Jerrett, Tony Kilduff (Legislative), Alec Fiskens, Julie Tobin (Office of Policy & Management)

City Light Monthly Reports – Herb Hogue, Chief Finance Officer (Attached)

- Financial Update – April 2008
- Seattle City Light Net Income Variance Analysis April 2008
- City Light Risk Oversight Status Report April 30, 2008
- City Light Performance Metric Report January – April 2008

Advisory Committee members like the format of the metric report and recommended wider circulation.

Superintendent Reconfirmation – Councilmember Harrell

Councilmember Harrell dropped by to update the Advisory Committee on the Superintendent reconfirmation process. A binder with an overview of the public comment process was to be made available to the Committee and public later in the day. The Superintendent's reconfirmation will take place at the Energy & Technology Committee on June 18 with the vote by Full Council expected on June 23. Committee members thanked Councilmember Harrell for a thoughtful process and noted that access to the public comment information will help inform the Committee's overall work program.

Risk Management – Tony Kilduff, Legislative Central Staff

Councilmember Harrell said he welcomes Advisory Committee insight on Risk Management. He said the goal is to complete the Council approval of proposed risk management procedures by August, before the Council budget review starts in September.

Tony Kilduff provided an overview of his memo to the Energy & Technology Committee dated June 2. In discussing his recommendations 1 through 5, Tony noted concerns regarding the risk management reporting structure and the organization, and composition of the Risk Oversight Committee. One resolution under discussion is to expand the Committee to include one non-utility member, perhaps from the Executive. Tony has asked City Light staff to conduct a review of similar organizations, reporting relationships and participant roles. The Advisory Committee noted the issues raised, but expressed support for moving the legislation forward in August.

Carol Arnold, Ron Ernst and Tim Hogan will form a sub-committee and compose a statement on risk management for review and discussion at the July Committee meeting. Steve Kern, City Light Power Supply & Environmental Affairs Officer, will be available to answer questions the sub-committee may have. The Advisory Committee statement, when finalized, will be forwarded to Councilmember Harrell and Mayor Nickels.

Tony Kilduff and City Light Staff agreed to give a 15 minute update on the status of the risk management review at the July Advisory Committee meeting.

Strategic Plan – Sung Yang, Chief of Staff

The City Light Strategic plan will be completed in September. At the suggestion of the Advisory Committee and Executive staff, City Light is including a more detailed financial forecast and data. Pending executive approval, the draft plan should be available to present to the Committee in August. Julie Tobin will set up a special meeting if necessary.

2008 Integrated Resources Plan – David Clement, IRP Director / Mike Little, Planning Supervisor
(Presentation attached)

City Light staff noted that the resource costs listed in the “Resources in the IRP” slide are generic, not specific to the Puget Sound and do not include incentives and tax credits.

Advisory Committee comments included:

- Why not include carbon improvements and a placeholder for solar power?
- Credit trading and cap and trade. The utility should tell the story of the good things Seattle has completed, even if there is no official demand to do so.
- The utility may want to look into pump storage technology in connection with more wind resources.

The draft two year IRP and EIS will go to the Mayor and Council for approval in the near future. Steve Kern will forward a link to the Wind Generation webpage to Julie Tobin.

Accelerated Conservation – Bob Balzar, Conservation Director (Presentation attached)
(Note Slide 14 Case #1 should state “local” job creation.)

Advisory Committee comments included:

- The utility should track the total cost of conservation, not just the utility’s cost. The analysis should reflect what ratepayers are paying and the customer benefit.
- The definition of “clean” is debatable and could be misleading. The example of CFL bulbs was noted.
- Many new commercial construction projects are going beyond the City code. The utility needs to capture savings early on in building industry discussions. Don Wise will follow up with Bob Balzar.

In response to questions, Bob Balzar noted that Division is on the way to being fully staffed. Two new manager positions have been created and approved, including Glen Attwood who is now the manager of planning. A recruitment process for a marketing manager is underway. The utility has asked for ten more positions in the 2009/10 budget.

Renewable Energy

Due to time constraints the Renewable Energy presentation was postponed to the July meeting.

Other Business

Committee members officially welcomed Robin Calhoun to the group. Robin’s nomination was approved by Full Council (8-0) on Monday, June 9.

Committee members planning to attend the Energy Renewables Workshop on August 7 should contact Julie Tobin.

Draft Agenda - July

- Superintendent’s Update (30 min)
 - City Light Monthly Reports (Distribute to Committee members prior to meeting)
 - Strategic Plan Status
- Climate Change Policies and Legislation (30 min)
 - Regional Western Climate Initiative and Prospective Schedule
- Renewable Energy Programs – Bob Balzar (30 min)
- Solar Energy – Jim Harding (15 min)
- Human Resources (30 min)
 - Status of 2008 Advisory Committee Report Recommendations
- Risk Management
 - Update on Council/City Light negotiations – Tony Kilduff and City Light Staff (15 min)
 - Advisory Committee statement for Councilmember Harrell and Mayor Nickels(15 min)
- Other Business