



**City Light Review Panel Meeting
Meeting Minutes DRAFT**

Date of Meeting: January 8, 2019 | 11:00AM – 2:00PM | SMT32

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	David Allen	√	John Putz	
Sara Patton	√	Patrick Jablonski	√	vacant	
Thomas Buchanan	√	Leon Garnett	√	vacant	
Staff and Others:					
Debra Smith	√	Paula Laschober	√	Karen Reed (Consultant Contractor/RP Facilitator)	√
Carsten Croff	√	Kirsty Grainger	√	Leigh Barreca	√
Robert Cromwell	√	Calvin Chow		Maura Brueger	√
Gregory Shiring		Joni Bosh	√	Kiersten Grove	√
Eric McConaghy	√	Aretha Basu		Kathleen Wingers	√
Josh Czebotar	√	Scott Thomsen		Alex Tsimerman	√

Welcome: Patrick Jablonski convened the meeting at 11:02 A.M.

Public Comment: Alex Tsimerman offered comments. He proposed that the Panel adjust its agenda to eat at the beginning of the meeting. He also proposed the Panel meet at a different location. He stated that Seattle is the most expensive city in America and asked how can we change the system to address this? He said he doesn't know. In his view all elected officials are the same. There was no additional public comment.

Review of Agenda: Karen Reed reviewed the agenda.

Meeting Minutes: Approved the December 18, 2018 meeting summary as submitted.

Chair's Report: Patrick noted the importance of completing review of the initial rate design report at this meeting.

Panel Vacancies: Robert Cromwell Robert Cromwell noted these are still in process, no updates.

Communications to the Panel: Leigh Barreca reported that there was one email from a customer unhappy about how big their bill was; it has been forwarded to staff. The Panel requested that these emails be forwarded to the Panel even if they will be responded to by staff. **Staff will do so in the future.**

SCL in the news and other updates: No news items, other than the windstorm on Sunday morning. Some poles fell, as did trees. About 50,000 people were without power at the peak of the storm which is better than projections. Debra Smith noted that this suggests that our investment in vegetation management is paying off.



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Other communications. Karen asked the group about whether there should be a meeting in the last week of January and reviewed the remaining tasks to complete the rate design work plan. **The group agreed that they would not meet in the last week of January.**

Review, edit and approval of initial rate design report. The discussion began with Robert reviewing the commercial large tariff proposal being forwarded to Council shortly; staff propose to reference this in the introductory section of the Panel's report. **The Panel approved including the text with minor edits.** The group reviewed the text of the document and offered a number of clarifying edits. Staff were asked to develop short explanations of the terms "interruptible rates", "demand charges" and "decoupling" for consideration later in the meeting, to be included in the report. **With the edits discussed, the Panel unanimously endorsed the initial report.**

Outreach to residential ratepayers. Leigh Barreca presented the Utility's proposal to address the gap noted by the Panel in that there has been no input to date on this effort from residential ratepayers or small commercial customers. The Utility proposes to conduct three focus groups that would include residential customers from geographically diverse parts of the system and with different demographics including English interpretation and/or translation assistance and UDP customers. Small commercial customers will also be included. General results should be available by March 1, 2019. The scope will start with questions posed to stakeholders in October, review the current list of goals and check for support and priorities, and will include review of the proposed "means." Discussion points included:

- How will multiple languages be included in a single focus group? A: They'll probably pick one language.
- Be transparent about the choices you make in structuring these focus groups.
- It will be interesting to compare the results with the past residential survey results we reviewed in September.
- ***Dates/Times and locations of the focus groups will be shared with the Panel in the event they would like to attend and watch the sessions.***

Debra Smith noted that we can expand upon this outreach later on; we will learn a lot through this initial round.

At this point the group took a break.

Rate design action items ("means") discussion. Kirsty Grainger guided the Panel through a document she had prepared providing additional detail on the six near-term "means" ideas. The plan is to defer analysis on the other items because it will take considerably more discussion to scope them. Kirsty began with a review of the "Current/Future State" and "Transition Strategy" tables. Discussion points included:

- Isn't AMI already implemented? A: The first phase is in, but the capacity for customers to review and manage their power use online is not yet available.
- The Utility has shared these tables with the Mayor as part of an overall briefing on rate design.



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- The Panel is not at the point of endorsing these tables, but they are helpful.

Kirsty then worked through five of the six “means” idea write-ups.

Bill Design and Unbundling. Discussion points included:

- Explain the initial cost-based advantage that relates to education around this item; changing the rates comes later.
- What does “flat volumetric charges mean” perhaps delete “flat”
- Is there truly an efficiency advantage to this?
- Can you offer more detail on the cost to complete this first phase of bill design and what will be included?
- You will have to defend everything about this proposal to sceptics.
- **The Panel agreed this potential action item should continue to be explored.**

Adjust Residential Block Rates. Kirsty explained that there are several ways to “adjust” residential block rates; the write-up offers one approach: phasing out residential block rates and replacing them with Time of Use (TOU) rates. Other “adjustments” could include things like adding a high cost third block; offering multiple customer charges; shifting the profile of the blocks. Kirsty wrote up this one since it is foundational to being able to deploy TOU rates. Discussion points included:

- There will be huge opposition to eliminating inverted block rates.
- De-carbonization should show a negative impact from this idea, as well as a positive impact—separate those out.
- Add something to note the implications for customer choice.
- The text seems overly biased in favor of this idea.
- Speak to efficiency in terms of economic efficiency.
- Is this only offered to promote TOU?
- Rates will go up for low power consumers under this approach
- Utility sees this as necessary for moving towards cost-based rates.
- **The Panel agreed this potential action item should continue to be explored.**

Time of Use Rates. Discussion points included:

- The write-up should speak to economic efficiency, cost base of power in explaining why you want this. This makes costs more transparent.
- Can really high peak costs be justified in our utility’s cost profile?
- **The Panel agreed this potential action item should continue to be explored.**

Budget/Subscription Billing. Discussion points included:

- It seems this would be less transparent, rather than more. Or at least, it could be transparent on actual consumption, but it would be more complicated in terms of explaining bills.
- Outreach on this currently is not very good. People don’t know this option exists.
- Is there a revenue collection risk with this? A: It’s something we should watch for, but on average, no.



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- **The Panel agreed this potential action item should continue to be explored.**

Customer Charges. Discussion points included:

- This could be easily implemented.
- Change the name of the charge to be more transparent.
- This would likely include costs of the individual service drop to an individual customer, processing a customer bill, and the cost of the meter. It wouldn't normally include costs of distribution or transmission.
- People will want to see the detailed homework on how the charge is comprised.
- **The Panel agreed this potential action item should continue to be explored.**

Interruptible Rates/Demand Response. Discussion points included:

- Interesting to contemplate a linked water heater grid that could adjust heat temperatures on customers' water heaters as a demand response strategy.
- Interruptible rates could be used to help other utilities avoid using carbon fuels for power.
- Rates a lot higher so this is more interesting to some folks now than it was a couple decades ago.
- Customer impact should be noted.
- **The Panel agreed this potential action item should continue to be explored.**

Lacking additional time and a quorum, the discussion of was deferred to the next meeting. Between now and then, SCL staff are on point to conduct the focus groups, and invite all 74 stakeholders originally invited to participate in the October meetings to offer additional comments to the Panel at its February 26, 2019 meeting—the final interim report should be sent to the stakeholders electronically; they will each have 3 minutes to comment and be encouraged to submit written comments as well or in lieu of speaking.

The meeting was adjourned at 2:00 P.M.