



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

Date of Meeting: November 22, 2016

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
David Allen	✓	Julie Ryan	✓	Sara Patton	✓
Tom Lienesch	✓	Sue Selman	x	Gail Labanara	✓
John Putz	✓	Patrick Jablonski	✓	Leon Garnett	x
Thomas Buchanan	✓				
Staff and Others:					
Larry Weis	✓	Tony Kilduff	✓	Brendan O'Donnell	✓
Paula Laschober	✓	Ellen Javines	✓	Scott Roberts	✓
Calvin Chow	✓	Mike Jones	✓		
Mike Haynes	✓	Karen Reed	✓		
Gregory Shiring	✓	Leigh Barreca	✓		
Lynn Best	✓	Sephir Hamilton	✓		
Kirsty Grainger	✓	Wayne Morter	✓		
Guest(s):					

Call to Order: The meeting was convened at 11:12 a.m. Karen Reed reviewed the agenda.

Introduction: Tom led a round of introductions of everyone in the room. One new panel member, Thomas Buchanan, was present for his first meeting. The four new members will be confirmed by the council on December 19th.

Meeting Minutes: Meeting summary of October 18 was approved by the Panel as submitted.

Public Comment: There were no public comments.

Chair's Report: Tom had no report.

Communications to Panel:

- One email was received from someone expressing interest in being a member of the Review Panel. The email was forwarded to Tony Kilduff.



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

Baseline Review - [Strategic Plan Baseline Power Presentation](#)

Paula Laschober presented data about the Utility's power generation and purchases expenses and revenues. Comments, questions and discussion points included:

- Are wheeling costs stable? A: Yes. Most of this cost is paid to BPA.
- Is SCL getting paid a premium on sale of any of its power coming from specified resources like Boundary? A: Yes, SCL received \$414,000 in the first three quarters of 2016 from specified resource sales.
- Is SCL getting paid a premium on sale from power facilities certified by the Low Impact Hydropower Institute? A: Not to date.

Mike Haynes presented information about dam operations and capital programs. Comments, questions and discussion points included:

- What is the cost of operations and maintenance for power production expressed in kilowatt hours? A: About 2 cents per kWh.
- How many acres of trees were replanted following last year's fires? A: Don't have an exact tally, but it was in the hundreds.

Paula continued the presentation, addressing Net Wholesale Revenue (NWR) and the Rate Stabilization Account (RSA). Comments, questions and discussion points included:

- How does the RSA work? A: drop in the balance triggers surcharges on rates to restore the fund to a target level of \$100 million.
- SCL and Council staff have proposed expanding the RSA to cover fluctuations in retail revenue.
- Transparency is a concern with respect to promising one rate path which doesn't incorporate either rate surcharges or BPA pass-through costs.
- Are rebates possible from the RSA if it is over-funded? A: Yes, if the balance exceeds \$125M, but this is at the Council's discretion.
- Should we expect more surcharges this year? A: No, but the current surcharge is expected to be in place until 2019.
- What accounts for the CIP increase in 2021? A: The service center project.
- What is the natural gas price currently? A: Around \$32 per mwh.
- Why is the natural gas price relevant? A: It drives the price for sale of our excess power (NWR). Coal-fired power producers have dropped their prices to be more competitive with NG.
- Are the Utility's conservation goals driven by economics? A: Yes, more so than by policy goals.



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

Major Capital Projects – Project Management Improvement Program. Saphir Hamilton, Interim Officer, Engineering and Technology Innovation and Scott Roberts, Project Manager presented. [Project Management Improvement Program Presentation](#)

Comments, questions and discussion points included:

- What is the relationship between project management improvement and the WAMS software for which the Utility paid \$60M? A: WAMS is a software program that is a subset of the overall effort to improve capital project management.
- What is the threshold size of a project that goes through the project management improvement program? A: \$250,000.
- What metrics are tracked on project management improvement? A: Currently, only whether a project has a charter and a project plan.
- Is the assumption of a 90% completion rate on capital budgets historically accurate? A: Yes.
- There is a theme from the Council's budget deliberations this year to look at how well the City manages capital projects and whether we need to adjust the Capital Improvement Program (CIP) process to get better outcomes.
- The County has done a lot of work on this issue over the past several years. It is important that SCL be a part of these discussions as oversight systems are being developed.
- Are staff resisting the project management improvement program? A: Initially, yes, but response is improving.
- Currently the City approves budgets for CIP projects too early – at a point when no good budget estimates can be offered. An example is the customer information program just deployed by SCL and SPU. Would the project management program improve this situation? A: Hopefully, yes.
- It would be helpful if the Utility could flag risks and magnitude of likely costs when submitting CIP projects for approval.



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

Energy Efficiency. Brendan O'Donnell presented. [Energy Efficiency Presentation](#)
Comments, questions and discussion points included:

- Can you define what is in the 11% of power supply attributed to energy efficiency? A: It reflects the energy efficiency achievement from City Light programs and the partnership with NEEA. This does include the OPower behavioral program which is independently evaluated. The 11% does not include energy efficiency savings from the broader market or codes\standards.
- Why undertake commercial projects that are well above market cost? A: Overall, the portfolio is at market. The Utility undertakes these more expensive projects as a matter of customer equity and some state law requirements.
- Are we seeing any impact from demand response? A: Very little.

Strategic Plan Dashboard. Mike Jones presented. [Strategic Plan Dashboard 3rd Qtr 2016](#)
Mike noted that, beginning with this report, Strategic Initiatives for which the status has changed from the previous report will be highlighted. Initiatives with status changes include:

- Compliance Tracking System – System go-live was delayed from September to December 31, 2016.
- Customer Portal Development – This is now on track but was delivered behind schedule as it is part of the new Customer Billing System.
- Skilled Workforce Attraction and Retention/Training and Development – Vendor selection delays have caused implementation of features of the Cornerstone application to miss 3rd quarter deadlines.
- Climate Research and Adaptation – The 3rd quarter milestone was delayed until the 4th quarter due to lack of staff resources. This delay will not impact the overall project schedule.

Mike reported that the Utility is on track to meet the 2016 efficiency goal of \$18.8 million.

Topics for Next Meeting:

- Minor and major project update
- City Light perspective of IT consolidation

Adjournment: There being no further business, the meeting was adjourned at 1:57 p.m.