



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

Date of Meeting: January 8, 2018

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	David Allen		John Putz	√
Sara Patton	√	Patrick Jablonski	√	Nina Sidneva	√
Thomas Buchanan		Leon Garnett	√	Cal Shirley	√
Staff and Others:					
Jim Baggs	√	Ellen Javines	√	Karen Reed (Consultant Contractor/RP Facilitator)	√
Calvin Goings	√	Kirsty Grainger	√	Anne Brink (Groundswell NW)	√
Robert Cromwell	√	Carsten Croff	√	Joni Bosh (NWECC)	√
Paula Laschober	√	John Rudolf	√		
Lynn Best	√	Monica Fontaine	√		
Bernie Ziemianek		Jaya Bajpai	√		
DaVonna Johnson		Tony Kilduff	√		
Mike Haynes		Calvin Chow	√		
Leigh Barreca	√	Gregory Shiring	√		
Maura Brueger	√				

Introduction: Gail Labanara welcomed the group and asked Robert Cromwell to lead a round of introductions.

Standing Items: Karen Reed reviewed the agenda and noted the context for the items under discussion today.

Meeting Minutes: Cal Shirley asked for a correction to the meeting summary on p.5 "*his perspective that some PSE customers were not happy with decoupling.*" As amended, the meeting summary was approved.

Public Comment: Ann Brink from Groundswell NW spoke in support of converting seven surplus substation properties in North Seattle to locate parks. Staff noted that there has been no formal decision to sell any of these properties. The Utility cannot donate property; statutes prioritize use of surplus property for affordable housing.

Chair's Report: None

Communications to Panel: A billing issue came in by email and was referred to staff for response.

SCL in the news and other updates: Jim Baggs, Interim General Manager, spoke of the backlogs



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in billing as being at least partly due to a shortage of staff to read meters and validate billing estimates. He noted that call answer times at the call center are also well above goal. The Utility is pursuing a variety of steps to address these issues.

Other Communications/Information updates:

Central IT Issues – This is a work in progress; once staff have had an opportunity to meet with IT and budget office staff, they will report back, probably in the March-April timeframe.

Remarks from Interim General Manager Jim Baggs:

Jim spoke of his background in utilities before and since coming to SCL. He noted that the search for general manager is not yet underway; he expects that it will take 6-9 months. He has not yet decided whether he will apply for the position. In the short term, the Utility's challenges are:

- Revenue and load forecast – how to maintain revenue as load declines.
- Work force challenges – many retirements expected in the new few years. Just maintaining an 1800 FTE workforce is challenging.
- Customer service performance, mentioned earlier.

A question was posed as to how the Review Panel will participate in the process to select the next General Manager; in the last process, Julie Ryan was on a team that screened the final three candidates. Greg Shiring doesn't know the process but will keep the Panel posted.

Jim noted that in conversation with the Mayor, her initial priorities with respect to the Utility are addressing the customer service backlogs and improving call response time. Generally, Jim believes utilities should think of themselves as being in the service business; he wants more focus there.

Also, Jim noted that SCL has done a lot to contribute to addressing the homelessness crisis: SCL Properties are currently hosting 4 authorized homeless encampments.

The staff is hoping to get the Panel chair to meet with the Mayor or Deputy Mayor soon.

Stakeholder Outreach – Update on December Forums – Leigh Barreca

[Outreach summary](#)

Leigh Barreca referred to materials in the packet summarizing the completed and pending outreach forums. She noted that a more detailed report is being develop outlining comments and questions heard at each forum. ***She will forward information to the panel on the date/location of the District 2030 forum.***



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Updated Retail Sales Forecast – Carsten Croff & John Rudolph

[Updated City Light Retail Sales Forecast presentation](#)

Carsten Croff and John Rudolph presented the results of the updated forecast for retail sales.

- **Residential demand.** The first few years of the forecast for residential power demand are based on city permit department demographic data about building permits; thereafter, the source is the Puget Sound Regional Council. Residential demand is forecast to decline slightly over the period. Electric vehicle adoption is forecast to add less than 1% to retail electricity demand. A large increase in air conditioning use by residents is not assumed.
- **Commercial demand.** Commercial demand is forecast to grow slightly; the opportunities for customer implemented efficiency items is dramatically reduced over the period (20 years), and programmatic conservation is also declining substantially.
- **Industrial demand.** Industrial demand is forecast to decline slightly; the annual average growth rate between 2017 and 2038 is forecast at -0.5%.
- **Combined forecast average annual growth rate, 2017-2022.** -0.7% for 2017-2038 with the average annual growth rate forecast is – 0.4%.

Staff noted that there is still a lot of uncertainty in the forecast, particularly about the amount of energy efficiency that will be captured.

Discussion points included:

- **Who updates this forecast?**
A: The utility should be able to, with some consultant assistance.
- **The degree to which the Utility is concerned about loss of customers**

Strategic Risks & the Utility of the Future – Jaya Bajpai

[Strategic Risks - Utility of Future presentation](#)

This information briefing can help identify what issues should be in the plan. The focus of the risk presentation is on risks driven by structural—non-cyclical change. Among the risks outlined:

- Housing stock is getting much more efficient; multi-family, in particular, is less energy intensive than single family houses, and most of the future housing in the service area is multi-family. Residential demand is concentrated into a relatively small number of customers.
- Shale gas has reduced the price of natural gas lowering wholesale power market prices and growth in solar and wind puts power on the grid at no or negative costs at times.
- New technologies pose risks as well—distributed generation, storage and end-use consumption technology changes all could have significant impact. It is not possible to predict which technology will become commercially viable when.



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- Aging workforce means loss of institutional knowledge; hot economy makes it difficult to compete with private sector for new staff.
- Customer expectation are shifting.
- Climate change also poses risks in terms of temperature and precipitation changes.

Discussion points included:

- **How will you plan for being a smaller utility, as loads are declining?**
A: It impacts rate design.
- **It seems the Utility will need to also cut down on the size of its expenditures.**
- **Could SCL sell power at a retail level outside its current service territory?**
A: Yes, but this would create a confrontation with existing utilities who need the same revenue.
- **Putting a price on carbon would potentially increase the value of SCL's surplus hydropower.**
- **What about disruptive market actors aiming to undercut aspects of the utility's business and break free from having to buy power from electricity?** *PSE has experienced this. Don't see this explored in the risk presentation today.*
A: SCL is somewhat protected by owning our distribution system.
- **What are the implications of the wage gap between public and private sector?**
- **What is the most important risk you see?**
A: Getting to a sustainable fiscal model, rate recovery.

Strategic Plan Initiatives – Robert Cromwell & Leigh Barreca
[Strategic Plan Initiatives - DRAFT](#)

There was not sufficient time to discuss this item. Panel members agreed to forward their comments and questions on the framework document by Friday.

The meeting was adjourned at 2:03 PM