AGENDA

1. Introductions

2. 2020 IRP Progress Report Recap from New IRP Framework
   • Resource Needs
   • Energy Efficiency Implications

3. Action Plans from the Progress Report

4. 2022 IRP Workplan
   • Workplan Schedule
   • Inputs and Sources

5. Wrap Up
MEETING SUCCESS TIPS

• Please mute yourself when you are not speaking

• Use the chat to ask questions or raise your hand in the participant area where your name is listed

• We will also take periodic breaks for questions and discussion

• We will be recording these meeting to make it available if you are not able to participate
## Resource Adequacy Needs – Approved 2020
Conservation Potential Path, No New Supply

<table>
<thead>
<tr>
<th>Resource Adequacy Energy Need (aMW)</th>
<th>2022</th>
<th>2024</th>
<th>2026</th>
<th>2030</th>
<th>2034</th>
<th>2038</th>
<th>2040</th>
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<tbody>
<tr>
<td>December</td>
<td>27</td>
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<td>13</td>
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<td>January</td>
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<td>July</td>
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<td>August</td>
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<td>25</td>
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<td>122</td>
<td>147</td>
<td>146</td>
<td>161</td>
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I-937 NEEDS – CURRENT 2020 CPA PATH, NO NEW SUPPLY

<table>
<thead>
<tr>
<th>Scenario</th>
<th>No Load Growth Until...</th>
<th>I937 Resource Need Starting In...</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Conservation Path</td>
<td>2023</td>
<td>2023</td>
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<tr>
<td>2020 CPA Path</td>
<td>2033</td>
<td>2031</td>
</tr>
<tr>
<td>Additional Energy Efficiency</td>
<td>2034</td>
<td>2031</td>
</tr>
</tbody>
</table>
I-937 COMPLIANCE: NO LOAD GROWTH UNTIL 2031

SCL I937 Inventory Cost  I937 1% Retail Revenue Requirement  — SCL I-937 Load Growth

I-937 Deficit
CETA REVISITED: NEXT 10 YEARS

• A WA state utility cannot have coal in its energy portfolio starting in 2026 (except if power purchase agreement < 1 month in duration)

• A WA state utility must be GHG neutral by 2030
  - 80% of a utility’s retail electric sales to customers are from either non-emitting or renewable sources;
  - up to 20% alternative compliance

• SCL estimated to be 91 - 99% CETA compliant
  - Monthly net approach, doesn’t consider possibility of clean market purchases.
CETA ELIGIBLE DELIVERED RESOURCES AS A PERCENT OF LOAD

Distribution of Estimated CETA Compliance Level
Existing Portfolio, 2020 CPA Energy Efficiency

Year

CETA Resources as a Percent of Load

86 88 90 92 94 96 98 100
TOTAL PORTFOLIO NET PRESENT VALUE VS ENERGY EFFICIENCY PATHS (360 PATHS)

Total Portfolio NPV vs 2040 EE Achievement

Portfolios at lower cost offer more savings opportunities.
BPA BLOCK CONTRACT AND ENERGY EFFICIENCY
WHY DECLINING LOAD MATTERS

Higher Energy Efficiency (EE) Path means less BPA

2020_BPA_Path

2020_CPA_Path
LONG RANGE PLAN - MORE STUDY IN 2022 IRP
2020 IRP PROGRESS REPORT ACTION PLANS

• Update demand forecast to reflect the trends from the pandemic and electrification scenarios

• Refine the Conservation Potential Assessment accounting for energy efficiency’s benefit streams relative to BPA, hydro resources, GHG reduction, RPS and resource adequacy contributions
2020 IRP PROGRESS REPORT ACTION PLANS (CON’T)

• Refinements to City Light’s framework for new details that emerge with the first complete and adopted set of CETA rules
  o Anticipation of clarity on ‘delivery and use’ & ‘alternative compliance’ definitions such as energy transformation projects (e.g. additional conservation, electrification, demand response, etc.) expected in 2021
CETA FIRST MILESTONE

• Clean Energy Compliance Plan
  o proposes interim targets for meeting CETA during the years prior to 2030
  o specific targets for energy efficiency, demand response, and renewable energy
  o submit every four years starting January 1, 2022
  o informed by the IRP and contemporaneous with 2022 CPA
• Renewable Resources Request for Proposals that will potentially support a new Large Customer Renewable Energy programs

• New research into how customer owned generation, demand response and storage resources fit into SCL's portfolio
2020 IRP PROGRESS REPORT ACTION PLANS (CON’T)

• Review of latest NW Council and the Northwest Power Pool Resource Adequacy data to update City Light’s market reliance study for resource adequacy

• Continued and new stakeholder and public engagement to receive input along the way
2022 IRP Analysis Timeline

- Demand Forecast & Scenarios
- Electrification Scenario Inputs
- Conservation Potential Assessment/ CETA Implementation Plan
- Climate Change/Other Emerging Data Review
- Renewable Request for Proposals (Large customer focus)- possible
- CETA Equity Metrics/ Dashboard
- Develop Inputs, Methods and Policy Goals
- Stakeholder/ Public meetings- Inputs/Policy Choices
- Identify Resource Needs
- Stakeholder/Public Meetings - Resource Needs, Potential Assessment, and CETA Metrics
- Define Alternative Resource Plans
- Stakeholder/Public Meetings - Potential Assessment Targets & CETA Implementation Plan
- Finalize IRP Report and Revise 10 Year Clean Energy Action Plan
- Stakeholder/Public Meetings- Clean Energy Action Plan
- Submit IRP Legislation
- IRP City Council Approval & Public Hearing
- 2022 Integrated Resource Plan Statutory Deadline

Legend

- Processes to Align with IRP
- 2022 Plan Activity
- Stakeholder/Public Activity
- City Council Activity
- Connected Process & Direction
- Milestone
- State Statutory Deadline
MEETING DATES (PROPOSED)

• Meeting #1 Kickoff, Friday January 29, 2021, 1-3 pm
• Meeting #2, Friday April 30, 2021, 1 -3 pm
• Meeting #3, Friday August 27, 2021, 1- 3 pm
• Meeting #4, Friday November 19, 2021, 1-3 pm
• Meeting #5, Friday January 28, 2022, 1-3 pm

*May add meetings on special topics as needed*
FEEDBACK AND QUESTIONS

IRP Progress Report Action Plans
2022 IRP Workplan Schedule
Framework/ Inputs/ Policies
Public Outreach Suggestions

chat
<table>
<thead>
<tr>
<th>Inputs</th>
<th>Current Sources</th>
<th>Scenarios(?)</th>
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<tbody>
<tr>
<td>New Resource (Renewables/Storage) Costs and Cost Trends</td>
<td>NREL, IHS</td>
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<tr>
<td>Wind/Solar Generation Profiles</td>
<td>NREL</td>
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<tr>
<td>Energy Efficiency (Bundles/Shapes)</td>
<td>CPA (Cadmus)</td>
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<tr>
<td>Demand Response Options</td>
<td>CPA (Cadmus)</td>
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<tr>
<td>Distributed Generation</td>
<td>CPA (Cadmus)</td>
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<tr>
<td>Demand Forecasts (Base/Low, Electrification) and Shapes</td>
<td>Finance/Electrification</td>
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<td>Hydro Conditions</td>
<td>Historical, UW, RMJOC II</td>
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<tr>
<td>BPA and Existing Resources</td>
<td>Current Terms</td>
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<tr>
<td>Regional Inputs (Loads, Builds, Transmission)</td>
<td>Energy Exemplar, NW Council</td>
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<tr>
<td>Market Reliance</td>
<td>NW Council, NWPP</td>
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<tr>
<td>Fuel Prices (Gas)</td>
<td>IHS, NW Council</td>
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<tr>
<td>Social Cost of Carbon, Emission Rate</td>
<td>CETA/EPA, Ecology</td>
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Our Mission
Seattle City Light provides our customers with affordable, reliable and environmentally responsible energy services.

Our Vision
Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

Our Values
Customers First, Environmental Stewardship, Equitable Community Connections, Operational and Financial Excellence, and Safe and Engaged Employees