



CITY LIGHT REVIEW PANEL MEETING

Wednesday, April 22, 2026

1:30 – 3:30 P.M.

In Person - SMT

---or---

Microsoft Teams Meeting

Proposed Agenda

	Item	Lead
5 min	1. Welcome	Julie Ryan, Facilitator
	2. Public Comment	
5 min	3. Standing Items:	
	a. Chair's Report	Leo Lam
	b. Review of agenda	Julie Ryan
	c. Action: Review & approval of meeting minutes of March 30, 2026	
	d. Communications to Panel	Angela Bertrand
30 min	4. General Manager Update	Rob Santoff
35 min	5. Rate Path Discussion	Kirsty Grainger
25 min	6. Technology Roadmap	Mujib Lodhi
20 min	7. Letter	Julie Ryan
	8. Adjourn	

Next meeting: May 4 at 1:30 P.M.

Draft Agenda Items: Final Review & Letter



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: Mar 30, 2026 | 9:30 – 11:30 AM
Meeting held in SMT 3204 and via Microsoft Teams

MEETING ATTENDANCE					
Review Panel Members:					
Bruce Flory	x	Kerry Meade	x	Oksana Savolyuk	x
Cristina Sima	x	Leo Lam	x	Ryan Monson	x
Joel Paisner	x	Louis Ernst	x	Toyin Olowu	
City Light:					
Craig Smith Int. GM	x	Julie Ryan RP Facilitator	x	Leigh Barreca	
Rob Santoff Int. GM, Eff. 4/9	x	Raman Vishwanathan	x	Maura Brueger	x
Dennis McLerran Dep. GM	x	Carsten Croff	x		
Angela Bertrand	x	Kirsty Grainger	x	Mujib Lodhi	x
Bridget Molina	x			Siobhan Doherty	x
Chris Ruffini	x			Kathryn Aisenberg	x
Marcus Jackson	x	Julie Moore	x		
Other Attendees:					
Paul Menefee	x	Christie Parker	x	Eric McConaghy	
Julien Loh - PSE		Vanessa Lund	x		
Adam Day - CenTrio	x	Ellen Pepin-Cato	x		

Welcome and Introductions. The meeting was called to order at 9:33 a.m.

Public Comment. There was no public comment.

Standing Items:

Chair’s Report. Leo Lam welcomed everyone and opened the meeting.

Review Agenda. Julie Ryan reviewed the agenda.

Approval of March 18, 2026, Meeting Minutes. Minutes were approved, with one clarification on the utility tax question.

Communications to Panel.

- Leo Lam reminded the Review Panel to ask questions during today’s discussion on the rate path and to share any additional questions for Seattle City Light staff to follow up on.



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- Julie Ryan reviewed the upcoming meeting schedule. The next regular meeting is on 4/15, and the 4/22 meeting will be a special session focused on finalizing the Review Panel letter before Seattle City Light submits materials to the Mayor's Office.
 - Panel members were reminded that they each serve in a special role representing stakeholder groups. Time will be set aside to ensure everyone has the opportunity to share their perspectives, indicate support for the plan, and provide input for inclusion in the Review Panel letter.
 - Julie Ryan will work with Leo Lam and Joel Paisner, to draft the letter. The draft will then be shared with the full Review Panel for their review and edits. Members were encouraged to highlight any key points early in the process to help inform the draft.
- **General Manager's Update.** Interim GM Craig Smith presented.
 1. Staffing Updates
 - As we shared last month, Rob Santoff will be stepping into the Interim GM & CEO role on April 8th and I will be taking a vacation before retiring in July. To ensure continuity in these positions, we have announced two appointments. Brendan Armstrong as our Interim Chief Operations Officer, filling in for Rob during his time as Interim GM & CEO. A rotation between our 4 customer directors: David Logsdon, Marcus Jackson, Kathryn Aisenberg, and Joe Fernandi will each be in the role for six months. This allows for us to support leadership development through this time of transition.
 2. Skagit Flooding: March 20
 - Over the weekend of March 21st, Western Washington rivers were under a flood watch. In response to high water flows, the U.S. Army Corps of Engineers briefly assumed control of Ross Dam. Per established agreement, control transfers eight hours before natural water flow forecasts at the town of Concrete are expected to exceed 90,000 cubic feet per second. While this marks the fifth time in five years that the Army Corps has taken over Ross Dam operations due to high water flows, it is not unusual for the Corps to regulate waterflow for municipal and utility-owned dams during flood events. This event was milder than the flooding in December, when an estimated 13 inches of rain fell at the Skagit Project in just over a week.
 3. Continuous Improvement 101
 - Over the last seven months, 28 City Light employees across three cohorts have participated in a Continuous Improvement 101 program. The new program empowers employees to solve challenges in their work. To date, these graduates have generated over \$841,000 in savings and deferred costs for the utility. Solutions have included improvements to our utility assistance application process,



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improved time entry for crew chiefs, and refined processes for managing travel arrangements for administrative staff. In addition to providing a set of practical tools to tackle challenges, it has provided a platform for connecting with colleagues across the utility.

4. Skagit Hydroelectric Project relicensing.
 - The Comprehensive Settlement Agreement was introduced at the Council committee on March 18 and will return to committee this Wednesday, April 1 where approval is anticipated before referral to Full Council. Full Council review and approval are expected the following week of April 7, marking a significant milestone for both the project and Seattle City Light. The Skagit projects represent approximately 20% of current generation. The agreement supports a 50-year license and once filed with the Federal Energy Regulatory Commission in May, it is expected to deliver substantial long-term value to customers and ratepayers. It was also noted that the Mayor's Office is planning a signing ceremony following Council adoption of the legislation, tentatively scheduled for the week of May 11 or 12 at City Hall, with partners invited to attend.

Rate Path Discussion Kirsty Grainger presented. The materials are in the packet.

Q: Please clarify the supply and demand chart on page 5. Does the chart reflect actual historical supply in each year and what is anticipated in the future? And is the forecasted Bonneville supply based on contracted quantity or forecasted water conditions?

A: This chart reflects historical actual supply and forecasted supply. To forecast power supply, we used the 30th percentile confidence level of the 30-year average hydro production. This is because we have been seeing historically dry seasons the past few years.

The Bonneville contract is complex and governed by specific rules. Seattle City Light currently receives a "block" product, which is based on a high-water mark tied to historical demand, and this amount has been gradually decreasing. In the new Bonneville contract effective October 2028, we will transition from a block product to a "slice" product with new pricing. This change is reflected in the rate path projections for 2029 and 2030. The Bonneville contract costs are expected to increase and are incorporated into the rate forecast.

As we have discussed, demand fluctuates quite a bit, so does available hydro energy. Hydro variability driven by water conditions tends to have a greater impact on power costs.

Q: Is the goal to maintain resources above anticipated demand by a certain margin, and is there a target for how much higher supply (blue bars) should be than average demand?



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A: Yes. The Integrated Resource Plan (IRP), developed by the power supply team, uses detailed modeling to determine the appropriate level of resources needed. The primary objective is to meet reliability and resource adequacy requirements. This includes ensuring sufficient resources are available to meet peak demand periods, such as winter peaks, rather than relying on the market. While the chart shows average supply and demand, resource planning must account for peak conditions throughout the year. The blue bars alone do not fully reflect this, as the analysis is based on meeting established resource adequacy standards in the background.

Q: Given the uncertainty in the energy market and forecasts, including variables like EV adoption, how does Seattle City Light hedge against the risk of over- or under-investing in resources?

A: There is significant uncertainty and this is an ongoing conversation. There is a risk that the forecasted load may not fully materialize, resulting in excess power that would need to be sold on the wholesale market. Conversely, there is also a risk of underestimating demand, which could lead to supply shortages, higher market purchases, or reliability impacts such as outages. The market price chart in the packet showed tremendous price volatility in recent years. While both risks are there, given current market conditions and increasing competition for power, the risk of not having enough supply is viewed as materially more significant from both a reliability and financial standpoint. Price uncertainty is a large factor in this assessment.

Q: PSE is piloting programs where the utility can pull from home batteries that customers install. They are also doing this with electric fleets, like buses and school buses, using those batteries to help manage peak demand. Given electrification load growth and increasing capacity needs, how far is SCL from implementing similar programs?

A: As demand increases, efficiency programs, including demand response, will be an essential part of our future. Investing in demand response will help offset some of that growth and needs to be a core part of our strategy going forward. Our team is currently developing a demand response strategy. We're happy to come back at a future Review Panel meeting to share where we are, identify gaps, and outline how we plan to close them. We are lagging somewhat behind Puget Sound Energy. We don't have a specific timeline yet for implementing the types of programs described, but we are working to move this forward as quickly as possible, with implementation of Edge DERMS.

However we have made progress on a program with large customers to manage peak demand events, In addition to broader demand response efforts, Seattle City Light implemented a commercial and industrial curtailment program this past winter. During high-demand periods, such as the MLK weekend in 2024 when utilities were experiencing emergency conditions, the utility worked with large customers to reduce their electricity use. Over the past year, partnerships have been developed with these customers to formalize this approach, allowing the utility to call on them to curtail load during peak or emergency situations. This helps manage system peaks and provides a hedge against the need to procure additional power through long-term contracts



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or the wholesale market. This past winter was relatively mild, so the program was not heavily utilized.

Q: As load continues to grow, distributed storage capacity is also increasing. Is there any effort to estimate what that distributed capacity might look like relative to future load growth, recognizing it is time- and location-specific?

A: There are two key components. First, we need to forecast what distributed capacity could look like over time. Second, we need to understand the utility's ability to control and utilize that capacity. Efforts are underway to build this capability through implementing DERMS Edge and DERMS, which are foundational to managing distributed resources regardless of scale. In parallel, the team is working on approaches to better estimate future distributed capacity. This is expected to be incorporated into upcoming demand-side management potential assessments, where projections of distributed capacity will likely be further developed.

Q: Do you know if Puget Sound Energy has already implemented DERMS?

A: We do not know for certain if Puget Sound Energy has fully implemented DERMS, but they do currently have a virtual power plant in operation and capabilities such as DERMS Edge. They are further ahead in this space, having invested earlier in grid modernization. This is an area where Seattle City Light is working to catch up

Q: Without that capability, are we unable to fully implement programs like VPP? When will that be feasible?

A: Yes, we need to implement DERMS Edge to implement these types of programs, through is the use of third-party providers. The utility is following this approach as the initial pathway. We don't have a definitive timeline, but will follow-up at a future meeting. In 2027, Seattle City Light will begin developing and planning for a DERMS Edge approach, including issuing an RFP and selecting a third-party solution. This work is part of the broader demand response strategy currently under development.

Comments: The Panel member urged City Light to accelerate DERMS efforts if possible. A second Panel Member referred to a company called Tether, based in Barcelona, that is working with utilities globally on virtual power plants and distributed energy solutions. They suggested it may be worth Seattle City Light exploring or learning more about their work.

Q: For the RSA, is it possible the automatic rate adjustments could go up or down? If the fund were to grow significantly, would that allow for lowering current rates by drawing from it?

A: Yes, indirectly. That scenario is theoretically possible.

Q: From what I've seen across the industry, many utilities maintain cash reserves to manage risks related to load, resources, and market prices. Is it correct that City Light's reserve has historically been more limited, primarily addressing hydro and market price variability, and not broader factors like those represented by the green bubbles in the slide? And if



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additional components are included in the RSA, would that create a more comprehensive reserve to buffer a wider range of risks and rate impacts?

A: Yes. The new, expanded RSA includes some natural hedges. Some of the “green” factors can act as natural hedges against the “blue” factors, meaning there are interactions across these elements that help offset risk.

Q: If load comes in lower than anticipated and less revenue is collected from rates, would that require drawing from the RSA?

A: Yes, possibly. But sometimes it could work the other way. . For example, during a colder winter, increased heating demand would raise load and retail revenues would increase. Even though City Light would spend money on more power supply, the retail revenue increase might more than offset the increased power costs. Conversely, lower load would reduce retail revenues but may also reduce wholesale costs.

Q: If actual energy use comes in lower than forecasted, would a surcharge be applied to make up for the difference in expected revenue?

A: Not necessarily. For example, during a mild winter with lower heating demand, excess power may be sold on the wholesale market. In that case, wholesale revenues can help offset lower retail revenues.

Q: Is it typical for a utility to have an account that manages the risk of load coming in lower than forecasted?

A: Yes, this is what is typically called a power cost adjustment mechanism in the industry. Many utilities, such as Puget Sound Energy, use this type of mechanism, and it is also common to have adjustments tied to changes in retail sales. However, what is less common is using a cash reserve to buffer those impacts. Many utilities pass these cost and revenue changes directly through to customers via rate adjustments.

Seattle City Light’s approach with a reserve account helps smooth these fluctuations City Light would draw from the RSA account, as opposed to increasing rates. As a result, the RSA provides greater rate stability, rather than having rates move up and down frequently in response to factors like weather, hydro conditions, or market prices.

Q: There is a load forecast driving the revenue requirement and rate increases. At the same time, customers can manage their own usage through efficiency, batteries, or solar. If load doesn’t grow as expected and retail sales are lower, does that mean revenues would fall short and require filling the RSA to reach that target level? And in that scenario, how does over- or under-collection relate to the RSA?

A: If load does not grow as projected, or if demand response and customer actions significantly reduce usage, the utility would likely slow down the acquisition of new power resources. This shift would reduce costs. For example, if by 2028 the RSA is in a strong position, Seattle City Light could pull back on certain costs, which could translate into lower rate increases or even rate reductions in 2029 and 2030. The key point is that power costs are a major driver of rates. If demand grows more slowly than expected, the need to procure additional resources decreases,



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and the utility can adjust its strategy accordingly. If managed well, this could result in savings for customers over time.

Q: It's helpful to keep in mind that rates are set on a two-year cycle. Even though we look out four, five, or six years, adjustments would be reflected in the next strategic plan rate path if we are over-collecting or not needing to secure as much power. However, the challenge is that long-term power supply commitments, often 20-year contracts, limit flexibility. Is that the right way to think about it?

A: Yes, that point was acknowledged. While rates can be adjusted in shorter cycles, long-term power contracts are binding and require careful consideration. The approach is to be thoughtful in entering into these agreements, balancing both long-term and shorter-term contracts. The utility also looks to leverage a mix of tools, including demand response and behind-the-meter solutions, to maintain flexibility. Building a diverse portfolio of resources and contract types is seen as the best way to manage risk and ensure a strong, adaptable power supply strategy.

Q: From a customer perspective, while Seattle City Light effectively explains why costs are rising and the mechanisms in place, there seem to be gaps in customers' knowledge of what is known versus unknown in the rate path, particularly around assumptions and long-term commitments. How does the utility plan to adjust, communicate, and remain accountable as those uncertainties become clearer? And specifically, is the primary purpose of the RSA to reduce bill volatility and rate shock for customers?

A: Yes, that is correct. The RSA is intended to help reduce bill volatility and rate shock for customers. It was also noted that the RSA provides financial stability for the utility, which is important for maintaining strong credit ratings. A higher credit rating helps lower borrowing costs, which ultimately benefits customers by supporting more stable and sustainable rates. Given the capital-intensive nature of the utility and its reliance on bond financing, maintaining financial stability is a key priority for both operational and customer outcomes.

Suggestion from the Panel Member:

- The panelist expressed appreciation for the slide and suggested developing a consistent framework that Seattle City Light can reuse across multiple forums, including the strategic plan, Mayor and Council briefings, and public-facing communications.
- They recommended clearly distinguishing on the slide between what is "locked in" (such as license agreements and infrastructure obligations) and what is forecast-based or uncertain (such as electrification pace, load growth, and market conditions). This distinction would help customers better understand which costs are unavoidable versus those dependent on future conditions.
- The panelist also suggested adding a small section or text box to highlight the top assumptions driving the rate path, along with key triggers that would prompt reassessment, such as significant changes in load growth or market dynamics.
- They noted this approach would improve transparency and allow Seattle City Light to more clearly explain changes over time, rather than reacting after the fact.
- Lastly, they highlighted the importance of communicating when and how customers would be informed if major assumptions change, emphasizing that consistent use of this framework could help build trust and improve understanding.



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Q: From what I recall, Seattle City Light's rate increases over the past few years have been lower than peer utilities. How much of the proposed 9.5% increase could be considered a "catch-up" to what other utilities have been charging?

A: Seattle City Light's recent rate increases were 4.1% and 4.8% in 2025 and 2026, which were lower than several peer utilities such as Tacoma, Puget Sound Energy, and Portland. While a precise comparison to peers is limited, City Light has been on the lower end in recent years. Looking ahead, utilities such as Puget Sound Energy and Avista are proposing significant rate increases that are more in line with the current proposal.

Q: When comparing 2027 and 2028 to 2025 and 2026, what changed? We were in the 4.1% to 4.8% range before. What are the biggest cost drivers behind the rate increase?

A: This is a complex question with several moving parts. At a high level, the largest change is in operations and maintenance (O&M) costs, particularly labor and inflation. A significant driver is wage adjustments from recent labor agreements, which were finalized after the previous strategic plan and were not fully captured in the prior rate path.

Going forward, there is also a need to account for ongoing inflation, estimated at around 4% annually, applied to a now higher O&M base. Some labor settlements resulted in compensation increases ranging from approximately 20% to as high as 35%, largely to bring wages up to market rates. This was necessary to address high vacancy levels and improve staffing stability. Overall, a significant portion of the increase reflects catching up on labor costs that were not previously incorporated, along with ensuring future cost assumptions more accurately reflect inflation and market conditions.

Q: From a customer perspective, particularly for low-income households, there are concerns about large past-due bills and affordability. How did accounts reach very high balances, and as rates increase, what additional support or programs are in place to help customers manage costs, such as payment arrangements or assistance programs?

A: There have been instances where customers accumulated large past-due balances, and that is an area of concern. Seattle City Light offers several support mechanisms to assist customers. This includes a 60% ongoing bill discount for qualifying customers, as well as emergency bill assistance of up to approximately \$1,400 per year for households with children. In addition, Project Share provides further financial support, and Community Assistance (CCA) funds have also been directed to expand available assistance. Customers may also receive bill credits through Seattle Public Utilities (SPU) for water and wastewater services, which can significantly reduce overall utility costs. In some cases, these credits exceed the cost of the City Light bill, resulting in refunds to customers. While extreme cases of very high bills are relatively rare, the utility emphasized the importance of reviewing those situations to understand what occurred and identify opportunities for improvement. Overall, these combined programs are intended to help offset costs and support affordability, particularly as rates increase.

Q: Is there interest from Seattle City Light in implementing a tiered bill discount, increasing outreach to customers who may not be aware of available programs, and working with



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partner agencies to enable auto-enrollment and reduce barriers?

A: Yes, there is strong interest in all of those areas. The current enrollment process can be difficult, and improving access is a priority. Efforts are underway to expand auto-enrollment options, strengthen partnerships with other agencies, and improve both digital and in-person application experiences. Regarding tiered discounts, this has been discussed extensively. Seattle City Light has proposed moving toward a tiered discount structure in coordination with the City and Mayor's Office, recognizing the broader utility discount program that includes water and wastewater services. In the near term, the plan is to expand eligibility for the existing 60% discount by increasing access up to 60% of area median income, which will allow more customers to qualify. Looking ahead, there is an intent to introduce an additional tier for customers between 60% and 80% of area median income, likely in the next rate period.

Q: Are there policy or operational changes being considered to ensure the utility does not fall behind on infrastructure investment again and face large future rate increases?

A: Setting clearer benchmarks and developing dashboards around asset condition would be valuable. Reliability performance is currently heavily influenced by equipment failure, which is often driven by aging infrastructure and overall asset condition. Strengthening how asset condition is tracked and managed would support more proactive investment decisions and long-term system reliability. It was also acknowledged that, while metrics may be established, trade-offs are often made during the rate-setting process. Policymakers may defer investments to help mitigate near-term rate increases, and those impacts are not immediately visible but accumulate over time, creating a larger backlog of needs. This reinforces the importance of consistently reviewing key metrics during rate-setting to better inform those decisions.

Deferring investments can lead to worsening asset conditions, increasing the likelihood of reactive, emergency responses. This often results in higher costs over time, as the utility must both respond to outages and eventually replace the infrastructure. We concur that formalizing these metrics along with identifying appropriate policies to guide these decisions would make sense. At the same time, efforts are underway to improve the utility's asset management plan to better support long-term planning and investment.

Q: What is driving the higher rate increases compared to prior years?

A: Primarily increased O&M costs, especially labor adjustments to market rates and ongoing inflation. Some major materials such as steel, copper, concrete and wood poles are increasing much higher than the rate of inflation. Prior rates did not fully capture these costs.

Q: Is the 9.5% rate increase a "catch-up" to peer utilities?

A: Partially. Seattle City Light had lower increases in recent years and is now more aligned with peers proposing higher increases.

Q: How does the utility manage uncertainty in load forecasts and electrification?

A: Planning prioritizes reliability. There is risk of both over- and under-investing, but under-supply is considered the greater risk.



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Q: How does the Rate Stabilization Account (RSA) function?

A: It buffers variability in demand, generation, and market prices to reduce rate volatility. Adjustments depend on overall financial balance.

Q: If demand is lower than expected, will customers face surcharges?

A: Not necessarily. Lower retail revenue may be offset by wholesale sales. Surcharges depend on net impacts.

Q: What are the risks of deferring infrastructure investments?

A: Increased equipment failure, emergency repairs, and higher long-term costs.

Q: How can communication to customers be improved?

A: By clearly distinguishing known vs uncertain costs, highlighting key assumptions, and providing consistent, transparent updates.

Q: Overall, how does the panel feel about the proposal?

A: General but reluctant support, with emphasis on affordability, transparency, and ensuring future progress on demand-side solutions.

Chart included in a Seattle times recently: [Why more WA utilities want to remotely control your thermostat | The Seattle Times](#)

April Agenda. Continued Rate Path & Strategic Plan Discussion

Adjourn. The meeting was adjourned at 11:33 a.m.

Next meeting: April 15, 2026, 9:00 – 11:00 a.m.

Strategic Plan Update

Rate Path Discussion

April 22, 2026



Agenda

1

Rate Path Recap

2

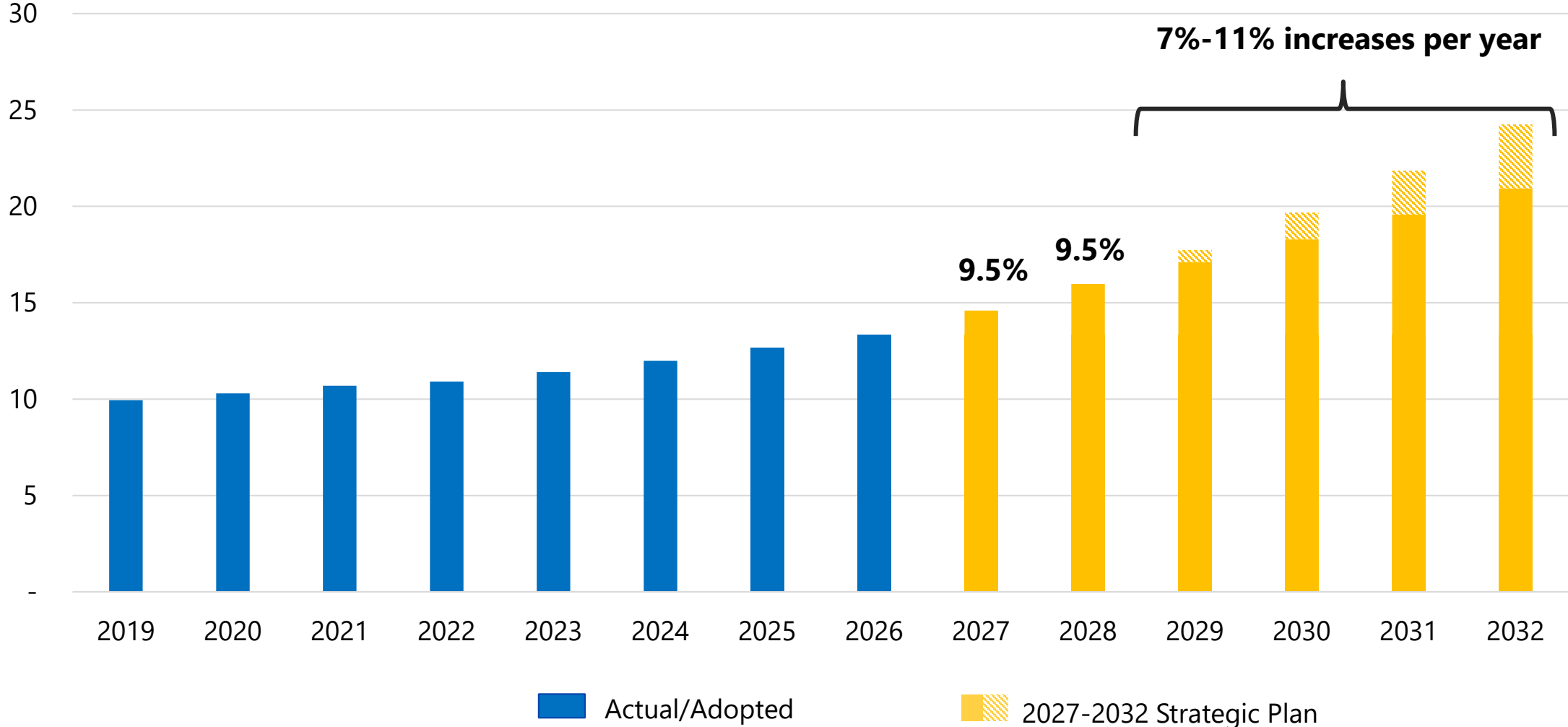
Bill Impacts

3

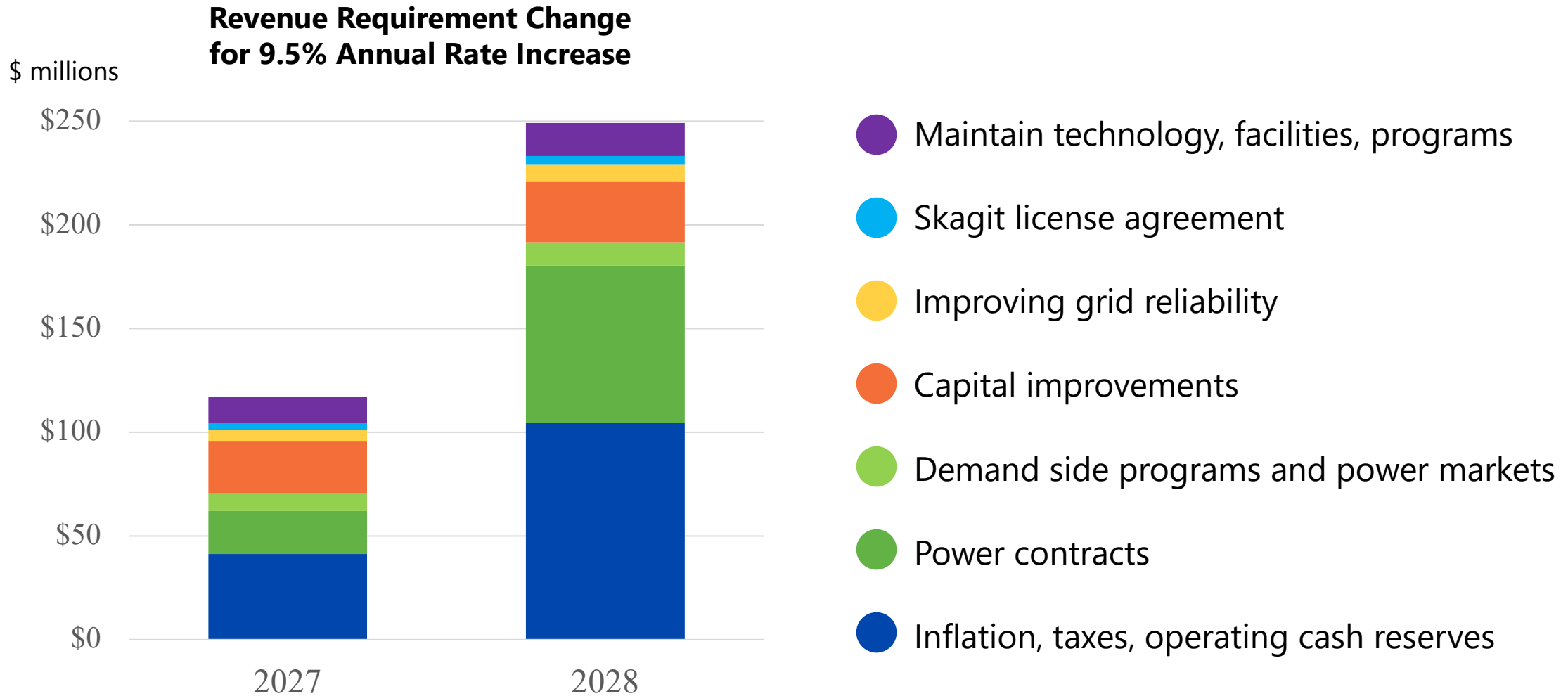
Question Follow-up

Retail Rate Outlook Recap

¢ per kWh



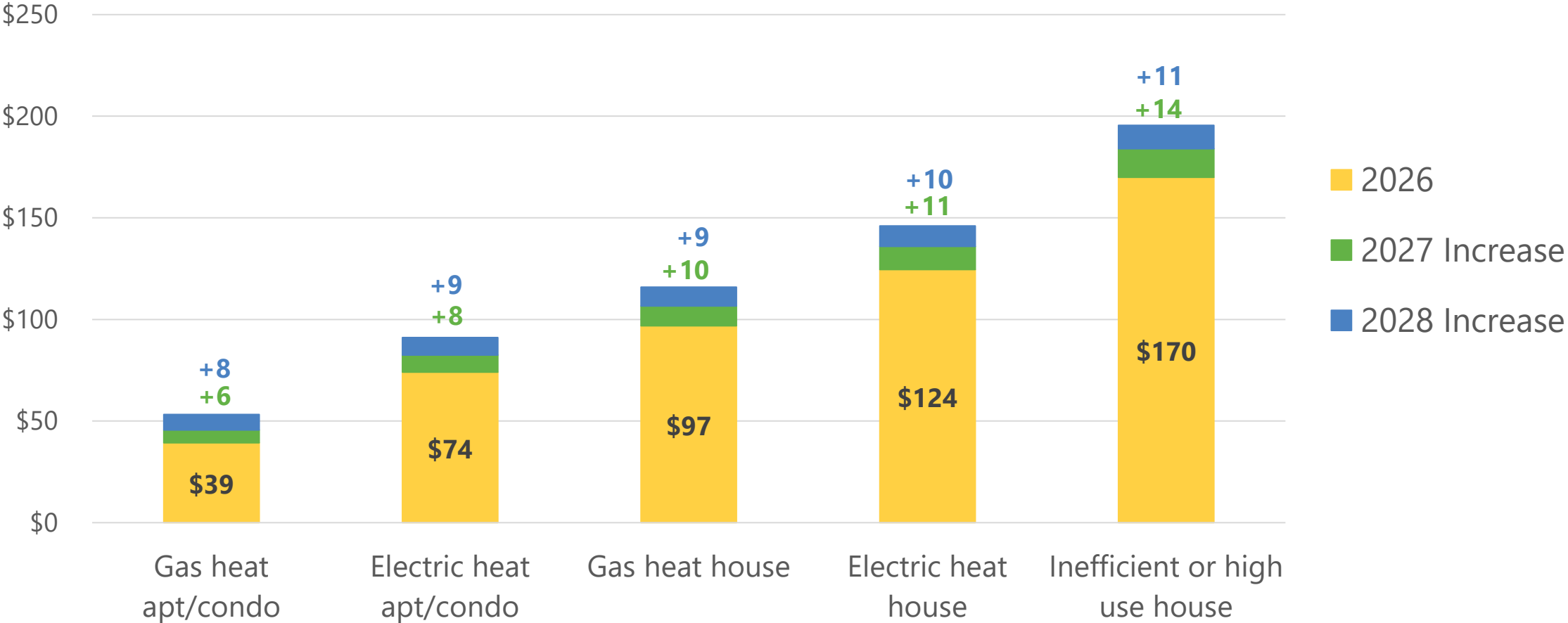
Costs Driving Rate Increases for 2027 and 2028



Residential Bill Impacts

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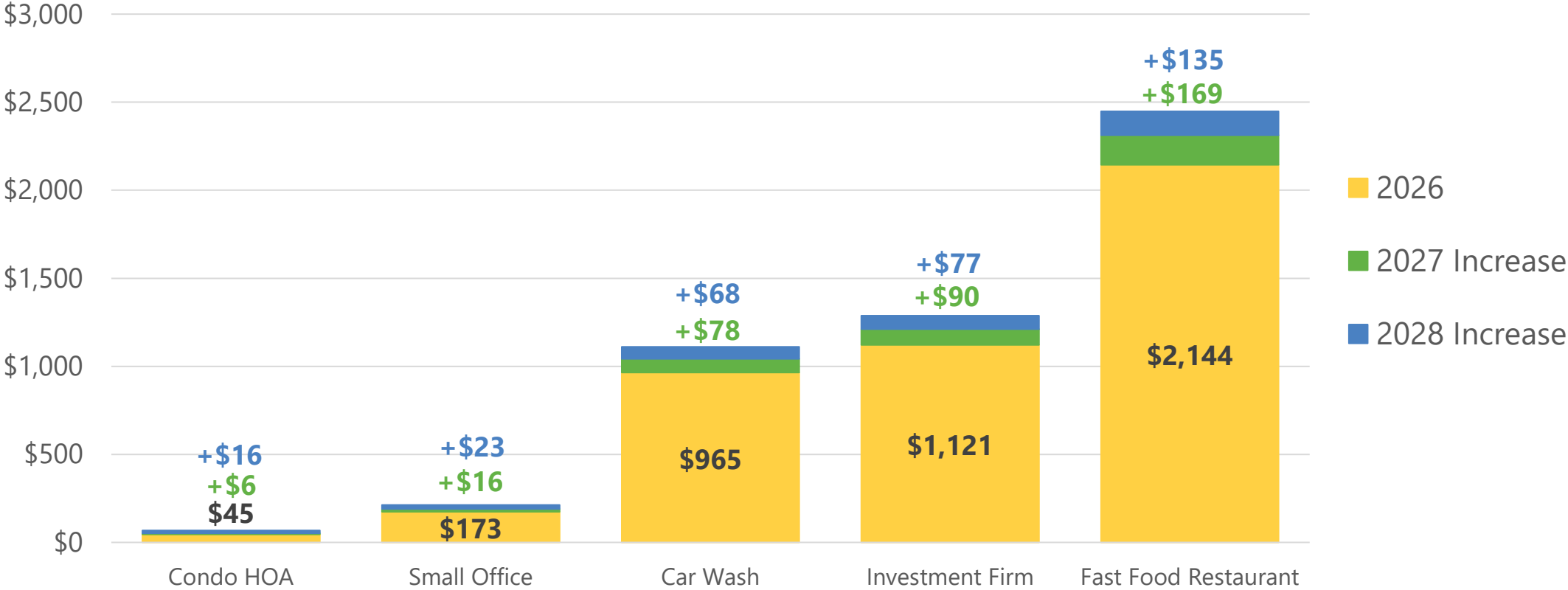
Residential Monthly Bill Changes



Bill Impacts: Small General Service

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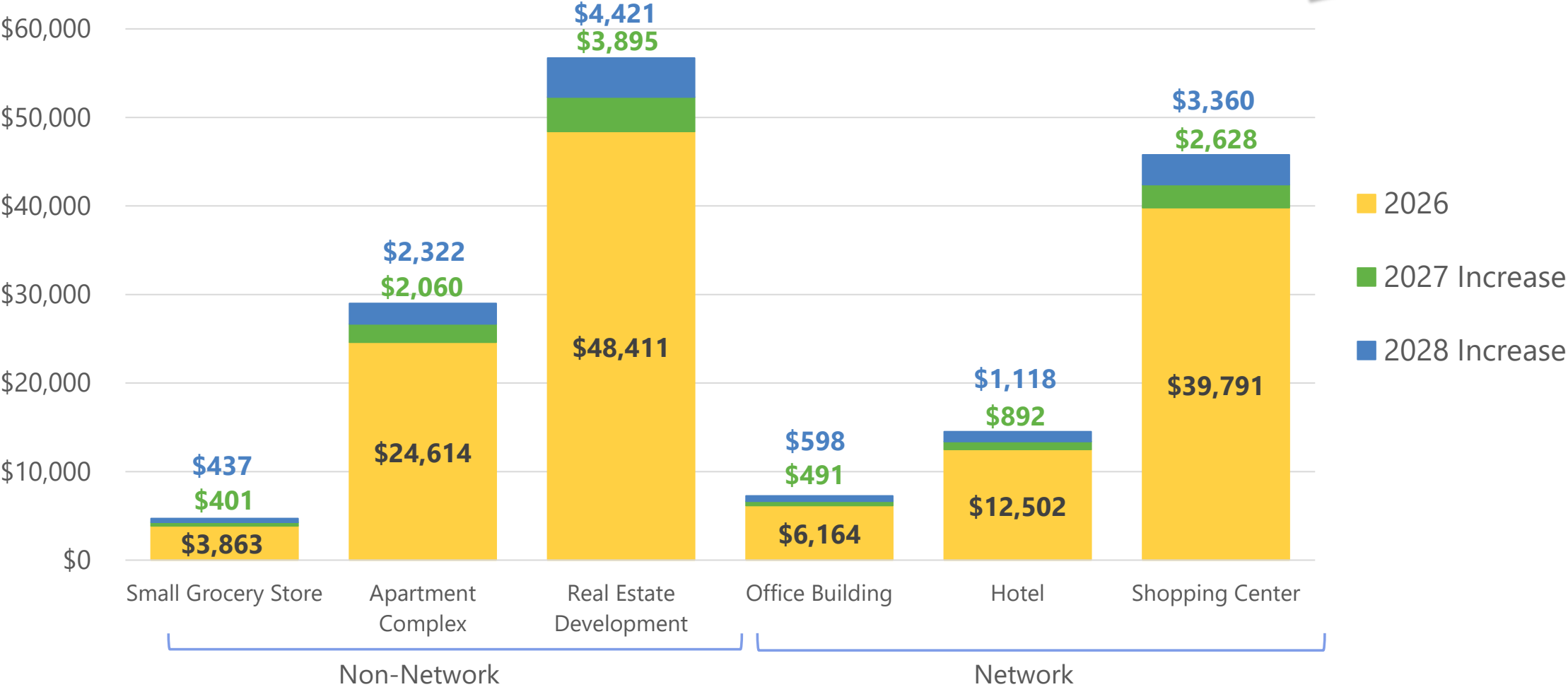
Small General Service Monthly Bill Changes



Bill Impacts: Medium General Service

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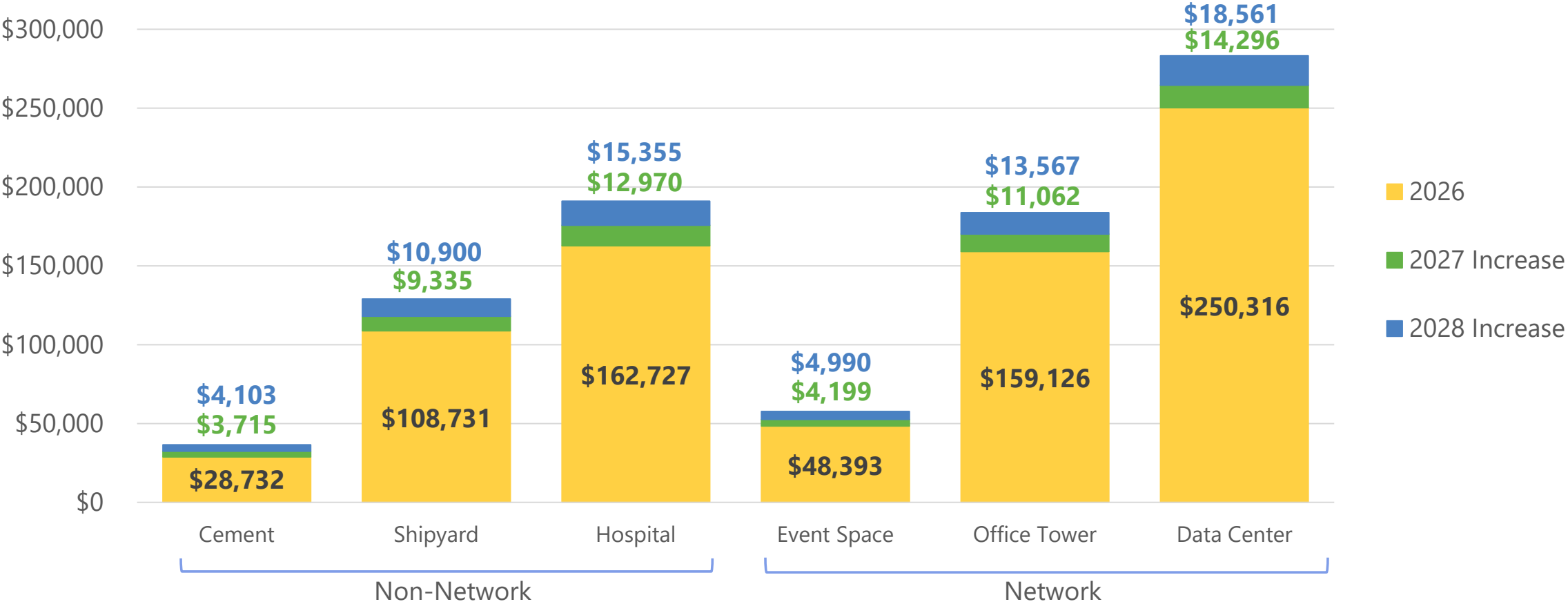
Medium General Service Monthly Bill Changes



Bill Impacts: Large General Service

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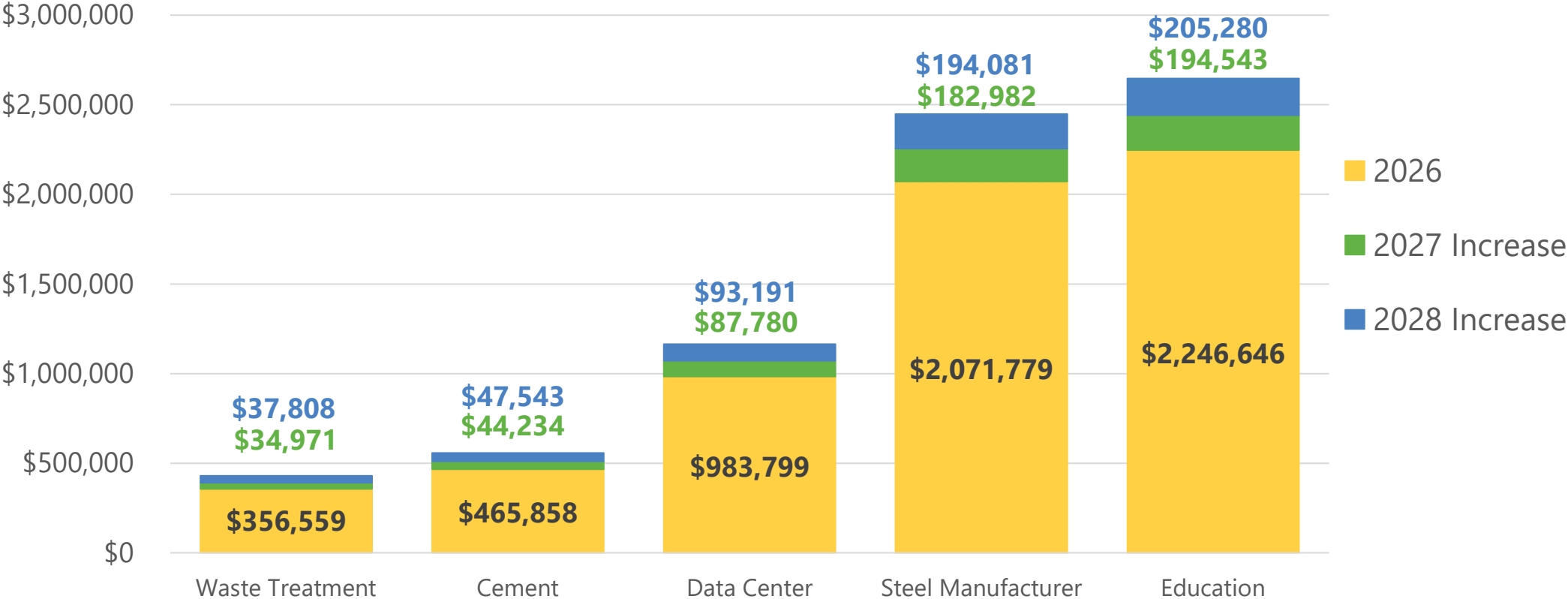
Large General Service Monthly Bill Changes



Bill Impacts: High Demand

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High Demand Monthly Bill Changes



Question Follow-up



Seattle City Light



Regional Rate Increase Comparison

Residential Rate Increases

Utility	2023	2024	2025	2026	Avg
Seattle City Light	3.4%	5.5%	4.1%	4.8%	4.5%
Tacoma Power	3.9%	3.9%	6.5%	6.5%	5.2%
Puget Sound Energy	8.7%	1.7%	12.0%	12.0%	8.6%
Snohomish PUD	2.0%	5.8%	4.9%	2.8%	3.9%
Portland General Electric	7.0%	18.0%	5.5%	2.8%	10.2%
Avista - Washington	5.0%	2.0%	2.6%	4.4%	3.8%

as of 3/20/2026

Proposals:

PSE 27/28
+21%

Avista 27/28
+19%

Utility Discount Program (UDP) Expansion

- UDP provides a 60% discount on bills for eligible customers.
- Proposal: expand eligibility to 60% of AMI from 70% of SMI
 - Expands eligible customers by about 31k.
 - Additional \$5.0M in assistance.
- Assistance provided in 2025:
 - UDP: \$27.0M, 37k participants
 - EBA: \$4.2M, 6k participants
- Industry guideline says customer “energy burden” should be less than 6% of income.

MEAN ENERGY BURDEN AFTER DISCOUNT

Discount	0<10%	10<20%	20<30%	30<40%	40<50%	50<60%	60<70%	70<80%
80%	3%	1%	1%	1%	0%	0%	0%	0%
70%	5%	2%	1%	1%	1%	1%	0%	0%
60%	6%	2%	2%	1%	1%	1%	1%	1%
50%	8%	3%	2%	1%	1%	1%	1%	1%
40%	9%	4%	2%	2%	1%	1%	1%	1%
30%	11%	4%	3%	2%	2%	1%	1%	1%
20%	12%	5%	3%	2%	2%	1%	1%	1%
10%	14%	6%	4%	3%	2%	2%	1%	1%
5%	14%	6%	4%	3%	2%	2%	1%	1%
No discount	15%	6%	4%	3%	2%	2%	1%	1%

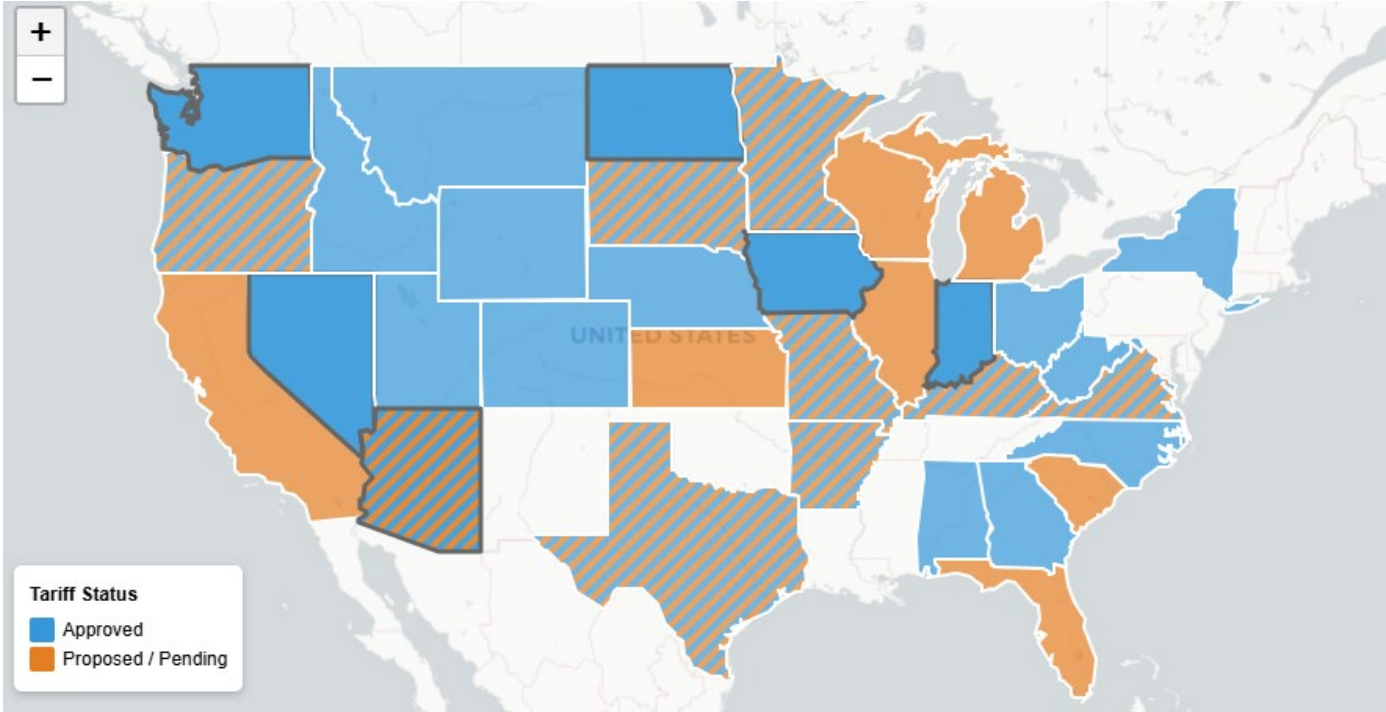
= Emergency Bill Assistance. SMI = State Median Income AMI = Area Median Income

Nationwide Issue: Emerging Large Load Tariffs

- Load growth is happening everywhere.
- Data centers are *looking* for opportunities.



- Large public power utilities are expected to need 230GW for 230 large load customers by 2030.



Source: Smart Electric Power Alliance sepapower.org
[Smart Electric Power Alliance New Large Load Tarriff Database](#)

SCL Interconnection Requests	
1993 - 2023	0
2024 - 2025	14



Who Pays for the Cost of Growth and Who Benefits?

- Equity and affordability are at the root of a new large load policy.
- Large loads drive higher rate increases for all customers if we “socialize” the power costs.
- A separate rate for emergent large loads prevents new customers from “harvesting” decades of investment by existing customers.

ESTIMATED* RATE IMPACTS FOR DIFFERENT LEVELS OF NEW LARGE LOADS

New Load	100 aMW	500 aMW	1,000 aMW
	SCL customer rate impacts		
2030	7%	36%	72%
2035	6%	28%	56%
2040	4%	22%	44%
2045	3%	17%	35%

** Very rough estimate of rate impacts to other customers from a new large load*

Proposed NLL Rate Policy

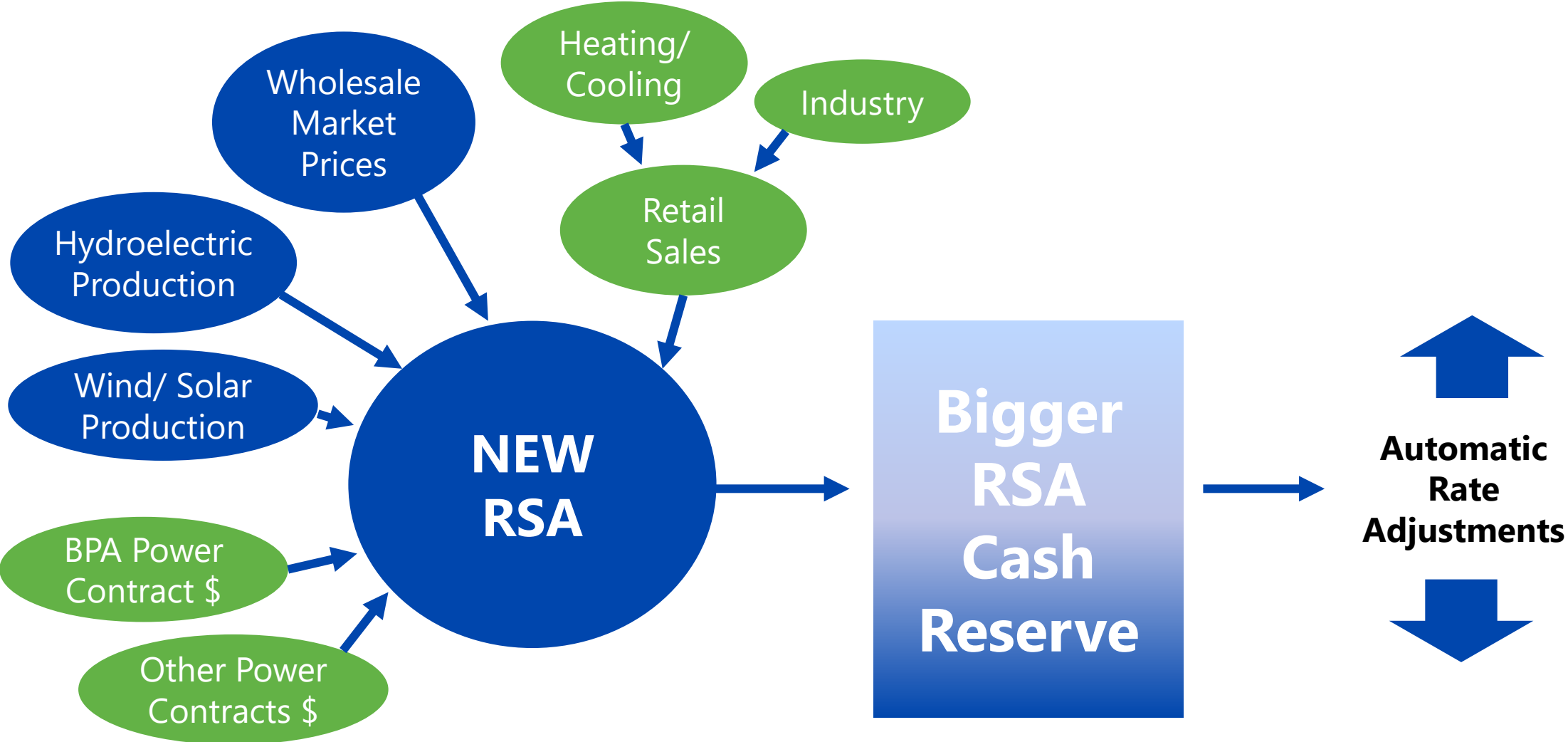
- Applies to new or expanded service greater than **10 MVA** or growth of **10+ MW**
- Customer signs a **Power Service Agreement** with SCL:
 - Upfront payment of all costs of building new infrastructure*
 - City Light sources power and transmission to meet customer's need
 - Customer is responsible for all costs of agreements made to meet customer's need
- Customer's billed rates are based on **marginal cost to serve their new load**
- Customer **waits in queue** until SCL sources power to serve new load and completes interconnection requirements

**Current practice – no change.*

New Large Load Policy Options

Options for Scope	Precedence
1. Broad- applies to any new or existing business expansions/electrification	Common- many utilities have a policy like this
2. Data Centers- applies to all data centers new or existing	Semi-common, resembles proposed state bill
3. New Data Centers- applies only to new data centers or data center expansions	Less common, but makes sense for Seattle

Expanded RSA to Better Manage Uncertainty



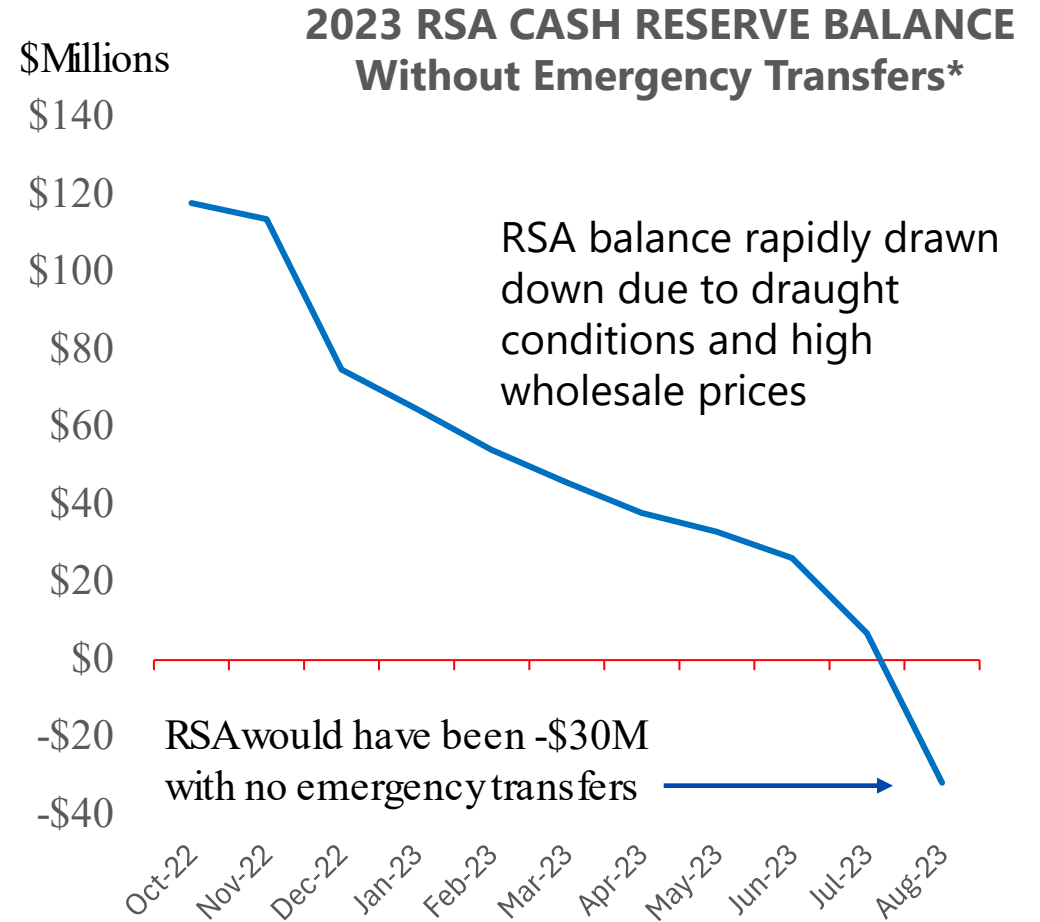
Proposed RSA Changes

	Current RSA/BPA	Expanded RSA
Applies to	Wholesale market purchases/sales BPA contract costs (passthrough)	Wholesale market purchases/sales BPA contract costs Long term power contract costs/revenues Transmission (wheeling) costs/revenues Ancillary services costs/revenues Retail sales variation
Size	\$100M	\$150M
Ceiling	\$125M	\$200M
Surcharges	2% at \$75M 4% at \$50M Collected via all rate components	2%* at \$120M 5%* at \$80M Collected via per-kWh rates only

* Percentage of average system rate, all customers pay same per-kWh surcharge

RSA Policy

- RSA **must** be larger.
- Size has **no** direct impact on rates.
- RSA buffers uncontrollable costs.
- Energy-only charge is an equity issue.



**Emergency transfers from the operating cash account were made in 2023 to keep the RSA solvent (\$30M in May and \$30M in August)*

THANK YOU



Seattle City Light

Leveraging Technology to Enhance Business Performance

Building the Digital Foundation for a Reliable, Sustainable, and Customer-Focused Utility

Review Panel Briefing: 4.22.2026



Seattle City Light

WE POWER SEATTLE



Vision

By 2035, Seattle City Light will enable key priorities with our strategic application of technology. We will achieve this through a foundation of current technology. Specifically, we will:

- Elevate **customer experience** through **intuitive digital platforms**.
- Strengthen grid **reliability** and **efficiency** while enabling a **sustainable** energy future through advanced **grid management technologies**.
- Empower our workforce with **data-driven insights**.
- **Fortify cybersecurity** to **protect** our information assets.

This vision is vital to ensure we deliver safe, reliable, sustainable, and secure energy to our community, while positioning Seattle City Light as a model for technological leadership in the utility sector.

We will know we have succeeded when these technological advancements translate directly into measurable improvements in customer experience, operational efficiency, and community trust. 2

Current Challenges & Opportunities

Current Gap

- **A 10-15-year technical debt gap has built up due to long-term underinvestment.**
- **Cybersecurity exposure is rising.**
- **Modern grid readiness is limited.**
- **Key platform gaps hinder utility performance:**
 - ADMS, DERMS
 - Mobile workforce
 - CIP Portfolio Manager
 - Data Analytics

Why now

- **Technology is a driver for our 10-Year Strategic Roadmap.**
- **Modern technology is the backbone of a reliable, sustainable, and customer-focused utility.**
- **Increasing expectations AI readiness, cybersecurity, data transparency, and grid flexibility.**
- **Status quo limits our future potential.**
- **Technology is now mission-critical infrastructure, like wires & poles.**

Our Technology Strategy

Ensuring technology investments deliver strategic business outcomes

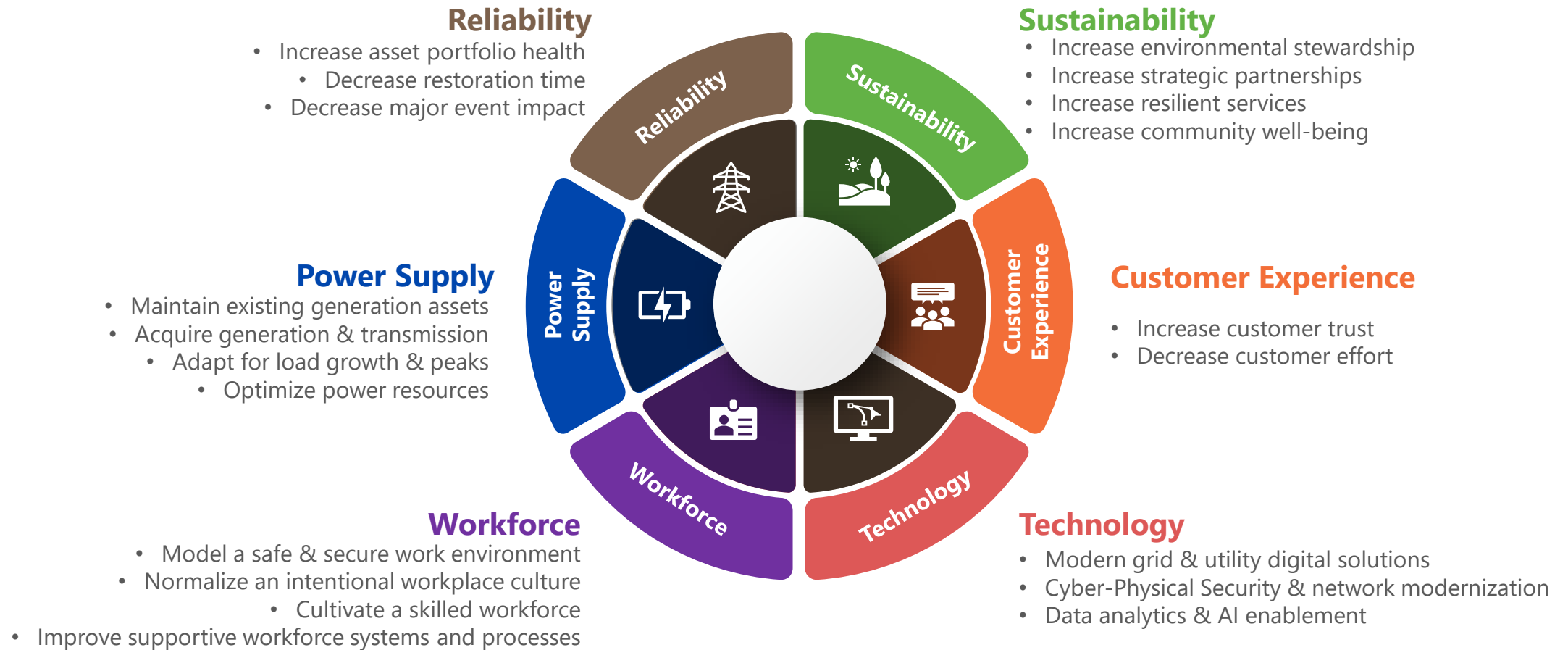


A Technology Strategy informed by fresh, holistic and business-driven thinking will deliver far more than a traditional legacy-system replacement agenda.

Fix the fundamentals. Scale what works. Lead through innovation.

Our Technology Strategy

SCL's core strategic priorities provide the business context

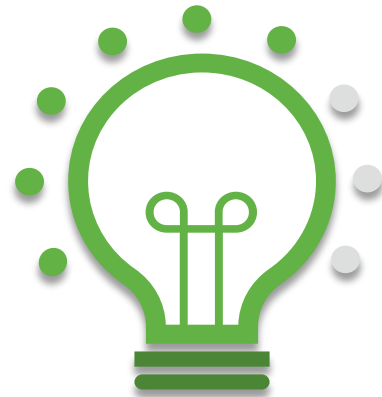


Strategic Theme:

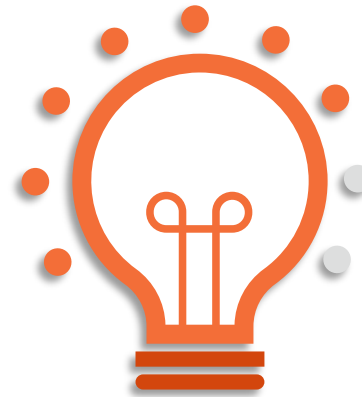
Invest in Technology as Mission-Critical Soft Infrastructure



Integrate smart grid technologies and advanced analytics to enhance **grid reliability**, improve grid **efficiency**, and deliver **sustainable energy** more effectively.



Invest in tech to improve customer experience, flexibility, convenience, and **cost-effectiveness across interactions**



Utilize **mobile and online technologies** to enhance efficiency and connectivity



Leverage **online technologies** to enhance stakeholder engagement and provide superior services.

Strategic Theme

Enhance Work Efficiency



Implement technology solutions that **integrate seamlessly** across functional areas.



Use real-time technologies to improve **two-way information** flows.



Leverage **business intelligence** and **predictive analytics** to harness the power of data.



Leverage technology to enhance **business performance monitoring** and **reporting**.

Making it Real:

Where Technology Is Driving Business Forward: Delivering Value



Customer Experience

Technology Investment	Timing	Business Value	Expected Benefits
New Service Connection System/DER Interconnection Platform	In-Flight	Simplify and digitize electric service applications by enabling easy New Service and DER onboarding, two-way customer communication, and real-time request status visibility.	Reduce connection delays and give customers real-time status visibility.
Customer Energy Program Management Platform	In-Flight	Centralize all offerings in a single customer-facing platform that enables program savings tracking, workflow visibility, and CRM integration; Use data to target and promote relevant programs (DER, EV, efficiency, assistance).	Make programs easier to access and increase participation in energy solutions.
Utility Assistance Program Management Platform	Q2 2026	Modernize the Utility Discount Program to expand access, simplify enrollment, and improve administration through updated eligibility, tiered benefits, and digital processes.	Expand enrollment and simplify support for income-qualified customers.
Time of Use	Q2 2026	Reduce peak demand, lower system costs, and improve rate equity by better aligning prices with electricity costs.	Reduce peak demand and align costs more fairly with usage.
Customer Notification & Alerting Platform	Q3 2026	Strengthen customer communication through proactive, multi-channel outage notifications that improve transparency and trust during service disruptions.	Keep customers informed with proactive, multi-channel updates.

Reliability

Technology Investment	Timing	Business Value	Expected Benefits
Outage Management System	In-Flight	Improve outage response and restoration by enhancing execution, cross-functional coordination, and customer communication.	Restore power faster and reduce customer disruption.
Enterprise Asset and Work Management Platform	In-Flight	Modernize asset management into a predictive, enterprise-wide capability that enhances reliability, optimizes investment, and supports a resilient, future-ready grid.	Prevent failures and improve asset reliability at lower lifecycle cost.
Construction Portfolio, Project, & Resource Management System	Q1 2026	Enhance project delivery and accountability by implementing a centralized portfolio and project management system that improves visibility, optimizes resource scheduling, and strengthens integrated project controls, including change order and invoice management.	Improve schedule discipline, resource visibility, and delivery accountability.
Advanced Distribution Management System (ADMS)	Q1 2027	Improve grid reliability, shorten outage duration, optimize distribution operations, and support DER integration through real-time visibility and control.	Improve reliability through real-time grid control and faster outage response.
Mobile Field Service Management	Q2 2028	Modernize field operations through centralized scheduling and mobile service management, including mutual aid coordination, system integration, and SOC visibility.	Dispatch the right crews faster and improve restoration coordination.
Asset Health & Performance Management System	Q1 2030	Implement real-time asset health visibility and lifecycle planning to improve reliability, reduce failures, and support more proactive investment decisions.	Detect issues earlier and shift from reactive to predictive maintenance.

Sustainability

Technology Investment	Timing	Business Value	Expected Benefits
Enterprise Data Analytics/AI/ML	In-Flight	Establish a modern data foundation that enables advanced analytics, improves customer experience, increases workforce efficiency, and builds a data-driven culture.	Turn data into faster decisions, operational savings, and better service
Distributed Energy Resource Management System (Edge + Utility)	Q3 2026	Advance grid flexibility and operational control by expanding distribution automation and real-time visibility, including integration of customer-side resources such as DR and VPPs.	Improve visibility and control of distributed resources to support a more flexible grid.
Charger Vehicle Data Integration Initiative (CVDII)	Q3 2026	Build a scalable, integrated data architecture that supports compliance, enables managed charging, and strengthens real-time visibility into EV and distributed energy impacts on the grid.	Enable managed charging, compliance, and grid-aware EV integration at scale.

Cyber and Physical Security

Initiatives	Timing
Enhance physical security to protect SCL personnel, customers, and the assets of City Light's critical infrastructure. Implement stronger deterrence measures, deploying quicker and more intelligent detection technologies, enhancing situational awareness, and speeding up incident response.	In-Flight
Conduct third-party vulnerability assessments and penetration tests , along with configuration reviews for Operational Technology. Prioritize and implement a remediation plan.	Q1 2026
Conduct independent benchmark assessments using the NIST Cybersecurity Framework (CSF) and the DOE Cybersecurity Capability Maturity Model (C2M2) to evaluate the organization's current cybersecurity maturity and develop a multi-year roadmap to strengthen its cybersecurity posture, protect critical infrastructure from unauthorized access and distribution, and safeguard customer and employee data.	Q1 2027
Redesign and deploy the OT network using a defense-in-depth architecture to strengthen resilience, reduce cyber risk, and protect critical operational assets through layered security controls and effective network segmentation.	Q3 2026

THANK YOU



Seattle City Light

