



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: July 24, 2018

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara		David Allen	√	John Putz	√
Sara Patton	√	Patrick Jablonski	√	Calvin Shirley	√
Thomas Buchanan	√	Leon Garnett	√		
Staff and Others:					
Jim Baggs	√	Paula Laschober		Karen Reed (Consultant Contractor/RP Facilitator)	√
Michael Maddux	√	Kirsty Grainger	√	Leigh Barreca	√
Robert Cromwell	√	Calvin Chow	√	Ellen Javines	√
Gregory Shiring	√	Tony Kilduff	√	Richard Cuthbert	√

Introduction: Patrick Jablonski welcomed the group and convened the meeting at 11:00 AM.

Panel Discussion: None

Review of Agenda: Karen Reed reviewed the agenda.

Meeting Minutes: Approved April 24, 2018 and May 3, 2018.

Public Comment:

Alexander Tsimerman. Mr. Tsimerman raised objection to the SCL general manager's salary, the amount of utility debt outstanding, and the amount of rent he is paying. He asserted that the Review Panel is composed of "crooks."

Marguerite Richard. Ms. Richard asked why her city light bill is \$1,000 and asked why rates are going up again. She stated that black people face "atrocities" in Seattle. She objects to electric rate increases.

Joni Bosh. Ms. Bosh encouraged the Panel to hire RAP or the Rocky Mountain Institute to bring them information on what is happening around the country with respect to rate design.

Chair's Report: Mr. Jablonski noted the importance of the individual Panel members committing to the rate design work program in order for it to be successful.

Communications to Panel: The group reviewed an email from Bill Greenway; Leigh Barreca will draft a response for Patrick to send on behalf of the Panel noting that the Utility's conservation and energy efficiency spending is set by Council and state policy



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and thanking him for his good questions.

SCL in the News: Mr. Baggs had no additional items for the group.

Other updates: Sara Patton and Gail Labanara have been reconfirmed for another term on the Review Panel. The City is still seeking an economist to fill that slot on the Review Panel.

Debrief on Strategic Plan Deliberations. The group reviewed the final draft of the Council resolution adopting the strategic plan with some changes, and conferring the rate design work project on the Panel.

- Follow up item: Patrick asked that SCL provide additional information on the benchmarking study in which the Utility is currently participating. *Staff will follow up.*

Discussion points included:

- Calvin Chow noted that the issues identified in the Council resolution contain many conflicting goals and the Panel could be very helpful in framing these conflicts.
- Jim Baggs noted that rate design is about trade-offs.
- John Putz asked what the Panel's role is here, since the Council seems to be very prescriptive about substantial increases in fixed charges and the Utility has been talking to us for a long time about why they would like to see fixed charges increased.
- The resolution does not have the same force and effect as an ordinance, so Panel has some leeway to define its own work plan and provide its own assessment.
- Sara Patton noted there are other ways to do rate design to address revenue volatility, such as decoupling.
- Input from the Panel will be important to advance council understanding of these issues and tradeoffs.
- Patrick asked Michael Maddux to clarify the expectations for the General Manager: is this a joint recommendation between the Panel and the GM? Michael responded ideally, yes. Council wants the GM to "have fingerprints" on the recommendation.
- In terms of when the GM will be on board, the Council is seeking to facilitate expedited consideration of the Mayor's nominee (not yet selected) in September. If he or she arrives much later that could impact the timeline for the rate design project.

SCL Review Panel Work Plan for 2018-2020. Karen walked the group through the draft document. There were no suggested additions or changes. *Karen will place this item on the agenda for formal approval and submittal to the Council and Mayor at the August Panel meeting.*



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After a short break the Review Panel reconvened.

Rate Design Project. Karen explained the draft work plan proposal, noting points at which stakeholders would be engaged. The group then discussed the potential scope, timing and components of the rate design project that would be responsive to the Council resolution. To help inform this, Kirsty Grainger and Tony Kilduff reviewed the Rate Design 101 informational briefing in the packet. Tony and Robert Cromwell noted that cost allocation is extremely complex. Sara noted that important equity questions around cost allocation could arise in the rate design inquiry. Karen asked all Panel members to share their thoughts about the preferred scope for the project. The consensus from the group was that the Panel should focus on rate design.

- Leon noted his interest in including consideration of some sort of UDP issues.
- Patrick noted the importance of a very focused customer outreach process.
- Tom noted that volatility is not the issue, rather the issues is revenue decline.
- The problem statement will be particularly important, as will identification of goals and principles.
- The Panel will need a consultant or staff to prepare the comparative data on what other utilities around the country are doing with their rate design.
- Rate Design 201 should include history of rate design in Seattle and what the basics are around the current cost allocation.

Review Panel Data Tracking Requests. The group reviewed the requests from the Panel as to what type of data they request for tracking. Cal Shirley noted this was in response to the request at the last meeting that the Panel more clearly identify the type of data they seek. Robert noted that the SCL budget doesn't necessarily track things in the manner requested, and that the City is updating its capital project reporting format and he would like to use that if possible for that portion of the data requests. Robert committed to bringing back the information requested noting that some items cannot be produced now, but they can work towards them, and it may they may need to suggest alternative items to those specifically requested. This was acceptable to the Panel, subject to seeing what the alternative suggestions are.

The September meeting will contain an update from the first half of 2018; the tracking report format will be largely what has been used before. John Putz noted he did not need to see quarterly data on programmatic expenses; Cal Shirley noted he would like to see this data, as well as the discretionary spending data more frequently than once a year or semi-annually. *Robert Cromwell will take point on conferring with staff internally to see what data is available or could be developed in response to the Panel's request; he will report on that in September.*



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Leigh Barreca will ask staff to follow up to schedule the additional meetings needed for the Rate Design Work Plan.

The meeting was adjourned at 2:05 PM.