



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: March 23, 2022 | 1:00 – 3:00 PM
| Meeting held via Microsoft Teams “Final”

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Anne Ayre	√	Leo Lam	√	John Putz	√
Mikel Hansen	√	Kerry Meade	√	Tim Skeel	
Scott Haskins	√	Joel Paisner		Michelle Mitchell-Brannon (appointment pending)	√
Staff and Others:					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes	√	Craig Smith	
Jim Baggs	√	DaVonna Johnson		Michelle Vargo	√
Kalyana Kakani	√	Emeka Anyanwu	√	Maura Brueger	√
Julie Moore	√	Chris Ruffini	√	Chris Tantoco	√
Greg Shiring	√	Carsten Croff	√	Leigh Barreca	√
Eric McConaghy	√	Caia Caldwell		Jeff Brausieck	√
Kate Nolan		Kristian Alcaide	√	Brian Taubeneck	√
Vanessa Lund (Lund Faucett)	√	Ellen Pepin-Cato (Lund Faucett)	√	Joni Bosh (NWECC)	√

Welcome and Introductions. The meeting was called to order at 1:02 p.m.

Public Comment. There was no public comment.

Standing Items:

Review Agenda. Karen Reed reviewed the agenda.

Approval of February 15, 2022 Meeting Minutes. Minutes were approved as presented

Chair’s Report. Mikel Hansen said he is looking forward to getting into the meat of why we exist as a Panel and the Strategic Planning process.

Communications to Panel. There were no communications to the Panel.

General Manager’s update. Debra Smith and Mike Haynes led the presentations and discussion.



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- a. Cyber Security - Jeff Brausieck presented on Cyber Security program in response to Panel Member Scott Haskin's request regarding cyber security. Russia is known to use cyber-attacks, and specifically cyber-attacks on critical infrastructure including Ukraine's electric grid. The City is paying very close attention to guidance from our federal partners. There are no specific threats at this time only a heightened sense of awareness. It is less likely that there would be a direct attack on our Seattle grid, and more likely that another attack spreads to impact us.
- b. City Light's work with housing - City Light has long been an active contributor to the City's efforts to address homelessness. Over the years we have rented some of our unused properties to host shelters or tiny house villages.
 - a. Substation transfer - In November of 2020, City Light transferred our former Loyal Heights substation property in Loyal Heights to the City Office of Housing for permanently affordable homeownership. The Office of Housing made it available to Habitat for Humanity to develop townhomes for seven families. Through Habitat's homeownership model, homes have been matched with seven families whose income is under 80% of the area median income. These homes meet green building criteria for sustainability and are designed and constructed to ensure healthy, low-cost maintenance homes. The development, now called Copper Pines, is nearly completed. This property is one of two that were transferred from City Light to the Office of Housing for the development of permanent affordable housing.
 - b. Roy Street facility - Working with other City partners, the old SCL Power Control Center on Roy Street has been opened for tenants. The facility is set up as a 24-hour shelter for up to 40 homeless individuals and will be managed by the Seattle Indian Center.

In recent months, we have been preparing the Roy Street site for two different uses - in addition to the shelter, Seattle Public Utilities will locate one of their hygiene trailers to the parking lot, which will soon provide showers and restrooms for homeless individuals in the area. Staff in many divisions - Steel, HVAC and Electrical shops, Safety, Contracts & Procurement, Facilities and Real Estate - accomplished an incredible amount of work to get ready for these much-needed services

Q: Are you retaining title to these properties? **A:** No, for the substation properties, we are transferring titles. It took legislation to get around public gift of funds laws. Frank Chopp led this legislation, and it has not been challenged. The property is transferred to Office of Housing, not to nonprofit partners.

- c. Road to Recovery - Final Report on Utility Moratorium Shut-Off Extension was sent to the Mayor's Office in mid-March. Some funding for utility payment arrearages is in the state budget.
- d. EPRI Study - A summary of a study that examines the impacts on electrification on City Light is in member packets.



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Q: Can you share the full EPRI study? **A:** Yes, it is on the council website. We will also mail to panel members.

- e. Skagit Update - City Light submitted the Skagit Hydroelectric Project Relicensing Initial Study Report (ISR) to FERC on March 8, 2022. The ISR reports progress on relicensing studies and previews plans for the 2022 study season. City Light is working with the partners on this project to support an unprecedented level of study as the utility prepares to submit a license application.

City Light will return of 230 stone artifacts from the shores of the Skagit River to the Upper Skagit Tribe. These artifacts were discovered during the renovation of a building located in Newhalem --- the Gorge Inn.

- f. Vegetation Management - City Light is thrilled to be recognized by the Arbor Day Foundation as a 2022 Tree Line USA member! Tree Line USA is a national program recognizing public and private utilities for best practices that protect and preserve America's urban forests. Congratulations to the Vegetation Management Team and other utility groups who continue to be acknowledged, year after year, for this effort. Seattle City Light achieved the Tree Line USA recognition by meeting five program standards: quality tree care, annual worker training, tree planting and public education, a formal tree-based energy conservation, and a sponsorship of or participation Arbor Day celebration.

2023 – 2028 Strategic Plan

Draft Rate Path/Revenue Requirement

Kirsty Grainger presented; the presentation is in the Panel packet. This is a work product that has been shared with Marco Lowe, the Mayor's Chief Operating Officer, and is not a final proposal.

Q: Are you also including the service impacts in your rates analysis, not just the financial impacts? **A:** Yes, that is what we are preparing to talk about when we present to the Mayor. We will need to include where we will make cuts. That could include actions such as holding our increased vacancy rate which could impact connection times and other services.

2022 Plan to 2023 Plan Update

Leigh presented; the presentation is in the Panel packet.

Draft Strategic Plan

Vanessa Lund presented. The draft plan is in the Panel packet. Suggestions from the Committee members included:

- Highlights how this plan is different from the last plan



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- Identify challenges or take-aways related to the five focus areas – were there lessons learned or changed assumptions, for example?
- Use of action verbs in the accomplishment notes is very good.

Q: When will we see the financial documentation? **A:** You saw the draft previously, and we showed you our work to re-evaluate the rate path. We'll bring it back when we have more information as we figure out how we will deal with the increased inflation.

Review Panel Letter

Karen presented. Materials are in the Panel packet.

The panel discussed what “top of mind” thoughts they have either about the strategic plan or that they would like to include in the Panel’s letter. Comments included:

- Are there any other areas of emphasis we should mention? It looks like we are on track to implement the plan. Can we consider inserting graphics that already exist to highlight our points? Looking ahead there are three strategies for balancing the financial challenge, and tradeoffs associated with each: cuts, rate increases, and/or increasing debt service coverage. We may want to include a discussion of this.
- I am very interested in the Western Energy Imbalance Market (WEIM). What opportunities does this create for the utility. What are the tradeoffs between electrification and rates? Electrification is the biggest development on deck and the relationship between that and energy efficiency is very important. I appreciate the efforts to keep rate increases reasonable. We need to look at the relationship between grid modernization, electrification WEIM. Long term what are the opportunities for cost controls that customers can utilize themselves?
- Rates are hugely important. On the revenue side, what can we do to support regional economic development? Personally, I think the charging stations are not cost-effective use of utility revenues.

Debra Smith noted that the utility has a new strategy relative to charging stations—they are focusing on gaps, supporting the private sector. She further noted that the new Council Committee structure combines City Light and Economic Development into one committee.

- I think it would be interesting to do a backward-looking section on how the utility has performed--- predicted versus actual.



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- I think the Panel letter from last year buries the most dramatic stuff under energy future—makes it seem like less of a priority. I want to explore more programs for industrial customers.

Kirsty Grainger noted that the interruptible rates pilot project found that the Utility could not offer sufficient rate discounts to make this concept workable for large industrial customers.

- I would like to see more focus on fundamentals—financial, operational—especially after the pandemic. I'm also concerned about the prospective impacts of higher borrowing costs.
- Another thought would be to consider the keys to success moving forward and to highlight those.

Adjourn: Meeting adjourned at 3:06 p.m.

Next meeting: April 14, 2022, followed by April 26th and May 4th.