



**City Light Review Panel Meeting
Meeting Minutes**

**Date of Meeting: March 22, 2023 | 1:00 – 3:00 AM |
Meeting held in SMT 2821 and via Microsoft Teams “Adopted”**

MEETING ATTENDANCE					
Panel Members:					
Anne Ayre	√	Leo Lam	√	John Putz	
Mikel Hansen	√	Kerry Meade	√	Tim Skeel	√
Scott Haskins	√	Joel Paisner			
Staff and Others:					
Debra Smith	√	Jen Chan	√	Julie Ryan (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	√	Leigh Barreca	√
Greg Shiring		Carsten Croff	√	Angela Bertrand	√
Eric McConaghy	√	Caia Caldwell	√	Brian Taubeneck	√
Kathryn Aisenberg	√	Joe Fernandi	√	Marcus Jackson	√
Melissa Skelton	√	Chad Ihrig (Google Nest)- Guest	√	Amy Wheelless (NVEC) - Guest	√

Welcome and Introductions. The meeting was called to order at 1:03 p.m.

Public Comment. There was no public comment.

Standing Items:

Chair’s Report. Mikel Hansen greeted everyone and opened the meeting.

Review Agenda. Julie Ryan reviewed the agenda. Julie also shared two questions raised by two Review Panel members immediately following the prior meeting. One question was when will the debt strategy be finalized? That will occur when the finance team completes the white paper. The second question regarding quantitative analysis of benefits with the regional WRAP and EDAM initiatives was forwarded to the internal City Light leads. Currently, these initiatives are at non-binding stages.

Approval of February 15, 2023, Meeting Minutes. Minutes were approved as presented.

Communications to Panel. Leigh Barreca reported that she has received interest from two, possibly three, people to serve in the Low-Income Customer Advocacy position on the Panel. She is gathering resumes and statements of interest to submit to the mayor’s office for selection.



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General Manager's update.

1. Skagit Relicense update - Last week we reached another major milestone in our relicensing of the Skagit River Hydroelectric Project with the filing of the Updated Study Report to the Federal Energy Regulatory Commission (FERC). Two extraordinary summers and a total of 18 months of intense research on the Skagit River were completed with the results of 33 studies submitted to FERC. The filing of the Updated Study Report this week signals that another milestone has been reached in the Skagit Hydroelectric Project relicensing process. While not all of the 33 studies were required by FERC for the relicensing process, they were completed as part of our commitment to the Tribes and local, state, and federal agencies. These license partners are using the studies to guide protection, mitigation and enhancement plans as a part of the next license agreement.

While hydroelectric power is the most reliable form of renewable energy available – and the Skagit Project supplies about 20% of City Light's power – all power-generation systems have costs. That is why City Light takes a comprehensive, ecosystem-wide view of the whole river. The relicensing process is an opportunity to reset how we manage fragile ecosystems, and because the environment is always changing, we need to update the underlying science. We take our stewardship responsibilities very seriously and manage the hydroelectric project to these priorities: 1) Flood risk management; 2) Fish, 3) Recreation; 4) Power generation.

Ecosystems are delicate, and seemingly small changes in one place can have significant repercussions in another. The new license will allow City Light to continue producing clean, carbon-free energy while also updating the utility's stewardship of the watershed's cultural and natural resources. At the end of the day, we know that City Light will make a significant contribution to the health of the Skagit River and endangered salmon, and we will continue our partner-based approach to ecosystem stewardship. I am so thankful to the many City Light staff, our consultants, and our partners, especially the Tribes and regulatory agencies, for their commitment to collaborating on these challenging yet vitally important efforts.

Q: Do the tribes support "transport" of fish rather than structural barrier elimination?

A: We are discussing early action on items that will start before FERC's decision through a variety of pilots, for we want to make sure there are not unintended consequences as we move species. Actual fish passage likely would not start until around year 10.

2. RSA – Kirsty Grainger presented the proposal that City Light made to the mayor's office to fund the RSA account from surplus cash, as opposed to triggering a surcharge on customers' bills. The RSA account relates to the level of surplus power sales. Since the utility's load was higher than forecasted in 2022, there was less surplus energy to sell. As a result, the RSA account declined starting



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November 2022, but this was offset by higher revenue from increased customer sales volume. The resulting surplus cash from higher sales can be used to re-build the RSA reserve account, thereby avoiding an RSA surcharge on customer bills.

Q: It looks like the cash position is strong. But are there things you will need to sacrifice or not do that you intended to do?

A: If we make the transfer, the bond sale will be slightly larger. But the total amount to be transferred is fairly small. Our cash position is much stronger than anticipated so we have more money than originally projected. We are optimistic though we do not know how the summer will go temperature-wise. What drove the increase YoY from 2021 to 2022 in retail sales? **A:** The short answer is that it was a weird weather year. It was hot in the summer with more air conditioning load and cold in the winter with more heating load. In December we hit a new peak load. It was not due to new customers or new projects.

Q: With this knowledge, how does this change your future forecasting?

A: This is something we're discussing with the Mayor's Office. The fact we didn't see this coming is concerning and we are reviewing our forecasts.

A: Our power management group was negatively impacted by our high vacancy rate. I want to acknowledge that there is work for us to do to review our risk management policies and practices. We could have done better in December, but not with our current staffing. A lot of work is being done to understand that and what we need to do. The System Operations Center staff are working very closely with the real-time traders.

Comment: The RSA is in place to deal with these sorts of situations. In this case, the positive cash position allows us to avoid triggering the surcharge for customers.

A: We agree. The RSA is there to manage an uncontrollable risk.

3. Funding Opportunities –

- a) **FEMA** - On Monday, March 6, the Office of Emergency Management and City Light were informed of a FEMA grant award for the City Light Transmission Tower Landslide Mitigation Project. The project will retrofit six high voltage transmission towers in Snohomish County, and the power lines they support, to minimize damage and possible cascading collapse due to landslides. The devastating 2014 Oso landslide highlighted the vulnerability of these transmission towers, which are located close to what became the debris field. All utility customers will benefit from this hazard mitigation work as these transmission lines bring power from the Skagit River Hydroelectric Project, a three-dam system that supplies about 20% of City Light's power.

Through FEMA's Hazard Mitigation Grant Program, City Light will be reimbursed 95% of all eligible costs. The project includes a Phase 1 for design (\$60k), followed by a Phase 2 for



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construction (\$989k), for an estimated project total of over \$1 million. In partnership with City Light, OEM will manage the grant award, which is the first FEMA grant City Light's Emergency Preparedness program has obtained.

- b) **DOE Grid Resilience & Innovation Partnership (GRIP)** - City Light submitted an application for \$50M in DOE funding last week. The proposed body of work represented a critical investment in technology, hardware, and enterprise architecture to enable our core operational needs to keeps the lights on safely and cost effectively, while putting our customers first and enabling new customer choices with a focus on our equity values..

Success in this effort will enable us to accelerate and buy down the cost of known technology investments that are rapidly becoming mainstream operational tools in our industry.

- c) Continue to participate with other utilities on **Hydrogen Hub concept**. We are in the running for funding.

- 4. General Manager Smith's next steps. Debra will be stepping out of the role of General Manager around July 1. She will remain at City Light in an advisory role through October. The Mayor's Office's intent is to find a replacement before that July 1st date. If there is any delay filling the General Manager position, the mayor will appoint an interim General Manager.

Strategic Plan Priority: Improve the Customer Experience. Craig Smith (Chief Customer Officer) introduced his team. The presentation materials are in panel packets. The presentation provided information on the many projects, initiatives, and activities (PIA) that his team is engaged in to support the "Improve the Customer Experience" strategic priority in the City Light Strategic Plan. The Customer Service team presented work completed in 2022 and upcoming initiatives for 2023 in the following areas:

- a. Strengthen and fix core customer services
- b. Expand customer service options
- c. Integrate the "Voice of the Customer" into our organizational culture

Q: Are you planning any real time response programs? I'm thinking of the grid responsive buildings in Spokane.

A: We use Oracle™ and have access to historical 15-minute interval data, so our current programs will draw from that. Phase 1 is helping customers understand their consumption patterns and finding customers who would benefit without changing any behaviors. Then



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we plan to provide tools so customers can manage their load and change behaviors. This does have an element of grid flexibility. Future real-time programs are on our roadmap. We are engaged with the National Lab (NREL), the Electric Power Research Institute (EPRI), and Community Roots Housing to build a grid interactive building. This could also look like providing customers with activities they can do when they know the next day will be very warm or very cold.

Closing: Julie advised the Review Panel that the Create an Agile Workforce strategic priority would be the topic at the next meeting. As the timing for some future topics has changed, an updated Review Panel workplan is in the meeting packet.

Adjourn: Meeting adjourned at 2:53 p.m.

Next meeting: April 19, 2023, 9:00 – 11:00 a.m.