



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: September 25, 2024 | 9:00 – 11:00 AM

Meeting held in SMT 3204 and via Microsoft Teams “Approved”

| MEETING ATTENDANCE | | | | | |
|--|---|--------------------------------|---|---|---|
| Panel Members: | | | | | |
| Mikel Hansen | ✓ | Leo Lam | ✓ | Oksana Savolyuk | |
| Joel Paisner | ✓ | Amy Altchuler | ✓ | Bruce Florey (<i>appointment pending</i>) | ✓ |
| Kerry Meade | ✓ | Thien-Di Do | ✓ | | |
| | | | | | |
| Dawn Lindell (<i>GM</i>) | | Jen Chan | | Julie Ryan (Consultant /RP Facilitator) | ✓ |
| Mike Haynes | ✓ | Andrew Strong | ✓ | Craig Smith | |
| Kirsty Grainger | ✓ | DaVonna Johnson | | Maura Brueger | ✓ |
| Julie Moore | ✓ | Chris Ruffini | ✓ | Leigh Barreca | ✓ |
| Greg Shiring | ✓ | Carsten Croff | ✓ | Angela Bertrand | ✓ |
| Eric McConaghy | | David Logsdon | | Brian Taubeneck | |
| Jeff Wolf | ✓ | Caia Caldwell | ✓ | Bridget Molina | ✓ |
| Siobhan Doherty | ✓ | Karin Estby | | Nina Park | |
| Katie Murphy (local business owner) | ✓ | Kevin R. (member of public) | ✓ | Brittney Garcia Stubbs | ✓ |

Welcome and Introductions. The meeting was called to order at 9:03 a.m.

Public Comment. There was no public comment.

Standing Items:

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

Review Agenda. Julie Ryan reviewed the agenda.

Approval of September 25, 2024, Meeting Minutes. Minutes were approved as presented.

Communications to Panel. There were several communications to the Panel. John Putz announced his resignation from the Panel. Two people expressed interest in joining the Panel however when the vacant positions were described to them, they declined due to their lack of qualifications. Leigh Barreca will retain their contact information for future opportunities in other Panel positions. Amy has agreed to shift to the Financial Analyst position that was recently vacated given she has the relevant qualifications. Leigh will reach out to colleagues who work with City Light’s industrial customers to help identify candidates for the Industrial Customer Representative position.



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Bruce Flory introduced himself and explained his prior relevant work experience at City Light and Seattle Public utilities.

Brittney Garcia Stubbs was introduced as GM Dawn Lindell's executive assistant.

General Manager's Update. General Manager Lindell was not present at the meeting. Leigh presented the update.

1. Strategic Plan Presentation at Council Committee – The Sustainability, City Light, Arts and Culture Council committee voted 5 – 0 at their August 16th meeting to forward the 2025 – 2030 City Light Strategic Plan Update and rate path for a September 3rd full council vote. The plan was adopted by Council with a unanimous vote. A couple of notes from this process.
 - a. Rate Path: A few committee members, most notably, CM Moore, was not comfortable with the rates put forth for the 4 final years of the plan. We noted that 5% for these years is a placeholder until City Light can dive more deeply into future budget needs. CM Moore offered an amendment requesting that we increase rates to 5.4% for all years in the plan. The amendment did not pass; however, the committee is prepared to review future information relating to City Light's asset maintenance, relicensing, undergrounding replacement costs in the 2027 – 2032 plan. Dawn was am grateful that the committee recognizes the cost pressures that City Light will be facing and expressed willingness to approve a more realistic rate path.
 - b. Utility Discount Program: CM Moore offered an amendment related to the Utility Discount program. This amendment requests that the City Light General Manager/Chief Executive Officer, in cooperation with the Seattle Public Utilities GM/CEO, the Human Services Department Director, and other City Department leaders as appropriate, conduct a thorough review of the City's activities intended to increase enrollment of eligible customers in the Utility Discount Program (UDP). Further, the amendment would set deadlines for the initial and complete reports of the review on October 1, 2024, and April 1, 2025, respectively. The amendment passed unanimously.
2. Other Notable Council Legislation – Maura Brueger has been busy these last few months shepherding some important legislative through our Council Committee.
 - a. Integrated Resources Plan: City Light's IRP is a road map for the utility's generation resource needs for the next 10 years. It is updated every two years. It was adopted by the full Council on August 13 in time for City Light to submit to the Washington Department of Commerce as required by State Law by September 1. This is the plan that allowed us to see that we will need to increase nameplate capacity* MW from our original estimate of 400 to 1,825 over 10-years. The drivers for the increase are a forecasted 70% increase in transportation electrification and a 3x, or 200% increase in building electrification.

* Nameplate is the rated capacity - how much the project could theoretically produce at a



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moment in time. aMW is total generation over the year divided by hours in the year. So, for solar projects and other intermittent renewables have a lower capacity factor (30%) so the difference between nameplate and aMW is pretty large.

- b. WERM (Wholesale Energy Risk Management) Resolution: After several months of working collaboratively with the Council Central staff, we agreed on a policy document that struck the right balance in enabling City Light to respond to rapidly changing market conditions while also enabling the City Council to have insight and confidence in our process. The WERM Resolution was passed unanimously out of Committee on 8/16 and was approved by the full Council for a vote on 9/3. We will be having a presentation on this later in the meeting.
 - c. Clean Fuel Standards Program Resolution: This legislation outlines how City Light plans to implement a *One Seattle* approach to administer the Clean Fuels credit program allowed by the State of Washington Clean Fuels Standard Program. The program provides for the generation of CFS credits from the dispensation of low-carbon and zero-carbon fuels. Seattle City Light has an opportunity to earn credits based on the EV chargers it owns or manages, and for residential electric vehicles within the City Light service territory. The credits can be monetized by selling them within the Washington State CFS market to a Clean Fuel Standard regulated fossil-fuel supplier in need of credits. This legislation was reviewed by the Sustainability, City Light, Arts & Culture Committee on 9/6 with a full Council vote on September 17th.
 - d. 2025 & 2026 Rates Ordinance: The Sustainability, City Light, Arts & Culture Committee was presented with the detailed rate ordinance and how the 5.4% systemwide rate increased impacts different customer classes served by City Light. The rates ordinance was presented to committee on September 6th. It will go to the Finance committee to be adopted with the budget in November.
3. Hydro Grants (Maura Brueger)
- a. Exciting news in early September. Hydro incentives announced. SCL submitted 5 projects and was selected to move forward with negotiations on all 5 hydro grant projects. One project, Cedar Falls, was initially declined, and we appealed it and were successful. It was ultimately selected to move forward to negotiations. City Light received 5 of the 12 grants for Washington State. There is a cap of \$5M per facility so we will need to decide between two projects for Cedar Falls. Money will not move until after negotiations – likely next year. Projects selected include:
 - i. Boundary Hydroelectric Project Station Service Transformers
 - ii. Skagit Hydroelectric Project Ross Dam AC/DC Upgrade
 - iii. Skagit Hydroelectric Project Diablo Powerhouse Roof & HVAC Replacement
 - iv. Cedar Falls Hydroelectric Project Dam Safety Improvements
 - v. Cedar Falls Hydroelectric Project Powerhouse Automation



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Q: How much were the grants?

A: It was a \$5M cap per facility, so we will get approximately \$15M in funds across three facilities. The grants fund only 30% of the total project cost.

4. Outage Management System – On Sunday, Aug. 25, we went live with our new Outage Management System (OMS), replacing the legacy OMS 1.9, which was at the end of life. The new system provides greater transparency and more real-time insight into outages across our service area along with improved outage-related communications. The new OMS 2.5 brings new features, including: Updated Trouble Management Functionality: Our new trouble management system will provide faster response times, improved accuracy, and enhanced customer communication during outages. New modules include:
 - a. Storm Management Module: This new module will help us better prepare for and respond to severe weather events, ensuring a more reliable and resilient power grid.
 - b. Improved Communications: Crew chiefs will use mobile devices to send real-time updates from the field, allowing System Operations Center dispatchers to better assess outage impacts on customers, more accurately prioritize responses, and more efficiently assign crews.
5. Washington Families Clean Energy Credits – As of Monday, September 16th, we have applied 99.95% of our allocated \$200 bill credit refunds to customer accounts. We implemented adjustments on 93,832 accounts, for a total of \$18,766,400.00 in cumulative customer benefit. Including the \$600,000.00 in funds that we reallocated to bill credits from our administrative allowance, we had \$18,775,200.00 available to us to distribute to customers.
6. 10-Year Strategic Roadmap – Beginning this fall, we will be embarking on a project to develop a 10-year strategic roadmap. The legislated 6-year plan will be extracted from this roadmap, including the 6-year rate path that will more accurately reflect our funding needs.

Lessons learned from past Strategic Planning cycles have shown us that we need a longer planning horizon to be prepared for current and future long-term needs. Replacement of our undergrounding cable is an example of a long-term, costly project that needs to be incorporated in our capital budget and staffing allocation. Similarly, we must develop a robust staffing strategy to prepare us for the future--- this includes training staff in the field to be better able to adapt to new technologies such as AI, Advanced Distribution Management System, increased need for analytics--- as well as hiring staff with the skills that will enable us to respond to our rapidly evolving landscape.

The result of our planning work will require a deep look into the people, processes and technologies that power our organization, as well as a heightened awareness of emerging industry trends. To accomplish this effort, we will be seeking your input along the way--- beginning in November. Keep your eyes open for these topics and materials to appear in your



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meeting packets!

7. One more update:

SCL will be holding a forum for our Key Customers, aka our largest customers. This will be in the morning of October 22nd in the Bertha Landes Knight room in City Hall. Review Panel members will receive an invitation. This is completely optional, but we'd love to see you there.

8. Mayor's Budget:

Mike Haynes shared that the mayor's budget was announced yesterday. The information is now available online if you have more questions. General fund departments are looking at layoffs, and there was no direct impact on enterprise funds such as City Light. Many of the reductions are in IT and Finance, so City Light may receive slightly lower service levels.

Q: Does this negatively impact the strategic plan initiative to make City Light more appealing as a place to work?

A: The mayor accepted all our labor packages. While there are no direct impacts to City Light's budget, there may be some service level impacts relating to services that City Light receives from other City departments.

Panel Confidentiality and Conflict of Interest. Jeff Wolf presented. The presentation is in the meeting packet.

Q: Could you clarify what you mean by endorsement of product or service?

A: This would be like using your position to give a competitor a leg up, i.e. being in a commercial and saying "As a member of the SCL Review Panel I endorse ____"

Review Panel Charter. Julie noted it is good practice to periodically review the Charter and what the Panel does in practice. The current charter is in the meeting packet. She will work with Leo and Leigh to review the charter. And Panel members should feel free to contact her with any suggestions they have to update the charter. Proposed changes will be discussed at the next Panel meeting.

WERM Policy and Procedures. Kirsty Grainger presented. Presentation materials are included in the meeting packet.

Q: In the load-resource balance chart, it looks like we have sufficient resources, but these are not shaped exactly to our load. Is that accurate? It seems like we're buying because we don't have enough resources, but we do.

A: Our primary goal is to meet load, but we also look to minimize costs. We generally have peaks in morning and evenings. We seek to retain power for higher priced peak hours, and to purchase power when prices are lower. We also have flow requirements for environmental reasons. We could also be looking out to future weeks if we see that a cold snap coming. Last winter, the time shown in the chart, there was the added factor that we were in a drought, so we had less water.



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Q: Do the controls in place have carve outs for emergencies?

A: Yes.

Q: Do you have examples of risk metrics?

A: Yes, they are on slide 8 of the slide deck. Those are the 5 main metrics at a high level. The metrics are intended to measure volumetric and financial risks across different time horizons.

2024 Bond Issue and Debt Metrics. Carsten Croff presented. Presentation materials are included in the meeting packet.

Q: Is our credit rating on par with our peers?

A: It is at the higher end of the range of our peers. When the rating agencies develop their ratings, they note that we have hydro risks - volumetric risk and market price risk. They also note the size of our large capital investment plan. On the other hand, they view our rate stabilization account and new financial performance targets positively.

Q: You had very little for transmission investment in the strategic plan CIP. Yet we hear about aged and constrained transmission lines is in the news. Does City Light plan to upgrade or increase its transmission capacity?

A: The chart shows just our own transmission investments. We don't anticipate a significant building out our own transmission facilities. The transmission we own and operate includes 600-line miles of transmission, mostly from Skagit and between our substations. Most of our transmission is contracted through BPA and built into the Purchase Power Agreements (PPAs). BPA is looking at both reconducting and building new transmission— they have their own process to look at what type of upgrades are needed.

More information on BPA: [BPA takes major step to advance transmission projects for reliability and expansion.](#)

October 16, 2024, Agenda – The next meeting's agenda will include the Review Panel charter discussion as well as time to answer Panel member questions about the Strategic Plan update that was in this meeting packet. Leigh is checking internally about a Utility Discount Program briefing and there may be more to share at the next meeting about the 10-year plan process.

Adjourn. The meeting was adjourned at 10:34 a.m.

Next meeting: October 16, 2024, 9:00 – 11:00 a.m.