



## City Light Review Panel Meeting Meeting Minutes

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

| <b>MEETING ATTENDANCE</b>     |   |                           |   |                   |   |
|-------------------------------|---|---------------------------|---|-------------------|---|
| <b>Review Panel Members:</b>  |   |                           |   |                   |   |
| 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       |   |
| <b>City Light:</b>            |   |                           |   |                   |   |
| 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 |                   |   |
| <b>Other Attendees:</b>       |   |                           |   |                   |   |
| 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 30<sup>th</sup> 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.