

Seattle City Light

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<http://www.seattle.gov/city-light/>

Department Overview

Seattle City Light was created by the residents of Seattle in 1902 to provide affordable, reliable, and environmentally sound electric power to the City of Seattle and neighboring suburbs. Owned by the community it serves, City Light is a nationally recognized leader in energy efficiency, renewable resources, and environmental stewardship.

City Light provides electric power to approximately 493,000 residential, business, and industrial customers within a 131-square-mile service area. City Light provides power to the City of Seattle and surrounding jurisdictions, including parts of Shoreline, Burien, Tukwila, SeaTac, Lake Forest Park, Renton, Normandy Park, and areas of unincorporated King County.

City Light is the nation's ninth largest publicly owned electric utility in terms of customers served, and owns about 2,000 megawatts of very low-cost, environmentally responsible, hydroelectric generation capacity. In an average year, City Light produces about 50% of its energy supply with hydroelectric facilities that it owns directly, and purchases 30% through the Bonneville Power Administration (BPA) and 20% from other sources including short-term wholesale purchases.

Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Adopted
Department Support				
Other Funding - Operating	977,412,801	1,023,664,018	1,091,641,650	1,085,384,449
Total Operations	977,412,801	1,023,664,018	1,091,641,650	1,085,384,449
Capital Support				
Other Funding - Capital	396,793,037	484,371,923	444,340,417	446,028,129
Total Capital	396,793,037	484,371,923	444,340,417	446,028,129
Total Appropriations	1,374,205,837	1,508,035,942	1,535,982,067	1,531,412,579
Full-Time Equivalents Total*	1,801.81	1,806.80	1,806.80	1,809.80

* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here

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Incremental Budget Changes

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	2024 Budget	FTE
Total 2024 Endorsed Budget	1,535,982,067	1806.80
Baseline		
Citywide Adjustments for Standard Cost Changes	2,796,842	-
Proposed Operating		
Fish Hatchery Positions, 3.0 FTEs	-	3.00
Net-Zero Cyber and Physical Security Enhancements	-	-
Technical Adjustments	(7,394,266)	-
SCL Revenues 2024	-	-
Proposed Capital		
Annual Capital Spending Adjustments	1,687,713	-
Council		
SCERS Contribution Rate Change	(1,659,777)	-
Total Incremental Changes	\$(4,569,488)	3.00
Total 2024 Adopted Budget	\$1,531,412,579	1809.80

Description of Incremental Budget Changes

Baseline

Citywide Adjustments for Standard Cost Changes

Expenditures \$2,796,842

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare, retirement, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

Proposed Operating

Fish Hatchery Positions, 3.0 FTEs

Position Allocation 3.00

As part of the 2013 Federal Electricity Regulatory Commission License for the Boundary Hydroelectric Project, City Light was required to build and staff a new Native Salmonid Conservation Facility. This item adds three positions to

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support the facility, which will be completed late in 2023 after nine years in the design and construction phase. The positions were already funded under Ordinance 123940 and are in the current rate path.

Net-Zero Cyber and Physical Security Enhancements

Expenditures -

This item reallocates funding to support increased cyber and physical security services needed to protect employees and assets and ensure uninterrupted electricity services. It is a net-zero reprioritization of funds that shifts \$1.7 million into security from other historically underspent contracted services budgets throughout the utility. This funding will enhance the utility's ability to detect and respond to cyber security threats and increase protection of the utility's physical assets.

Technical Adjustments

Expenditures \$(7,394,266)

This technical adjustment includes increases associated with inflation, annual wage increases, inventory adjustments, maintenance, and electrification incentives. Various adjustments to purchased power, debt service, and taxes are also included. These adjustments are consistent with City Light's 2023-2028 Strategic Plan and Adopted 2024 rates.

SCL Revenues 2024

Revenues \$361,586,908

This adjusts revenues to balance expenditures and actual revenues forecasted for 2024.

Proposed Capital

Annual Capital Spending Adjustments

Expenditures \$1,687,713

This annual adjustment reprioritizes funding in the capital program (CIP) and aligns budgets with the most up-to-date information on planned project spending. It includes changes due to the normal refinement of work schedules and the ongoing reprioritization of capital work. This 6-year CIP plan is within the overall amounts in the Adopted 2023-28 CIP plan and is consistent with the strategic plan rate path. This was achieved by identifying offsetting reductions in various projects to accommodate increased spending for strategic initiatives and customer driven work.

Council

SCERS Contribution Rate Change

Expenditures \$(1,659,777)

The City's employee retirement system, the Seattle City Employees Retirement System (SCERS), of which most non-uniformed City employees are members, is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings.

The employer portion of the SCERS contribution is funded through the annual budget process as a percentage of salaries based on several factors including reports from the contracted actuary and the City's long-range financial forecasts. The Mayor's 2024 Proposed Mid-Biennial Budget included an employer contribution rate of 16.22%, which was determined prior to the actuary's recommendation but provided for long-term "smoothing" given the City's long-term financial challenges.

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This item reduces the employer contribution rate from the proposed rate of 16.22% to the SCERS minimum actuarial required rate of 15.17%, which was determined to provide sufficient funding to the retirement system to achieve 100% funded status by 2042.

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2023-24 Mid-Biennium Adopted Budget Updates - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Adopted Changes	Grand Total
Conservation & Environmental - CIP	41000 - Light Fund	47,588,281	2,566,378	50,154,658
Conservation & Environmental - CIP Total		47,588,281	2,566,378	50,154,658
Customer Care	41000 - Light Fund	53,360,008	1,086,045	54,446,053
Customer Care Total		53,360,008	1,086,045	54,446,053
Customer Focused - CIP	41000 - Light Fund	102,287,879	-3,011,748	99,276,131
Customer Focused - CIP Total		102,287,879	-3,011,748	99,276,131
Debt Service	41000 - Light Fund	258,438,138	-3,194,529	255,243,609
Debt Service Total		258,438,138	-3,194,529	255,243,609
Leadership and Administration	41000 - Light Fund	176,163,960	-8,819,672	167,344,379
Leadership and Administration Total		176,163,960	-8,819,582	167,344,379
Power Supply - CIP	41000 - Light Fund	94,529,794	-2,560,612	91,969,182
Power Supply - CIP Total		94,529,794	-2,560,612	91,969,182
Power Supply O&M	41000 - Light Fund	344,488,804	-139,501	344,349,303
Power Supply O&M Total		344,488,804	-139,501	344,349,303
Taxes	41000 - Light Fund	116,765,046	3,790,055	120,555,101
Taxes Total		116,765,046	3,790,055	120,555,101
Transmission and Distribution - CIP	41000 - Light Fund	199,934,463	4,693,695	204,628,158
Transmission and Distribution - CIP Total		199,934,463	4,693,695	204,628,158
Utility Operations O&M	41000 - Light Fund	142,425,694	1,020,311	143,446,005
Utility Operations O&M Total		142,425,694	1,020,311	143,446,005
Grand Total		1,535,982,067	-4,569,488	1,531,412,579