



## City Light Review Panel Meeting Meeting Minutes

**Date of Meeting: July 17, 2024 | 9:00 – 11:00 AM**

**Meeting held in SMT 3204 and via Microsoft Teams “Draft”**

MEETING ATTENDANCE					
<b>Panel Members:</b>					
Mikel Hansen	✓	Leo Lam	✓	Oksana Savolyuk	✓
Joel Paisner	✓	John Putz	✓	Thien-Di Do	✓
Kerry Meade	✓	Amy Altchuler	✓		✓
Dawn Lindell (GM)	✓	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		Claire Lloyd	
Nina Park	✓	Susan Gunn	✓	Wendy Cho-Ripp, KC Metro	✓

**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 was not present at the beginning of the meeting, but he arrived later. At the beginning of the meeting Leigh, Dawn, and Nina thanked him for speaking at the council committee meeting on July 15, 2024.

**Review Agenda.** Julie Ryan reviewed the agenda.

**Approval of June 26, 2024, Meeting Minutes.** Minutes were approved as presented.

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

### General Manager’s Update.

1. Strategic Plan Presentation at Council Committee – On Monday we had the opportunity to present our strategic plan and rate path to our City Council Committee at a session called specifically for this purpose. The questions and conversations from the committee indicated



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overall support for our plan and rate path. The Committee intends to vote on the plan on August 2<sup>nd</sup>. The plan would then go to the full council for approval on August 13th. Your chair, Leo, did a tremendous job setting the stage for our presentation by highlighting key items from your letter—he spoke to both SCL’s successes and challenges, and the Panel’s overall support of the plan and rate path. Thank you, Leo, and thank you to the entire panel for your partnership.

2. Cargo Terminal Electrification – A few weeks ago, I had the pleasure of giving brief remarks at a reception to celebrate the NW Seaport Alliance’s Terminal 5 Modernization project that is shaping the terminal into a premier international container facility on the West Coast. City Light’s efforts are key to ensuring cargo vessels can plug into our clean, carbon neutral energy while at berth greatly improving air quality. Specifically, we upgraded the power supply from 5 MW to 25 MW to allow for larger cranes, shore power for cargo ships and capacity for refrigerated containers at Terminal 5.
3. CIO Hiring Process - Interviews for the City Light Chief Information Officer are taking place next week. I am excited to get someone on board permanently to lead this critical business function.
4. Pier 66 Electrification – Legislation to authorizing Seattle City Light to enter into a two-year agreement (MOA) with the Port of Seattle to construct and provide shore power to Pier 66 was unanimously approved by the City Council the first week of July. The shore power will allow cruise ships to plug into the local electrical grid and turn off their diesel-powered engines while at berth. Nearly 25 percent of total cruise ship emissions in the Puget Sound airshed occur while at berth. On average, shore power would enable each connected ship to reduce their diesel emissions by 80 percent and CO2 emissions by 66 percent respectively while at berth.

Through this MOA and the electrification of Pier 66, Seattle will become one of the first cruise ports in the nation with multiple berths to make shore power available at every berth. Power will be provided from an existing City Light electrical power vault, submersible cable from Terminal 46 to Pier 66, and other infrastructure development. The construction agreement is supported by a \$44M infrastructure investment from the Port, and \$3.5M investment from the City’s Maritime Transportation Electrification Program (MARTEP), improving City Light’s distribution system including ductbank capacity to serve Washington State Ferries, King County Marine Division, Kitsap Transit, and the Port of Seattle. Phil Ambrose, senior project manager for Strategic Capital Programs, was City Light’s lead for this important project.

5. APPA Podcast - I was a recent guest on the American Public Power Association’s (APPA) Public Power Now podcast. I joined host APPA News Director Paul Ciampoli for a discussion recapping my career in the utility industry, outlining my immediate priorities at Seattle City Light, and discussing plans to strategically manage and diversify our power supply to meet increased demand due to electrification and extreme weather events. Public Power Now brings listeners the latest news and insights from key public power utility executives, power industry players, and APPA staff. Leigh will put the link to the podcast in the chat.



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6. Hydroelectric Department of Energy Appeal – Last this week City Light received word that we successfully appealed US Department of Energy's Grid Deployment Office's denial of Cedar Falls Hydroelectric Facility's eligibility for the Maintaining and Enhancing Hydroelectricity Incentives Program. We had been deemed ineligible because Cedar Falls is not FERC licensed and we had not adequately demonstrated that the facility was owned and operated prior to 1920. Cedar Falls is our oldest hydroelectric facility and was started in 1902 and finally completed in 1914.

City Light submitted two applications for funding under this program. One for grid resilience investments and another for dam safety investments. The requested incentive amount for each project is \$5M. We also submitted two projects for Skagit and one for Boundary. US DOE has not yet announced funding for any facilities under this program yet. However, we are pleased that Cedar Falls is deemed eligible. We expect to hear about funding later this summer or early Fall.

7. Columbia River Treaty – We got word this week that there is an agreement in principle between the US & Canada on the Columbia River Treaty. This has been in negation for a really long time, and we have been involved in negotiations for this. We are glad to see this come to fruition, and it does look like there are favorable terms for the Pacific Northwest.

### **Q: How many MWh will the new port load add?**

**A:** Ultimately, their studies show 400 MW along all the berths along the waterfront, including some capacity to charge their trucks and run their repair shops, more than doubling their current load. This is part of what is driving the need for us to put a substation somewhere in the vicinity and we are already in talks with the Port to discuss this and they are supportive. This is maybe 10-15 years out as there will be right-of-way impacts; there is a lot to work out before we move forward.

### **Q: Who pays all the new infrastructure costs?**

**A:** That is still to be determined. We have done right of way and condemnation work since we will need to get transmission there. The land owned by the port, so we will need to work out access issues.

### **Q: Have any details been released on the treaty?**

**A:** No. There is a high-level summary that is public that we can share.

<https://www.whitehouse.gov/briefing-room/statements-releases/2024/07/11/statement-by-president-joe-biden-on-reaching-an-agreement-in-principle-on-modernization-of-the-columbia-river-treaty-regime/>

City Light actively participated in the process, as Dawn gave testimony a few months ago. It looks to have favorable terms. The treaty affects all the federal projects and BPA customers.

**2025 – 2026 Proposed Retail Rates.** Kirsty Grainger & Carsten Croff presented, along with Susan Gunn. Presentation materials are included in the Review Panel packet.

### **Q: Who is the typical streetlight customer? Is this the city or private?**



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**A:** It is primarily the City of Seattle's General Fund. They make up around 85% of the streetlight customer base. The remaining 15% is a mix, including surrounding districts, transportation authorities, and private customers.

**Q: is the demand charge based on coincident with system peak, or just peak per customer?**

**A:** It is individual peak for the customer classification, not coincident. If they meet the threshold for the customer class 6 months out of the year, then they are assessed that customer class demand charge.

**Q: Are these the actual proposed rates? The text says 'representative'?**

**A:** Yes, these are the actual rates for City Light customers.

**Q: Are you providing example costs on bills for people to decide if they want to switch or should they guess?**

**A:** Yes, this was a part of the technological backbone to provide a rate calculator to help customers make their decisions. This will be available before the Time of Use rate rolls out in mid-2025.

**Q: What is the election period, and can you opt back out?**

**A:** You can opt in or opt out at any time, though, if you opt out, you must wait one full year before you can reenroll.

**C: As you do your communication on time of use rates, you should also provide general tips on conservation as low-income customers can use that as well.**

**A:** Thank you for the suggestion. In addition to putting this out in our usual ways, one of the opportunities we have identified is outreach to our under-represented communities. We are establishing a two-year partnership with the Department of Neighborhoods to assist in getting the word out, using DON's established connections to spread information about programs currently available.

The communications team is currently running a *Lighten Your Load* campaign, with posts available on our website. The team is working on turning these posts into a toolkit for our low income customers.

<https://powerlines.seattle.gov/2024/06/21/how-to-stay-comfortable-without-using-a-lot-of-electricity-this-summer/>

**Q: For Time of Use rates, how did you pick midnight-6am? Wholesale market Off-peak is defined as 10 pm to 6 am.**

**A:** This has to do with the cost of power. Wholesale power prices can still be high from 10 pm to 12 am.

**Q: For TOU rates - would there be a benefit to having an off-peak rate period during solar hours (especially in summer), if we are focused on hourly wholesale power prices?**

**A:** We have not seen this yet in the Northwest. But if this occurs in the future, as solar penetration increases, we can revise our TOU rates.

**Q: What is the plan for time of use and opting out in the future?**

**A:** We are planning to start with opt-in to the TOU program in mid-2025. But in late fall 2026, we are looking at moving toward an opt-out system. However, before we move to opt-out, we want to make



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sure we do a lot of communications beforehand. We will be following SMUD's communication plan as it was highly successful with 88% of customers staying on the TOU rate.

**Q: Do you have an estimate for how much the TOU rates might reduce peak demand (as a %)? Do you know if they shifted load, or just reduced load during the pilot?**

**A:** Our residential pilot showed a 5% reduction in peak load. There are some qualifiers to applying this across the whole load – many of these customers that sought out the program and opted in were highly engaged. So, to use that 5% for all residential customers may be a stretch. The 5% reduction in peak was through shifting of load and total net load reduction was very small. Also, price signals could change that might change the customers response in the future. Over the next 10 years we are looking at a doubling of our load. This is a significant amount, and it is important we take every opportunity to reduce peak demand. This is not included in rate assumption for Time of Use rate in the revenue forecasting, but some mild shifting is in the forecast, but not what we would see from changing price signals or an opt-out program.

**Review Panel Workplan Discussion.** Julie Ryan presented.

The workplan includes items routinely presented to the Review Panel as well as topics in City Lights 2025-2030 Strategic Plan. During this discussion, the Review Panel additionally requested updates on regional issues that could impact City Light, such as the status of the Lower Snake dams. The workplan is dynamic and will be updated regularly.

**Q: What is the forecast on when the Canadian Treaty might be executed if all goes well?**

**A:** We shared the briefing in the meeting chat. There are some flood control measures that would need to go into effect this fall so we expect it to be executed by the end of the year.

**Q: In the workplan we wanted to talk about the hedging strategy. And City Light mentioned they would bring in a consultant, Please confirm this is on the workplan.**

**A:** Risk management presentation is an example of topics in the far-right column, in which the Panel has expressed an interest but there is not a specific date set yet. **A:** When we have something to share, we will add it to the agenda.

**A:** We have not brought in a consultant yet. Currently our focus is on the City Council approving the new procedures that we have been working steadily on for our wholesale risk management strategy (WERM) in August 2024. We need the policy and procedures in place, and then we need to operate under them for a while so we can audit it. Historically, we have passed that with flying colors. If you have additional questions, we can meet offline to understand your concerns

**Q: There have been some instances in which you paid a lot of money for power supply in past years. Is there a look back on that to see what might have been done differently? We have not heard about changes that have been made. Could we have a high-level overview?**

**A:** We did lessons learned on each event. And, we now have a power marketing officer in place, with



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Shiobhan in that role. We have covered power marketing extensively in prior RP meetings about the budget. We discussed how over the MLK weekend this winter, we had some savings, instead of incurring higher power costs. The team's strategy really paid off. Two other neighboring utilities paid \$35 and \$50 million in higher than budgeted power costs. If we have an extreme event in late August, we will need to buy some energy (although we have hedged). I should not go deeper than this because of confidential and market competition reasons.

**Discussion: September 25, 2024, Agenda** - Leigh Barreca presented. She will follow up with Panel members about their availability and interest in attending in-person in September.

**Adjourn.** The meeting was adjourned at 10:22 a.m.

**Next meeting:** September 25, 2024, 9:00 – 11:00 a.m.