



CITY LIGHT REVIEW PANEL MEETING
Meeting Summary for Tuesday, October 13, 2015
11:00 AM – 2:00 PM
SMT, Conference Room 3205

MEETING ATTENDANCE					
Panel Members:					
Name		Name		Name	
David Allen	✓	Julie Ryan	✓	Eugene Wasserman	✓
Tom Lienesch	x	Sue Selman	✓	Sara Patton	x
Chris Roe	✓	Eric Thomas	✓	Gail Labanara	✓
Staff and Others:					
Sephir Hamilton	✓	Karen Reed	✓	Kim Kinney	✓
Maura Brueger	✓	Tony Kilduff	✓	DaVonna Johnson	✓
Jeff Bishop	✓	Calvin Chow	x	Brendan O'Donnell	✓
Jim Baggs	✓	Greg Shiring	x		
Mike Jones	✓	CM Sawant	x		
Paula Laschober	✓				

The meeting convened at 11:05 a.m. Julie Ryan opened with a review of the agenda items. She noted the accelerated timeline for accomplishing the strategic plan update and the importance of identifying potential topics for the Utility's consideration soon: a running list of Panel ideas will be developed.

The September 18th meeting minutes were unanimously approved as submitted.

Public Comment: There was no public comment.

Chair's Comments: Julie attended the Georgetown Steamplant event on the weekend and advised the group that it was a great event and the SCL employees did a great job.

Julie reported that the Mayor has identified a first choice for the City Light CEO position. The Mayor's office hopes to make an announcement in November. There was discussion on whether the late arrival of a new CEO would affect the Utility's Strategic Plan direction and ability to complete it as scheduled. The group agreed that we should proceed on the schedule contemplated. Julie will email Deputy Mayor Joncas to inform her on the strategic plan schedule and interest in getting the new CEO up to speed and engaged quickly on the plan.

Lapsed Panel appointments: Julie reported she sent an email on the lapsed appointments to all three of the Energy Committee members, however, there has not yet been a response. **Action Item:** Tony Kilduff will do his best to ensure the Council appointments are taken up by end of year.

Communications: Kim noted the Panel received two emails to the general mailbox. One was a corporate citizenship inquiry from a Colorado Springs Council (Sephir Hamilton responded to this) and the second was a solar incentive cap concern. Kim responded and referred the solar cap concern to City



Light's Energy Advisors team. The Energy Advisors team sent a response letter to Mr. Brubeck addressing his solar cap concern.

Panel Charter: Karen reviewed the proposed changes to the Review Panel Charter with the Review Panel members. These are intended to sync up the charter with the Council ordinance adopted last year. It was recommended to change the wording from "unexcused" absences to "unexplained" absences. *The group voted unanimously to approve the Charter as so amended.*

Workforce Development:

DaVonna Johnson gave a presentation on strategic initiatives that support City Light's workforce, including:

- Attract, Retain & Promote Efficiencies
- Workforce Development
- Technical Training Center
- Safe Work Environment

DaVonna described the work in progress on the various initiatives and the achievements accomplished to date. She expects the updated Strategic Plan to propose some revisions and new tactics relative to workforce development.

3rd Quarter 2015 Strategic Plan Updates:

Jeff Bishop provided a presentation on the 3rd Quarter 2015 Strategic Plan Updates, including an overview on the major initiatives. He also touched on the IT transition where most City Light IT employees will be moved to a centralized Seattle IT group. He noted that reporting lines will shift in April 2016. City Light will retain the budget for 2016-2017 and then centralized IT will take the budget. Panel members expressed concern about consolidation of IT personnel because of the significant mission critical programs to City Light and possible undesirable impacts on safety, reliability and cost to the Utility. *The panel unanimously agreed to send a letter to the Mayor and City Council expressing strong concern about the impact of moving proprietary IT systems out of the City Light department.*

Action Item: Karen Reed will draft a letter from the Review Panel outlining concerns on the IT transition for the Utility's proprietary IT systems. The letter will be finalized after the draft is shared with all Review Panel members for comment.

Jeff provided a financial overview for 2016. He noted that retail power revenue is forecast to be lower than planned due primarily to lower consumption driven by unseasonably warm weather in 2015 year-to-date. Net wholesale revenue is projected to be \$36.4 million, which is \$28.6 million or 43.9% lower than the planned \$65.0 million by year-end. No surcharge is expected in 2015; however, there is a possibility that a surcharge will be triggered in 2016.

Timeline for Updating the Strategic Plan:

Maura Brueger gave a high level outline of the timeline for updating the strategic plan. Panel members asked for additional detail to be provided at the next meeting, since the timeline presented chiefly addressed outreach and the schedule to complete the content of the Strategic Plan. Several Panel members expressed concern about the accelerated schedule, noting more than one meeting per month may be needed to accomplish the work.



It was generally agreed that in order to maximize the Panel's opportunity to review the plan concepts, that public outreach should be deferred until March and be based on a more complete document, rather than going earlier with general concepts.

Action item: the Steering Committee will discuss development of a more detailed schedule for completing the work, and the Panel can review this next month.

Presentation: Solar Power – State Cap on Subsidy and Implications for City Light and its Customers:

Mike Jones provided a presentation on City Light's solar programs including Customer Generation, Community Solar, Education and Outreach. City Light is nearing its State funded solar incentive cap, which means that the Utility in a few months will have two options: (1) proportionally reduce the incentive payments to all solar customers by about 31%; or (2) stop accepting new solar applications for the State incentive program and continue paying customers already in the program the incentive at the rate in effect when it stops taking new participants. The Mayor's Office has decided the Utility should pursue option (1): reduce the subsidy proportionately. The Utility has done outreach to solar customers. City Light will continue to seek state legislation to increase the incentive cap.

Mike noted that solar power and electric vehicles have about equivalent offsetting impact to the Utility in terms of power being provided and increased power demand. The Mayor is interested in exploring electrification of the transportation industry which would include a lot more than electric vehicles—opportunities such as electric fork lifts and electrification in the Port are being studied.

Potential Strategic Plan Issues:

Panel members identified the following items as potential strategic plan issues for the Utility's consideration:

- Map 5-10 year needs of employee skillsets in our non-operational areas of the workforce.
- Pursue greater flexibility in managing employees/labor relations. Low-hanging fruit has been accomplished.
- Conduct an annual employee survey (last done in 2007)
- Adjust the apprenticeship program to allow apprentice slots to be filled without waiting for retirements (overlapping positions or other mechanism)
- Emphasize importance of IT to SCL success. Affects applications such as AMI, EMS, Billing System, etc.
- Financial policies: review and update as needed
- Efficiencies: Where are the cost control initiatives?
- What is the rate impact of the Mayor's UDP target?
- Electrification of transportation

The next Review Panel Meeting is scheduled for November 10th from 11:00 a.m. to 2:00 p.m.

Adjournment: There being no further business, the meeting adjourned at 2:15 p.m.