



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: July 16, 2019 | 11:00AM – 2:00PM | SMT3205

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	John Putz		Mikel Hansen	√
Sara Patton	√	Patrick Jablonski	√	Leon Garnett	√
Thomas Buchanan	√	Chris Mefford	√	Mikhaila Gonzales	√
Staff and Others:					
Debra Smith	√	Jen Chan		Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Carsten Croff	√	Leigh Barreca	√
Scott Thomsen	√	Calvin Chow		Maura Brueger	√
Gregory Shiring	√	Erin House	√	Kiersten Grove	
Eric McConaghy	√	DaVonna Johnson	√	Wendy Johnson	√
Joni Bosh	√	Brian Hawksford	√	Kathleen Wingers	√
CM Mosqueda	√	Andrew Reeves	√	Michael Karp	√

Welcome, Introductions. Gail Labanara convened the meeting at 11:07 AM and led a round of introduction. The group welcomed new Panel member Chris Mefford.

Public Comment. Joni Bosh noted she was there to listen to the discussion but had no other testimony. Also in attendance were Wendy Johnson and Brian Hawksford, who have been assisting with the low-income rate pilot.

Approval of Meeting Minutes of June 25. The meeting minutes were approved as submitted.

Chair's Report. Gail had no report.

Communications to the Panel. Leigh Barreca reported there were no communications to the Panel.

General Manager's Report. Debra Smith reported that the Utility is very busy. All four rate pilots are launching; work on her four priority areas is proceeding. Today we will hear about some of the work related to the customer experience and employee culture efforts. The Denny Substation grand opening has over 900 RSVPs. City Light's annual "family day" event is coming up soon; it is very popular with employees. The British Columbia mining issue in the upper Skagit River watershed is still under discussion. The study of the cause of the pole collapse on Marginal Way continues.

SCL in the news / other updates. There were no other updates.

Updates to the Roadmap. Leigh noted she is continuing to update the roadmap, but we will not review it today.



City Light Review Panel Meeting Meeting Minutes

Rate Pilot Presentation: Low Income Rates. Debra thanked Leon Garnett for his leadership in this effort. Kelly Enright presented.

Discussion points included:

- Who is leading the weatherization work? Is it being contracted out? A: City Light's Customer Energy Solutions group is leading this work.
- How many people are eligible for the Utility Discount Program (UDP) and how many are enrolled? A: An estimated 98,000 households are eligible, just under 33,000 are currently participating. SCL is working with Seattle Public Utilities on a marketing plan for the UDP.
- Increasing UDP enrollment is a core business priority. The goal is to have around 35,000 people enrolled by the end of 2019. Growth in enrollment is fairly sluggish.
- Will the pilot tell us about ways to increase enrollment? A: Yes it will test some new ideas.
- Landlord owned facilities are always a barrier to getting energy investments. Any plans here? A: We're looking into low interest loan opportunities for that.
- When will we know about the cost of this pilot? A: We're close to being able to provide that information.
- Why not recommend the subsidized kWh rate, no monthly charge rate option? A: Other options were not sufficiently different from current rates. A percentage of income approach would be too administratively complex. This pilot will help us learn things about different pricing options and how they impact behavior. The Utility is ensuring no customer enrolled in the pilot will be worse off from a City Light bill than they are currently.
- How will participants be selected? A: We are negotiating with Byrd Barr to help us find in-city participants that are also Byrd Barr clients. Total eligible population for the pilot is estimated at around 8,000.

Comments from Councilmember Teresa Mosqueda. The Councilmember shared that she was shocked to find out that the Review Panel is composed of volunteers. She would like to change that to reimburse folks for their time. She thanked the Panel for the work on the rate design study and asked how the Council could be helpful. She appreciated the work on rate design and is glad the Panel finally has all nine seats filled. She complimented Eric McConaghy for how quickly he has gotten up to speed on SCL issues. She is excited to be able to sell surplus City Light property for low income residential development.

Gail Labanara asked Councilmember (CM) Mosqueda what her response is to the Panel's rate design report? A: Eric should respond. Eric said the Utility is at a pivotal point. Transportation electrification is a key way to remain affordable and green. In the short term, the Council will be focusing on the UDP and Low-Income Pilot. Longer term, the challenge will be balancing priorities in rate redesign. The Electricity Imbalance Market results will also be interesting. It could raise SCL revenues. The big push is getting timely approval of the Low-Income Rate Pilot.



City Light Review Panel Meeting Meeting Minutes

Debra noted that we can't do rate design faster than by January 2021. SCL is focused on the rate design road map. Council needs to understand there's no slippage in the schedule for getting the pilots approved.

Gail Labanara noted that the Seattle Information Technology department support has been a particular challenge for SCL. They need to be on target.

CM Mosqueda noted that the April target for submitting the rate design report was to enable us to revise rates this year, in 2020. But obviously, there's too much work to do to make that happen. She supports the pilots and CM Bagshaw, current budget chair, is also on board. CM Mosqueda supports a January 1, 2021 implementation date for updated rate design. She wondered whether doing a joint presentation before Council between SCL, ITD and SPU would be helpful. Debra noted that the three department directors are in direct contact already about the schedule and coordination issues. Eric noted that numerous IT projects critical for SCL have come up in just the short time he has been on point for SCL issues at the Council. He further noted that the rate design work brought forward a lot of very helpful information—especially the focus groups and the survey of other utilities.

Mikhaila Gonzales noted that although she is new to the Panel it seems to her that the customer experience for low-income folks is important but there's nothing for the flip side: we can't have unlimited wealth for higher income customers. How can higher income customers help lower income customers? CM Mosqueda noted in response that low income folks don't have flexibility to respond to some of the incentives we make available. Mikhaila's point is an important overlay analysis for any recommendations.

Mikel Hansen noted that his firm is here because of cheap, green power. We don't want to chase out large energy users.

Patrick Jablonski agreed with Mikel that this is an important point. There is a big carbon disadvantage if those businesses move out.

CM Mosqueda noted that NUCOR has been asking for common sense solutions to their energy needs for many years. She believes we can do both.

CM Mosqueda said she would be happy to sit in on future Panel meetings and hopes to see the Panel soon at a presentation.

At this point, CM Mosqueda and her staff person, Erin House had to leave the meeting and the group took a short break.

Panel Work Plan through May 2020. Leigh noted that an updated version of the Work Plan is in the packets. She will continue to update it each month. Panel members noted that this is a helpful document.



City Light Review Panel Meeting Meeting Minutes

Strategic Plan Outreach Overview. Jenny Levesque presented. In May of 2020, SCL will transmit the first update of the 2nd six-year strategic plan. The next update will cover years 2021-2026. She noted the cross walk between the current plan's priorities (customer service, affordability, clean energy, core business), and Debra's priorities (create a customer-centric culture, revenue stabilization through rate redesign, innovation is electrification, enhance the employee experience, and "One Seattle."). Outreach for the upcoming update will be less robust than for the most recent plan.

Discussion points included:

- Last time, we did lots of research with customers before we focused on rates and actions. Customers couldn't react to the rate proposal. We should focus on being transparent about rate impacts of what we are proposing.
- Last time the process was very accelerated between March and May. It still feels very fast. There is not a lot of time for meaningful input.
- I'm concerned that the Panel will have the time to really digest the proposals being brought forward.
- The frustration last time was delay in getting rate data. For example, staff couldn't share the cost of the low-income rate pilot today.
- Kirsty explained that the major challenge in timing last time was getting the new retail revenue forecast finalized.
- Carsten Croff said that the cost of the low-income rate pilot will be very low, perhaps a couple hundred thousand dollars.
- Greg Shiring noted that every 15,000 in UDP customers adds 1% to the overall retail rates.

Panel Discussion Time. Vice-Chair Leon Garnett noted that with the new members on the Panel, he and Gail thought it would be good for the group to talk about their expectations for the Panel and its process. Gail talked about the importance of remembering that each of the Panel members is appointed to represent a different customer group. The first question posed to the group was about individual Panel member's SCL issues of particular interest and/or their thoughts on the role and value of the panel.

- Gail: My focus is on the revenue requirements and debt burden, and how the Utility manages these.
- Leon: The revenue requirement is key. I'm worried about support for low income customers if we don't get sufficient revenue. Customer education is also paramount for me, especially with the Customer Portal coming on-line. I am concerned also about the impact on low income folks.
- Patrick Jablonski: We bring important perspectives to the Utility to inform their plans. The Utility having competitive rates is really important to me; of all NUCOR's plants across the country, SCL's rates are the second highest which impacts our business. Manufacturing



City Light Review Panel Meeting Meeting Minutes

supports a diversified economy. There's value in keeping manufacturers on a carbon free grid.

- Mikel Hansen: My company, Sabey, is unique and has differing interests from many others. I would echo Patrick's views. We need SCL to be affordable. We need to talk more about the expense side of the equation and the debt ratio. I want to know more about the Energy Imbalance Market. We have a new CEO for the Utility: it's a great time to look at best practices. Focus on new opportunities. The role of the Panel is important in providing input to staff and constructive feedback.
- Tom Buchanan: We should engage ratepayers more; that's part of our mission and we haven't done a lot of that.
- Sara Patton: Energy efficiency is my interest, and low-income customers, as well as treatment of women and minorities within the utility. We need to be financially healthy. Yes, the Panel's role is advisory but we have a lot of influence. Our value is to staff; we bring diverse perspectives.
- Mikhaila Gonzales: I am concerned about the climate crisis, the impact it will have on food, energy and transit. We are part of envisioning our future. I bring this lens to the work.
- Chris Mefford: I am an economist. I am involved in a lot of big systems thinking and that's something I will bring to these discussions.

In terms of things that the Panel members agree we should continue to do, or stop doing or changing, the following comments were offered:

- This discussion is great. We should do this again.
- We need context for all our presentations. Please revisit that in introducing topics, to explain to us why we are having any particular presentation.
- Yes, more context would be very helpful.
- Be clearer about what is being asked of us in each discussion.
- Spell out jargon and acronyms – perhaps give us lists.
- I like having updates on our work plan monthly.
- Context for what we're talking about is really important.

Enhancing the employee experience: City Light Work-Place Culture. DaVonna Johnson presented. She noted that SCL employees report similar experience and values as do employees in national workplace surveys. Money is less important than people's bosses. DaVonna outlined a number of strategies the Utility is launching to pursue its vision of *"a workplace where all employees' interactions and experiences are aligned with Seattle City Light's core values. Where workplace practices and policies are in support of employee success and contribute positively to the culture."*



City Light Review Panel Meeting Meeting Minutes

The meeting was extended five minutes to allow DaVonna to complete her presentation.

Discussion points included:

- How many employees does SCL have? How many unions? What are the trends on both?
A: We have about 1,850 employees and 15 bargaining units. We've stayed flat on employees recently; we need more electrical workers and our apprenticeship program really helps here.
- How many apprentices do you have? About 40.
- Labor is what percentage of SCL's total cost? A: I don't know. **Staff will get that information to the Panel.**

The meeting adjourned at 2:10 PM