



CITY LIGHT REVIEW PANEL MEETING

Thursday, April 29, 2021

1:00 PM – 3:00 PM

Microsoft Teams Meeting

Proposed Agenda

<u>Item</u>	<u>Lead</u>
1. Welcome, Introductions (5 min.)	Leon Garnett, Panel Chair
2. Public Comment (5 min.)	
3. Standing Items: (5 min.)	
a. Review of agenda (Karen Reed)	
b. Action: Review and approval of meeting minutes of April 14, 2021	
c. Chair's Report (Leon)	
d. Communications to Panel (Leigh Barreca)	
e. Panel recruitment update (Maura Brueger)	
4. General Manager's update (15 min.)	Debra Smith
5. 2022-2026 Strategic Plan (60 min.)	
a. Outreach Summary	Jenny Levesque
b. Strategic Plan (Final draft)	Leigh
c. Continue Review Panel letter	Karen
6. Regional issues update (30 min.)	Debra
7. Adjourn	



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: April 14, 2021 | 9:00 AM – 11:00 AM |
Meeting held via Microsoft Teams “Draft”

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Scott Haskins	√	John Putz	√	Mikel Hansen	√
Sara Patton	√	Anne Ayre	√	Leon Garnett	√
Staff and Others:					
Debra Smith	√	Jen Chan		Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes	√	Tom DeBoer	√
Jim Baggs		DaVonna Johnson		Craig Smith	√
Kalyana Kakani	√	Emeka Anyanwu	√	Michelle Vargo	√
Julie Moore	√	Chris Ruffini	√	Maura Brueger	√
Greg Shiring	√	Carsten Croff	√	Leigh Barreca	√
Eric McConaghy		Toby Thaler	√	Angela Bertrand	√
Kathryn Aisenberg		Chris Tantoco	√	Vanessa Lund	√
Tim Skeel		Rollin Fatland (guest)	√	Marc Sullivan (guest)	√

Welcome\Introductions. The meeting was called to order at 9:03.

Public Comment. There was no public comment.

Standing Items:

Review Agenda. Karen Reed reviewed the agenda.

Approval of March 25, 2021 Meeting Minutes. Minutes were approved as submitted.

Chair’s Report. No report.

Communications to Panel Leigh Barreca shared that there were two communiques to the Panel, both were customer service related.

Panel Member Recruitment. Maura Brueger provided an update on the 3 vacancies: Economist, Residential, and Franchise cities. We are making progress on recruiting all but the Franchise cities position.

2022 – 2026 Strategic Plan.

Review Panel letter - Karen Reed reviewed the process for writing the Review Panel letter that will accompany the strategic plan when it is transmitted to the Mayor’s office and City Council. Materials are in member packets.



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Strategic Plan Draft – Vanessa Lund presented. The draft is close to final wording but is not the final designed formatting.

Q: What about customer surveys?

A: (Debra Smith) We are planning to alternate employee surveys and customer surveys each year. We delayed launch due to the pandemic, and plan to do an employee survey in 2022, then a customer survey in 2023 and keep that cadence moving forward.

C: Given how 'hot' Skagit relicensing, we may want to highlight that here in the "demonstrate leadership and collaboration" section.

Q: I asked about the long-term debt strategy – are we sticking with 1.8?

A: Reviewing the long-term debt strategy is listed as a tactic.

C: It feels buried for something we have been talking about for years. I want a commitment to look at this on a specific date. It does not matter where this appears, it just needs to be addressed.

C: General agreement from the panel. Suggestion to plug into Debra's letter and call out in other areas.

A: (Kirsty Grainger) This is one of three things that is very targeted for the outcome of affordable rates. We are going to look at our long-term debt strategy. We need to figure out when it makes sense for the Review Panel to engage on this. When we looked at the 6-year financial forecast, we are already working this into our long-term strategy in out-years. This might be hard right now because we have a very big short-term issue limiting our capacity with 20% of our customers behind on their bills and other strategic issues that need to be staffed.

Q: On the rate increases, that incorporates inflation. Are they nominal and including inflation?

A: (Kirsty) Yes, this is what a person would see on their bill including inflation.

Q: Are the appendices attached to the Strategic Plan for all audiences?

A: Being a public utility, they will typically be all attached for all purposes.

Outreach Update – Jenny Levesque presented.

Q: Could you characterize what the stakeholder reaction was to your presentations---from wildly enthusiastic to concerned?

A: Overall, positive though not wildly enthusiastic. They agree with the general direction but have questions about customer programs. There have been questions about Skagit, with it being in the news. We did not encounter big objections or concerns.

C: BOMA has concerns about robust building electrification, but NWECC is enthusiastic. That is why we schedule numerous meetings to hear multiple voices.

Q: When you anticipate finalizing the outreach appendix?

A: The plan is to finalize by April 30.



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Panel Letter: Panel provided comments as to what they want to include in their letter. (full comments below)

General Manager's update. Debra Smith reported on the Skagit relicensing project. All the documents are available online. We changed out our team and revised our strategy. We doubled our investment in the study plan including studying fish passage at all three sites. We feel like our study plan addresses most concerns. We said we would not do a study on removing the Gorge Dam. I particularly want to draw your attention to the commitment letter. It discusses our commitment to rewatering the dry river bed below the Gorge Dam. We are starting on that right away. Another major commitment is to create an Environmental Restoration Fund funded \$2.5M with an additional \$500K each year of the license. These funds would be distributed by a select committee including Tribal and other representatives.

Panel Communications. Michelle Vargo provided an update one of the two communiques mentioned earlier in the meeting by Leigh Barreca. The communication involving a customer whose Wallingford home is across the street from two City Light properties. He feels that the level of noise is excessive. Michelle is talking with him and her crews to determine if any mitigation is possible.

Adjourn: Meeting adjourned at 11:05 a.m.

Next meeting: April 29, 2021

Initial Letter Comments:

1. Statement of Overall Support
 - Overall supportive. It's thoughtful and the staff has put a lot of effort into creating something that is forward thinking.
 - I concur. There are still a lot of things that need to fall into place and it's an extended plan with reason to revisit. It strikes me as very internally focused, which is how it should be. Maybe more regional thinking and views of the future as we start to do more regional planning. The commercial aspect is pretty quiet throughout the plan and we're all going to need continuing economic development; electricity is a wonderful resource to provide jobs. When I say "regional future" what I mean is with electrification of transportation, where is King Co on this, where are the suburban cities? How do we intersect with PSE? We need to think regionally around infrastructure activities.
 - At the risk of irritating everyone I'll quote Eisenhower "plans are useless, but planning is everything." Forcing ourselves to think strategically is important and the plan is fine.
 - No additional comments. Generally, in support, concerns about long term debt strategy.
 - Generally, in support, I concur with what has already been said. I'm eagerly staying tuned to see the execution of the plan. Other comments: I feel like SCL has been very receptive to Panel feedback. With these plans, we cast a broad net. In a quickly changing landscape that SCL can stay true to ambitious goals. The goals are good.
 - I support the plan. It is thorough. I appreciate the wide net, but also the way that



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leadership and staff engagement has been a part of the plan. A lot of data and information is incorporated. I acknowledge the response to COVID with regard to revenues is a difficult situation. The customer outreach, we had some things to say, and we appreciate that it has been incorporated. We are all looking at future/current uncertainties, how will this be executed and how all the pieces will play out and be balanced.

- **DS Response:** We just finished the operational plan. Sara's quote about the plan vs planning is key. We now have an operational plan. It is very detailed and is not something the RP has been a part of in the past.

2. Comments on current context?

- You hit the nail on the head on equity concerns. Call out increase in UDP enrollment as a success with more work to be done as an opportunity for the utility to provide more support to the community.
- Most notable change/success is the leadership. It's the best it's been since I've been involved. I tip my hat to Debra. It's a tough operation you're overseeing that is evolving at warp speed. The labor and personnel issues are huge. That's the most impactful positive change. What is different is the revenue problem is still an unknown. Hopefully, electrification helps dramatically, and there's a lot of uncertainty. That will be a continual obstacle.
- I agree with prior comments. I would note that the changes due to COVID and the RSJI concerns will have big impacts on how to handle account arrears. It's going to be complicated and fall heavily on low-income customers. Climate change also brings in all of these things and balancing beneficial electrification.
- I would wholeheartedly agree with the second comment about the leadership being heads and shoulders above where it has been. I think the load forecast and having that as a realistic look ahead and planning to that is a big improvement. I appreciate the direction things have been going despite the challenges that have been mentioned. Questions remain about the long-term debt strategy – we need to be prepared. Generally, very positive since Debra has come onboard.
- Defer to other panel members. My view on major issues for SCL now and in the future is consistent with what has been said. Being prepared if revenues from increased electrification are not all we hope they will as well as RSJ/equity concerns. The fact that SCL is responding rapidly in a rapidly changing landscape bodes well.
- I think the effort put into this strategic plan is exceptional and the information we have received is detailed and exceptional. You've already identified the differences from 3 years ago. Change management is going to be vital in getting from where you are to where you want to be. We'll have more conversations about finances and I'm interested in looking at O&M & CIP relative to assets. Flat O&M raises some flags. In the out-years we may wind up seeing variation or necessary program changes and I look forward to those conversations. Flat O&M and rates down are nice goals however we don't want to ruin infrastructure with this goal. You need to consider how do asset management principles apply.



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3. Comments on financial condition

- I think it's good to mention the innovative thinking to keep rates low with the approach to the rate path. I'm in agreement about needing to mention debt management and what those strategies might be.
- I echo debt management, receivables, and declining load are all important
- I agree with comments, but also with the concern about being clear on how much the utility can cut costs and maintain a viable infrastructure.
- Fourth what others has said. I like the commitment to low, consistent rates. A fuller view of the implications would be good to see. I know there have been some capital projects pushed out. Just keep track of spending AND revenue.
- I remain consistent with what has been said.
- Nothing to add except the utility is in a strong, stable financial condition. We've maintained a high bond rating. Also, we haven't mentioned affordability. Not just keeping rates low, but affordable to underrepresented populations.

2022-2026 Seattle City Light Strategic Plan

Recover, Refocus, Restart

4-27-21 DRAFT

Letter from the General Manager and CEO, Debra Smith

Over 900,000 people in the Seattle area rely on Seattle City Light every day to keep their homes comfortable, businesses operating, and communities vibrant. It is our responsibility and privilege to provide our customers power that is reliable, affordable and environmentally responsible.

Like many things in 2020, our strategic planning process stopped abruptly when COVID-19 hit. We quickly pivoted to focus on the immediate safety and health of our community, customers, and employees.

I am so proud of the work done by Seattle City Light staff. They quickly learned new ways to work, from virtual meetings to new work safety requirements. In a time filled with fear and uncertainty, they stayed focused on taking care of our customers, neighbors, and their colleagues. They made sure people were safe, helped those who were struggling to pay, and maintained progress on critical projects.

Now, with a hopeful eye to the future, we have returned to our strategic plan. We know times are still uncertain, and that our region's recovery is likely to be sporadic. But the plan is our North Star, keeping us orientated to where we ultimately intend to be.

As a public utility, our goals are defined by our customers and the communities we serve. The public has made clear they expect us to deliver affordable, reliable electricity in an environmentally responsible way. They also count on us to handle any crisis that comes along, while we meet their evolving needs. That's why we need a shared vision, institutional flexibility, and more than one path to becoming the utility of the future. I believe this plan defines our destination while maintaining the flexibility we will need to deal with the uncertainty ahead.

A strategic plan is no substitute for values. I'm proud of Seattle City Light and the values we share with the communities we serve. We will continue to deliver reliable energy to our customers while working to also improve the environment, advance equity, achieve excellence, put customers first, and take care of our employees.

We are honored to be a force for the Seattle area's recovery as we work together to build a more equitable, sustainable future.

Thank you,

[SIGNATURE]

ABOUT CITY LIGHT

Seattle City Light, a department of the City of Seattle, is one of the nation's largest publicly owned utilities in terms of the number of customers served. Our customers include the cities of Seattle, Shoreline, Burien, Lake Forest Park and portions of Normandy Park, Tukwila, Renton, SeaTac, and unincorporated King County.

We are funded by customer revenue, not taxes, and governed by the elected leaders of the City of Seattle.

As a recognized national leader in energy efficiency and environmental stewardship, Seattle City Light provides low-cost, reliable, and environmentally responsible electric power. We meet over half of our customers' electric needs from hydropower dams owned and operated by Seattle City Light, most of the remaining by hydropower purchased from the Bonneville Power Administration and investments in renewable and conservation resources. We are proud to offer our customers some of the lowest electricity rates in the nation.

Information in the box below is being updated (LB)

By the Numbers

Service Area Population: 940,000
Customers
 Residential: 419,601
 Non-residential: 50,779
Personnel (FTE): 1,791
Meters: 461,496 (97% Advanced Meters)
Distribution Circuit Miles: 2,330.9
Major Substations: 16
Commercial/Industrial Power Transformers: 56
Network Distribution Circuit Miles: 309
1,806,000kW: Peak Use
13.59 aMW: Annual Energy Savings from Conservation

Source: 2019 Annual Report and 2018 Fingertip Facts

About our planning period:

Typically, Seattle City Light's strategic plans cover six-year periods. However, due to COVID-19, our planning process was delayed in 2020 and this plan was revised from a six-year (2021-2026) to a five-year (2022-2026) period.

We'll resume the six-year planning cycle with the 2023-2028 Strategic Plan.

MISSION, VISION, VALUES

Our Mission

Seattle City Light provides our customers with affordable, reliable, and environmentally responsible energy services.

Our Vision

Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

Our Values

CUSTOMERS FIRST: We believe customer service is everyone's job. We pledge to be approachable, respectful, and responsive in providing products and services that our customers want and need.

ENVIRONMENTAL STEWARDSHIP: We care about the environment and we are dedicated to enhancing, protecting, and preserving it for future generations.

EQUITABLE COMMUNITY CONNECTIONS: We are proud to be a local, community-owned utility. We are visible and actively involved in the communities we serve. We are rooted in our commitment to racial diversity, social justice, and the equitable provision of services to all.

OPERATIONAL AND FINANCIAL EXCELLENCE: We strive for excellence, are forward-focused, and seek new and innovative solutions to meet the challenges of today and tomorrow. We prioritize our investments and operating choices to build upon our strong financial foundation and solid, reliable infrastructure.

SAFE AND ENGAGED EMPLOYEES: We actively practice our commitment to employee and public safety. We treat each other with kindness and respect, are personally accountable, and work effectively in teams.

FROM PANDEMIC TO PROGRESS

In 2020, the utility faced extraordinary challenges — the coronavirus pandemic, the shuttering of businesses and massive job losses, dangerous air quality, and heightened calls to address racial disparities and injustice. Throughout these difficult times, the utility adapted to provide safe work environments for its employees, maintain essential services to customers, and learn from the experience to build a stronger utility moving forward.

Progress Highlights:

Responded to COVID-19

We mobilized quickly and comprehensively to continue delivering services during a severe public health, economic, and social crisis. Our employees found new ways to adapt their work – from rethinking how crews deploy to setting up home offices (often next to home-school classrooms.) We also restricted planned outages to reduce impacts to customers.

COVID-19 forced us to adjust plans and practices to respond to new norms and changing demands for service. Our workforce was agile, resilient, and caring. In the face of great uncertainty and distress, we honored our mission, lived by our values, and provided help to the most vulnerable among us.

Utility Relief for Customers in Response to COVID-19:

In coordination with the City of Seattle, City Light:

- Provided more flexible payment plans
- Helped eligible residential customers self-certify for Utility Discount Program
- Reached out to small businesses with delinquencies to offer flexible payment plans
- Waived interest charges/late fees on delinquencies for eligible businesses
- Expanded emergency assistance to help with high balances

Advanced Our Carbon-Neutral Transportation Future

The utility's Transportation Electrification Strategic Investment Plan identifies what's necessary to expand transportation electrification to meet our carbon-neutral goal. The plan describes how data and community and stakeholder input will help build an equitable and electrified transportation system.

The plan is already in action. We're working with King County Metro and Washington State Ferries to build the necessary electrical infrastructure to support public transit electrification. This will significantly benefit communities that rely on public transit and will reduce air and noise pollution where impacts are greatest. We've expanded electric vehicle charging infrastructure, invested in electrification of our fleet, and started constructing a charging depot for municipal and private fleets. We are also piloting time-of-day rates that enable transportation electrification by encouraging off-peak vehicle charging for residential and commercial customers.

We'll build on these existing commitments to develop future offerings to support equitable electric transportation for all and reduce emissions across the region.

Made Customer Service More Personal and Convenient

We are committed to continually improving our service to customers. As customer expectations and technologies change, so must our business practices. We've transformed many important customer services, such as launching a Business Customer Service Center pilot program that provides concierge services and developing an online customer portal. The portal includes improved account management tools and the ability for customers to see and respond to real-time usage data. This means customers can easily open and close accounts through self-serve options and businesses have tools to make their work easier.

Invested in Critical Infrastructure and Assets

We continue to make strategic, reliability-enhancing investments in our generation, transmission, and distribution systems.

Hydropower is clean, carbon-free energy and provides about half of our customers' power. We upgraded our hydroelectric generation with improvements in dam safety and long-term system and facility planning.

The replacement of aging wooden utility poles was particularly important and challenging in 2020 due to the need to limit planned outages. Thanks to committed crews and staff, we were able to significantly accelerate our pole replacement schedule and develop a robust strategy to replace poles that require long-duration permitting efforts.

Additionally, we invested in undergrounding facilities along the Seattle waterfront and added capacity for light rail.

Joined the Western Energy Imbalance Market

City Light joined the Western Energy Imbalance Market (WEIM) in 2020. This advanced market system automatically finds low-cost energy to serve real-time consumer demand across the West. WEIM enhances grid reliability and generates cost savings for participating utilities. In addition to providing economic advantages, the market improves the integration of renewable energy, which leads to a cleaner, greener grid. The City Light team successfully entered WEIM during an unusually challenging time and our first year of participation has had positive financial results.

Earned the Highest Reliable Public Power Provider Designation from the American Public Power Association (APPA)

In 2021, City Light was one of only 47 utilities to earn the Diamond Reliable Public Power Provider (RP3)[®] designation from the APPA. This award recognizes public power utilities for proficiency in reliability, safety, workforce development, and system improvement. This three-year designation shows the utility's dedication to safety, reliability, and sound business practices.

PERFORMANCE METRICS

Purpose	Measure	2016	2017	2018	2019	2020	TARGET 2021
Reliability	Outage Duration: SAIDI ¹	61.0	64.5	58.3	71.9	67.0	64.3
	Outage Frequency: SAIFI ²	.50	.40	.50	.50	.49	.47
	Generator Availability	83.8%	81.5%	89.1%	84.1%	77.1%	81.4%
	Miles of Line Trimmed ³	553	417	373	408	323	400
Clean Energy	Energy Efficiency Incremental Average (aMW) ⁴	14.0	15.4	14.4	13.0	14.2	10.6
Social Justice	Utility Discount Program Participants	28,000	33,000	31,924	34,028	42,094	n/a ⁵
	Purchases from Women & Minority Business Enterprises (\$ millions)	\$15.20	\$14.00	\$11.50	\$13.00	\$19.70	\$16.37
Finance	Debt Service Coverage	1.70	1.90	1.80	2.10	1.66 ⁶	1.79

¹ SAIDI – System Average Interruption Duration Index (average total number of minutes per year of sustained outage per customer served)

² SAIFI – System Average Interruption Frequency Index (average number of times a customer's electric service was interrupted in the year)

³ Tree trimming and vegetation management as measured by transmission line miles

⁴ Measures our performance toward reaching our state-mandated energy savings target. In 2020, in-home services were suspended for safety due to COVID-19.

⁵ There is no Utility Discount Program or Emergency Low-income Assistance Program target for 2021. Instead, the focus will be on improving the application process and removing barriers to apply--thereby increasing the number of new enrollees.

⁶ Unaudited

ABOUT PLANNING

Our customers rely on us to keep the power on, no matter the situation. To do this, we need a clear vision of where we want to go and plans for how to get there. These plans must continually adapt to changes in our community, the industry, and the world.

Our values, mission, and vision shape all our planning. They reflect who we are, why we're here, and what we aspire to. Our vision is where we are headed and our source of inspiration.

The strategic plan guides us on our path. It's our North Star – a navigational aid to help us get to our destination. The Plan takes a high-level, longer term view; it identifies our key strategic assets, and it leverages these assets to help us navigate uncertainty.

The strategic plan informs other detailed and more frequently updated plans.

Our annual workplan sets service and performance goals and guides our day-to-day operations. Financial plans such as the Capital Improvement Program, rate trajectory, and budget help us manage our resources wisely.

Our Planning Process



Strategic Plan 101:

WHAT? A framework for making informed decisions to meet current and future needs of SeattleCity Light and its customers.

WHO? Seattle City Light's executive team leads the planning effort with input from the Seattle City Light Review Panel, City of Seattle policymakers, community members, business representatives, customers, employees, and other stakeholders.

WHY? Disruption is the new normal. Pandemics, climate change, evolving customer needs, new technologies, and a generational wave of retirements are just a few of the disruptive forces creating major challenges for our industry.

COMMUNITY VOICES

We Heard From You

Seattle City Light uses insights from customers and the community to inform our strategic planning and daily work.

In March and April 2021, Seattle City Light met with 11 stakeholder groups to present the utility's draft 2022-2026 Strategic Plan. This included the City Light Environmental Advisory Board, members of the City's Environmental Justice Committee, the Seattle Renters' Commission, representatives from the utility's franchise cities, members of the NW Energy Coalition, representatives from the Seattle 2030 District and Business Owners and Management Association, representatives from the Multi-Service Center and Hopelink, and representatives from the utility's managed accounts.

Several presentations were given to Seattle City Light staff — including presentations to our Race and Social Justice Change Team — and a Virtual Town Hall was held on April 15, which was open to the public.

In total, City Light engaged with over 200 individuals who brought a variety of perspectives to each discussion about the priorities presented in the Plan.

Feedback

- Areas of interest expressed:
 - Having a greater voice in the direction of new City Light programs
 - Seeing City Light programs and initiatives roll out at a quicker pace
 - Supporting City Light's plan to control debt
- Opportunities identified:
 - Aligning City Light's customer-facing programs with other City departments
 - Reimagining City Light's bill assistance programs to help those in need who may not be served by existing programs
 - Looking at energy burden holistically and reimagining assistance options
 - Lifting up and supporting environmental justice work already underway at the community level

CITY LIGHT REVIEW PANEL

The City Light Review Panel⁷ provides advice and recommendations to the Mayor and City Council on the utility's strategic plan and rates. The panel includes representatives from private, public, and nonprofit sectors, utility experts, business leaders, and community representatives. They meet with City Light leaders regularly and provide valuable input that helps shape the development of the strategic plan and other efforts.

Leon Garnett (Chair), Low-Income Customer Advocate

Mikel Hansen (Co-Chair), Commercial Customer Representative

Anne Ayre, Industrial Customer Representative

Scott Haskins, Utility Financial Analyst

Sara Patton, Non-Profit Energy Efficiency Advocate

John Putz, At-Large Customer Representative

Tim Skeel (pending confirmation), Economist

Ending Institutional Racism in Government

City Light takes its lead from the City-wide Race and Social Justice Initiative (RSJI) to end institutional racism in government. The Initiative's long-term goal is to change the underlying system that creates race-based disparities to achieve racial equity in our community. Developing a utility-wide culture of learning around identity and power is essential to making equitable decisions in how we work with each other and customers. City Light's commitment to advance race and social justice continues building on efforts to:

- embed equity in utility decisions by strengthening our use of the Racial Equity Toolkit;
- identify and remove barriers to equitable employee and customer experiences; and
- deepen staff education, engagement, and leadership development around our collective practice of anti-racism.

⁷ The Seattle City Light Review Panel was created March 22, 2010 through City Ordinance Number 123256. There are currently two panel vacancies—the residential customer and suburban franchise cities representatives.

OUR BUSINESS STRATEGIES

Our business strategies are broad, multi-year areas of focus that will help us achieve our vision.

Improve the Customer Experience

The energy industry is evolving, and as it does, customers will benefit from more customized services.

Although Seattle City Light has always kept the customer at the heart of our work, changing expectations, as well as emerging needs, mean we need to do even more. We are focused on engaging with our customers and helping employees see the impact of their actions from the customers' perspective.

When we listen to our customers and act on what we hear, we are better able to anticipate needs, deliver excellent service, and help our customers make smart energy choices that help them and the planet.

Objective:

- Consistently meet customers' needs by providing employees opportunities to deliver targeted and responsive solutions.

Success Measures:

- Customer satisfaction scores from industry experts and our own research (e.g., J.D. Power rating and Seattle City Light longitudinal benchmarking survey)

Projects, Initiatives, Activities:

- **Integrate the "Voice of the Customer" into our organizational culture:** We will make use of customer research and engage with and equip our employees with the tools, skills, and support they need to prioritize customer needs and make "Customers First" a reality.
- **Strengthen and fix core customer services:** Service delivery will be improved by redesigning old processes (e.g., Implement Advanced Meter Infrastructure Phase 2, identify and resolve customer pain points through the multi-year "Service-to-Bill Process Improvement Project" which includes appropriately resourcing customer engineering services and improving service delivery timelines.)
- **Expand customer service options:** To meet customers' individual needs, we will develop new programs and services. For example, we will grow programs such as the business customer service center pilot, offer new energy efficiency programs, and provide public and residential home charging pilots. We'll also work with community partners and the City to increase the effectiveness of our utility bill assistance programs.

CREATE OUR ENERGY FUTURE

Our energy future is based on carbon-free renewable resources. However, moving away from fossil fuels will require significant commitments and partnerships. New infrastructure is needed to ensure electricity can be accessed wherever and whenever people need it. Similarly, customers will need more options for accessing and paying for electricity.

Our energy future must also have robust safeguards in place to prevent and mitigate against serious and evolving threats. Our city and society rely on the electric system to deliver essential services that, in turn, support other critical sectors such as financial services, communications, transportation, and other utilities. This makes us a top target for attack. We must be vigilant in continually tracking risks, addressing vulnerabilities, and securing our assets.

Objectives:

- Build and maintain a smart, resilient, flexible, dynamic, and reliable grid infrastructure
- Prepare for the increased integration of distributed energy resources and more customer options
- Work to reverse historic inequities and avoid collateral harm to underserved populations by intentionally prioritizing their needs as we create our energy future

Success Measures:

- Increased load and revenue associated with electrification
- Penetration of automation on our grid
- Reduction of emissions in Environmental Justice communities

Projects, Initiatives, Activities:

- **Fund and implement the 'Utility Next' portfolio:** Utility Next will enable projects needed to achieve Seattle's clean energy vision. This includes transformation of our grid, while also contributing to the long-term economic recovery, and clean energy development of our region. Projects in this portfolio will modernize the grid, support large-scale renewables and storage, expand transportation electrification, prepare the workforce to meet the needs of the future, reinvent large capital projects, and advance building electrification. (See appendix for more details.)
- **Implement grid modernization roadmap:** Our carbon-free future depends on the electrification of transportation and other economic sectors; and this requires a stronger, smarter grid to handle the increased consumption. The roadmap will show us the way forward and prioritize investments needed to support electrification and increase grid flexibility, automation, reliability, and resiliency.

- **Implement electrification plans:** We will develop, offer, and implement programs authorized by the Transportation Electrification Strategic Investment Plan, meet building electrification objectives that are consistent with City policies and codes, and support the development of the clean energy workforce.
- **Integrate distribution system and resource planning:** The Integrated Resource Plan will be aligned and incorporated into other complementary planning efforts, including transmission & distribution planning, environmental planning, and the Clean Energy Transformation Act (CETA) Implementation Plan.
- **Demonstrate leadership and collaboration:** We will lead long-term regional decarbonization and electrification planning efforts, collaborate to ensure the capacity and availability of carbon-free generation resources, and support the development of regional solutions. As part of Skagit Relicensing, we will partner with government agencies, sovereign Tribes, and regional stakeholders on environmental studies and mitigations to continue to deliver environmentally responsible, safe, and renewable energy.

DRAFT

DEVELOP WORKFORCE AND ORGANIZATIONAL AGILITY

Our industry is transforming quickly, and so are our customers' needs. Our products and services must keep pace. Seattle City Light employees are essential to this evolution, which is why we must continue to build their skills, create a supportive and diverse culture, provide them with the right tools and resources to help them succeed and stay safe, and make sure there's a talent pipeline to fill and promote the jobs of the future.

Our jobs aren't easy – and some are very dangerous – so making sure our workforce is well-trained and prepared is critical.

Investing in our people and processes will pay off for customers through increased accountability, new efficiencies, better customer service, and new service offerings.

Objective:

- Foster an organization that is nimble, adaptive, and responsive and cultivate a workforce empowered to support social justice

Success Measures:

- Workforce development and culture metrics (e.g., diversity, recruitment, employment, promotion and retention measures, and employee culture survey results)
- Development of foundational and equitably distributed resources and training to do their jobs successfully

Projects, Initiatives, Activities:

- **Institutionalize organizational change management:** A formal change management program will be established to provide consistent structure, standards, training, coaching, and resources. This will help employees successfully adapt to and master changes in job functions, business processes, and technology usage.
- **Build an agile workforce:** Our work in this area will include anticipating new strategic staffing needs, providing training and development opportunities that prepare employees for the future, supporting the culture change needed for future success, and building a workforce that reflects our community's diversity.

ENSURE FINANCIAL HEALTH AND AFFORDABILITY

Financial stability is essential to everything we do. Responsible financial planning makes it possible to develop innovative energy solutions, plan for critical investments, and keep our rates affordable.

Some of this work is internally focused, with a long-term debt strategy and improved budget monitoring. But when we make progress in these areas, our customers benefit with more choices and stable and affordable prices.

Objective:

- Support long-term affordability in Seattle by offering rates that are transparent, understandable, reasonable, equitable, and consistent for all customers, including vulnerable populations. This commitment includes developing a sustainable and predictable approach to setting rates over time.

Success Measures:

- Rate path delivered according to current and prior Strategic Plan commitments
- A debt service coverage ratio of 1.8 or higher
- Capital financed 60 percent or less by debt

Projects, Initiatives, Activities:

- **Control rate increases:** While City Light's rates need to keep up with costs to keep the lights on, the utility is committed to holding rate increases to a trajectory that resembles inflation. To do this, we will restructure our project tracking and improve budget management to drive accountability. This will allow us to lower labor costs and right-size the capital program. Because prudent debt management is crucial for affordability in the long-term, City Light will work with the Review Panel to develop targets and policies to inform our capital financing strategies.
- **Price services for the future:** In our new energy future, clean energy technologies will power our homes and businesses, small generation sources, like solar, will become more common, and transportation electrification will continue to grow. The way we structure our rates needs to adapt to the new energy future, too. Building on new technology from advanced meters and billing system upgrades, City Light will continue to deliver the strategies outlined in our 2018 Rate Design Report by rolling out new pricing options that encourage decarbonization and grid flexibility, while also helping residents and businesses manage their energy costs.

WE POWER

'We Power'⁸ refers to our core function as a utility in providing electricity services to customers. This is central to all we do and reflects the core mission of our workforce.

As we work on the new efforts outlined in this strategic plan, we will remain committed to our core business operations and delivering value to our customers in Seattle and our franchise cities.

Objectives:

- Continue to advance our mission of providing our customers with affordable, reliable, and environmentally responsible energy services
- Prioritize diversity, equity, and inclusion in all that we do
- Actively manage and mitigate the constraints, risks, and uncertainty of operating in a COVID-adjusted environment

Success Measures:

- Operational dashboards will track performance metrics for each line of business

⁸ 'We Power' reaches beyond the City of Seattle. We also serve customers in Shoreline, Burien, Lake Forest Park and portions of Normandy Park, Tukwila, Renton, SeaTac, and unincorporated King County.

KEEPING CUSTOMERS BILLS AFFORDABLE AND STABLE

City Light's rates are designed to collect the revenue needed to maintain existing and planned operations while also moving forward on the strategies, programs, and investments in this plan. Our revenues must cover debt service, operations and maintenance, and costs associated with delivering power.

Factors Driving Rates

Infrastructure Investments – These are the costs for capital work, and to repay bonds taken out to fund past, present, and future capital programs. Major capital projects currently in progress include replacing utility poles, Boundary Hydroelectric Project licensing mitigation, and Skagit River Hydroelectric Project relicensing.

Debt Service Coverage – Debt service coverage measures the ability of an organization to use its operating income to repay all its debt obligations, including repayment of principal and interest on short-term and long-term debt. City Light financial policy (Resolution 31187) requires us to have debt service coverage well above (1.8 times) what is required to pay our debt obligation. Our strong financial record gives us a favorable bond rating and lower borrowing costs.

Operations and Maintenance, Taxes and Other – These are the costs to run the utility and maintain our plants and equipment. This broad category includes costs associated with power production, distribution and transmission, customer services, and administrative support.

Power Costs – These are the costs to purchase power and the transmit electricity. These costs can vary dramatically due to climate and market forces. More snowpack in the mountains gives us more hydro resources, for example. By the same token, drought may reduce our revenue. City Light's largest purchase power contract is with the Bonneville Power Administration,

Declining Retail Demand – The decline in electricity consumption creates upward pressure on rates. Our current rate structure is primarily based on how much electricity our customers use; if customers use less electricity, the utility collects less revenue. Maintaining the power infrastructure is very capital intensive, and these fixed costs do not shrink with less energy use. That reality can be at odds with our longstanding ethic around conservation, and the wise use of electricity. Looking into the future, the electrification of transportation and buildings offers new opportunities for load growth to reduce upward rate pressure. City Light's current load forecast is shown in the chart that follows.

PLANNING FOR FUTURE DEMAND

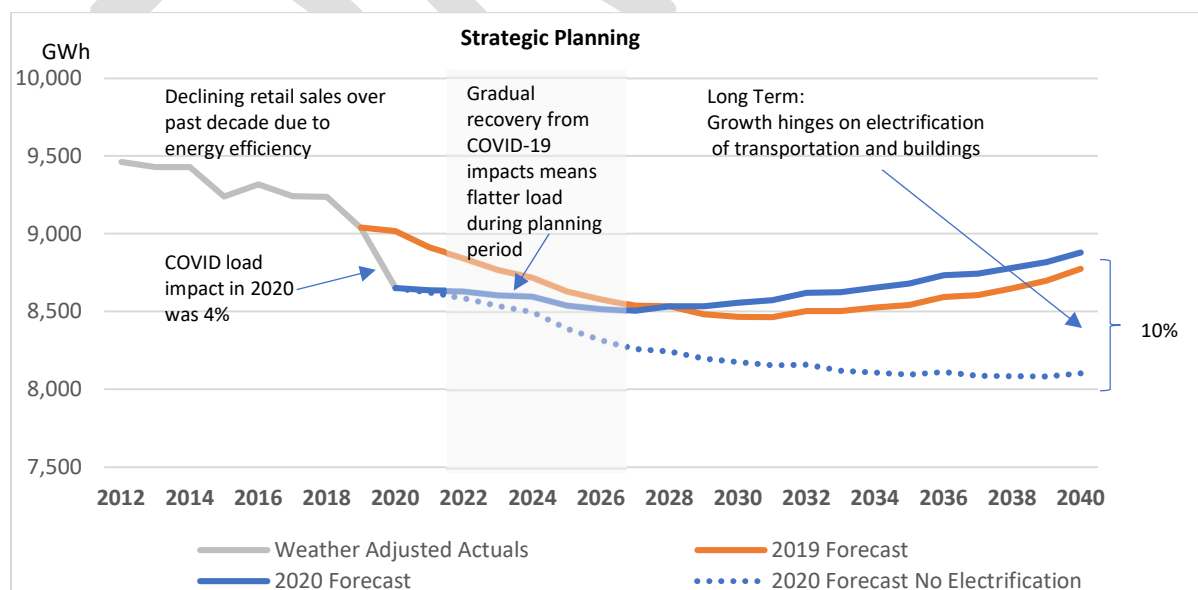
Forecasting future demand for electricity is very important so City Light can balance supply and demand and minimize our bulk electricity costs.

Even as the Seattle region has experienced explosive growth over the past decade, City Light customers' energy consumption has been trending downward due to advancements in energy efficiency, and our commitment to helping customers use less.

In 2020, COVID-19 struck and stay home orders were enacted across the region. City Light saw a sharp drop in demand for electricity as commercial spaces across our predominantly urban service territory emptied. City Light also saw reductions in demand for electricity from offices, schools, universities, and places of gathering like churches and theaters. While residential demand for electricity increased some due to telework, this increase was surpassed by commercial load decline. The timeline for economic recovery from the pandemic, particularly in the downtown core, will be a key driver for Seattle-region electricity demand during the upcoming five-year planning horizon.

Looking further into the future, City Light sees electrification of buildings and transportation as key to stabilizing demand for electricity. The speed at which our region moves away from fossil fuels through changing building codes, adoption of electric vehicles, and other climate change policy all have the potential to significantly impact City Light's future retail demand. (See chart below.) It will also impact future capital investment as we upgrade parts of our transmission and distribution system to accommodate the increased demand. We do not anticipate problems in securing the power needed to serve our retail customers, even with increased sales.

Seattle City Light Retail Sales Forecast



FUNDING THE PLAN: OUR 5-YEAR RATE PATH

Seattle City Light is committed to providing strong, secure, and flexible energy infrastructure so all our customer-owners have access to reliable and affordable electricity, whenever they need it and wherever they are.

We have a long history of doing just that. Yet, looking ahead, we must confront major challenges, including the pandemic response, permanent changes to the way people work, and economic recovery. These challenges will exacerbate the need to balance essential investments with our shared financial reality.

In line with our commitment to keeping rate increases low, Seattle City Light recommends the rate path shown in the table below, to ensure the utility can deliver the best customer service in an affordable, equitable, reliable, and environmentally responsible manner.

The Strategic Plan proposes a five-year rate path that increases 3.5 percent annually, on average.

Proposed Rate Increase Summary

2022*	2023	2024	2025	2026	Avg
3.9%	3.8%	3.8%	3.0%	3.0%	3.5%

*Rate approved by Seattle City Council in March 2021.

The table below shows potential bill impacts as examples, only. Customers who decrease their consumption through energy efficiency measures will experience smaller bill impacts. Conversely, as customers electrify their homes and vehicles, they will see increased City Light bills, while petroleum and natural gas costs come down.

Hydropower: Meeting Customers' Needs for Clean, Reliable Energy

While new, renewable energy sources like wind and solar power are extremely important to our carbon-free future, they are only available when the wind is blowing, and the sun is shining. This limits their ability to provide electricity every day.

Seattle City Light is fortunate to have a clean and always-available resource — hydropower. The reservoirs created by our hydroelectric dams store water that can be drawn down to supply energy when customer need increases or be saved when there is less need.

Unlike other parts of the country that rely on resources like coal and/or natural gas, our energy is carbon-free and better for the environment.

Hydropower isn't "free"— it impacts fish and the nearby environment. That's why we work diligently to steward a healthy watershed with good facility operations and mitigation efforts that support fish, forests, and wildlife. We are proud of the work we have done so far and are planning the next generation of improvements.

Customer Bill Impact Examples: Monthly Increase Per Year

Bill Example	2021	2022	2023	2024	2025	2026
	Average bill/ month	Increase				
Residential*	\$76.77	\$3.00	\$3.04	\$3.18	\$2.61	\$2.68
Residential-UDP (60% Discount)	\$30.71	\$1.20	\$1.22	\$1.27	\$1.04	\$1.07
Small Commercial- Car Wash	\$465	\$18	\$18	\$19	\$16	\$16
Medium Commercial-Retail Store	\$7,436	\$290	\$294	\$308	\$252	\$259

*Assumes a typical residential customer using 634 kWh/month

APPENDICES:

- A. Transportation Electrification Strategic Investment Plan
- B. Utility Next Portfolio
- C. Grid Modernization Plan
- D. Financial Forecast
- E. Outreach Summary (pending)

Seattle City Light Review Panel

c/o L. Barreca, Seattle City Light
P.O. Box 32023 Seattle, WA 98124-4023
CLRP@seattle.gov

January 20, 2021

Mayor Jenny A. Durkan
The City of Seattle
600 Fourth Avenue
P.O. Box 94749
Seattle, WA 98124-4749

RE: City Light Review Panel Comment Letter on Proposed 2022-2026 Seattle City Light Strategic Plan

Dear Mayor Durkan:

This letter presents our comments on the proposed Seattle City Light (SCL) Strategic Plan for 2022-2026 (the Plan) in fulfillment of our duties as members of the City Light Review Panel set forth in Ordinance 124740.

We are pleased to endorse the Plan and support its adoption as presented. In a quickly evolving landscape, this Plan presents a comprehensive, ambitious and strategic set of goals that we believe are well suited to the challenges faced by City Light and its customers. This letter offers our further thoughts and suggestions to you and the utility moving forward.

At the outset, we want to thank General Manager and CEO Debra Smith for her exceptional leadership of the utility. She and her team have been very supportive of the Panel's role and have engaged with us transparently; they bring welcome and positive change to the utility.

The Plan provides a vision, goals, and high-level initiatives to address several challenges facing City Light in the next few years. The Panel believes the following items are the most pressing issues ahead for City Light:

- Continued decline in the demand for electricity, and a major question mark about how and when commercial demand for electricity in particular will recover as we move beyond the COVID pandemic. City Light's reliable and comparably low-cost electricity is a critical foundation for our economy, and economic development helps boost revenues for the City in many areas.
- An aging electrical grid that lacks the flexibility to provide many of the next generation of products and services that customers are beginning to expect.
- An outdated rate structure that under-recovers fixed per customer costs, lacks time of use rates or interruptible rates (that latter two items are under study in pilot projects);

revisions to the rate structure have been put on hold by COVID and we hope will be taken up by the City later this year).

- The need for a more robust social justice and equity response in all government does.
- Growing receivables--in the last year, 20% of the utility's customers have gone into arrears on their electricity bills.
- Keeping electric service affordable: we are very pleased that the Plan proposes an annual average rate increase over the next 5 years of 3.5% per year -- significantly lower than the 4.5% annual average in the 2018-2024 Strategic plan. Moving forward, our ability to keep rates at this reduced path will require continued vigilance.
- The need to continue to respond to our region's deeply held environmental values in the operation of the City's hydroelectric assets.
- Rightsizing SCL's capital improvement plan with an eye to still funding asset management needs; the Panel would like to see a reduction in the rate pressures created by SCL's large annual debt repayment obligations.
- Balancing financial and policy support for energy efficiency (reducing demand for electricity) with the new transportation electrification effort designed to increase demand for electricity.
- Focusing on the cost of labor: negotiations are underway with the IBEW to bring City labor costs for line workers in sync with recently approved significantly higher wages in our neighboring electrical utilities.
- The potential benefits to ratepayers from reducing the target reserve levels in the Rate Stabilization Account: the RSA was established to offset variability in wholesale power revenues that today are a much smaller dollar amount annually than was the case when the RSA was established.

The Panel intends to be fully engaged with SCL on all these challenges moving forward. Success of the Plan will be based on execution; in filling in the details around the high-level initiatives presented and identifying and tracking meaningful metrics to measure success. This Strategic Plan includes less detail than have past Plans. There is tremendous work ahead, and we support the goals laid out in the Plan. The utility will need to be nimble as the uncertainties before us are significant – particularly as to the pace of transportation electrification, and the shape of the economic recovery.

Reflecting back on how things have changed for City Light since the last Strategic Plan was approved three years ago, of course COVID is at the top of the list of disruptions. It caused a sharp decline in electricity usage and a need to significantly adjust how SCL operates on a daily basis. City Light responded quickly and creatively. Employees worked in new ways and launched new efforts to assist customers. Reliability of our electric service was preserved throughout. The entire City Light team should be commended for their success here.

Nearly a year and a half since the beginning of the pandemic, the speed and nature of the economic recovery we all hope for is unclear. Due to the uncertainty of the pandemic, delivery of the Plan was delayed by a year – it is a 5-year plan, rather than the 6-year plans we have worked on with SCL before. We think the delay was the right move.

Successes we observe since issuance of the last strategic plan include:

- Positive changes in leadership at the top and across the utility, as mentioned above,
- Increased participation in the Utility Discount Program
- Pilots that support better rate design
- Load forecast methodology has been updated to a more realistic model.
- Development of the transportation electrification initiative,
- The Utility remains in a strong financial position, with a AAA bond rating that helps keeps the rate of borrowing low.

An ongoing concern of the Panel is capital spending and its impact on rates. City policy requires SCL to fund its capital improvements with at least 40% operating cash, with the balance coming from borrowing: issuing debt. Funding debt service coverage remains the largest single rate driver for City Light in the 2022-2026 Plan. “Rightsizing” of SCL’s capital spending will be critical in coming years.”

NEXT: specific comments on goals/PIAs, other comments?

Strategic Plan Community Outreach

2022-2026 City Light Strategic Plan



Seattle City Light

WE POWER SEATTLE

Outreach Efforts

- + Stakeholder group meetings
- + Virtual town hall
- + Online materials
 - Executive Summary available on website, blog, and distributed via email
 - Presentation slides available on website
- + Employee outreach

Stakeholder Group Meetings

- + We reached out to 16 stakeholder organizations to offer a presentation about the Strategic Plan
- + Of those, 10 groups agreed to meet with City Light to hear about the Strategic Plan
- + We presented to over 150 people across all meetings

Stakeholder Group Meetings

- + City Light Environmental Advisory Board: **March 18**
- + Environmental Justice Committee/OSE staff: **March 30**
- + Seattle Renters' Commission: **April 5**
- + Franchise City Forum: **April 6**
- + NW Energy Coalition: **April 8**
- + Seattle 2030 District and BOMA: **April 12**
- + Multi-Service Center and Hopelink: **April 15**
- + Virtual Town Hall: **April 15**
- + Key Customers: **April 29**

Internal/Employee Messaging

+ City Light Meetings

- Review Panel
- E-Team
- Leadership Team
- Strategic Forum

+ City Light Channels

- Powerlines Blog
- Network Newsletter
- SCL Hub (internal employee website)

Common Themes

+ Affordability and predictability of rates

- Customers would like to know when rates will change and clarity around the changes
- A need to reimagine City Light's bill assistance programs

+ Involve customers in decision-making

- Both residential and commercial customers want to have a greater voice in shaping new programs
- An interest in seeing City Light roll out new programs and initiatives more quickly
- An opportunity to lift up and support environmental justice work underway at the community level and work collaboratively with communities to meet their needs

Common Themes

+ Mixed feelings around electrification

- Environmental advocates love it
- Businesses concerned about electrification costs
- Customers would like to see pathways to green jobs for BIPOC communities, workers who would be displaced by electrification

+ Positive reaction to debt strategy

- Customers are glad to see a plan to control debt, better handle on assets

THANK YOU



Seattle City Light

Regional Issues Facing NW Utilities

Unpacking the policy opportunities & challenges in the NW

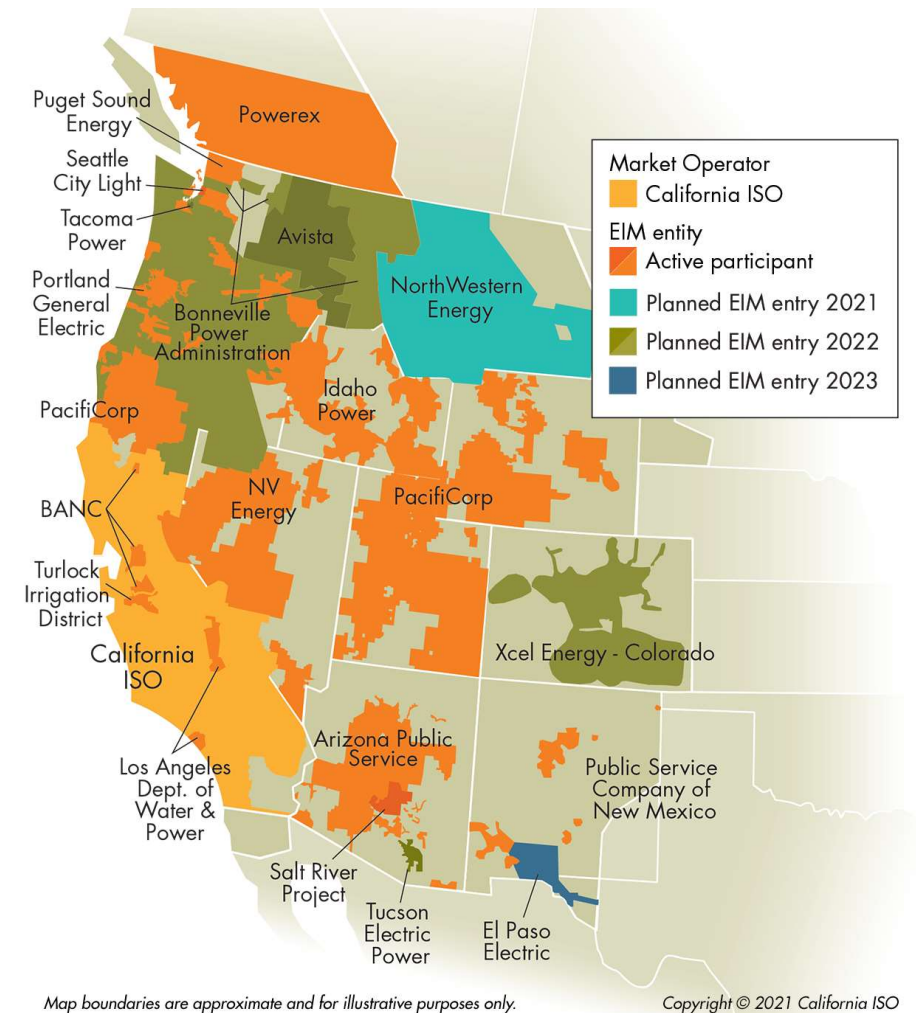
FISH & WILDLIFE RECOVERY ISSUES

- + Columbia Basin Collaborative – NW Governors and NW Power & Conservation Council led effort
- + Columbia River Systems Operations (CRSO) Final EIS & Record of Decisions (ROD)
- + Congressman Mike Simpson Proposal – Package of investments & policy proposals to mitigate removal of 4 LSRDs
- + Public Power Council – Blue Sky Initiative



POWER & RATES ISSUES

- + BPA's Energy Imbalance Market Implementation Agreement (join CAISO in 2022)
- + Willamette Basin Dams Power Deauthorization Study
- + NW Power Pool Regional Resource Adequacy Program Development
- + BPA Rate Case Settlement



POWER SEATTLE



Seattle City Light

**Seattle City Light
2021 E-Team Work Plan Summary**

E-Team Related Projects and Goals				
Oversight	Objective	Project Lead	Goal or Success Criteria	Target
Foundational Goals				
Financial stewardship and a high-performing workforce are the foundation for future growth	Create and support a workplace culture of mutual respect - Actively promote and require a workplace where all employees feel valued and respected for their contributions	All E-Team	Provide an inclusive, safe and supportive work environment that offers equitable opportunities for all and recognizes employees' inherent dignity	Current Culture survey results rolled out across the organization and action plans in progress; evaluation complete by Dec 31, 2021.
				Meet with and determine unique needs of women in non-traditional roles and crew chiefs/leads by June 30, 2021
			Provide consistent and equitable processes for addressing employee concerns	Based on employee feedback, continue to refine Beyond the Task, an SCL partnership effort with Office of Employee Ombud to provide additional employee training & resources
				Support SDHR investigation centralization effort
			Update Workplace Expectations and ensure consistency with SDHR	By Dec 31, 2021
			Develop plan in response to City IDT Recommendations on Anti-Harassment and incorporate training into Opex for People Leaders	By Dec 31, 2021
	Expand RSJI and increase workforce diversity	All E-Team	Ensure equitable consideration for WMBE purchasing and consulting contracts	Officers support and require analysis of RSJI impacts on key initiatives
				Actively seek and include WMBE candidates in all purchasing, contracting and consultant hiring processes

E-Team Related Projects and Goals				
Oversight	Objective	Project Lead	Goal or Success Criteria	Target
	Engage employees to ensure a high-performing workforce – Attract, train and retain a high-performing workforce		Create skilled trades and highly specialized employee pipeline	Resume apprenticeship hiring Train 10-20 new apprentices per year beginning in Fall of 2021
			Employees receive regular communications and management support to navigate work ramifications due to COVID	People leaders continue to convene regular team meetings and 1:1 meetings with staff to provide COVID work updates and to solicit employee feedback on other resource needs
			Effectively manage employee performance in a timely and respectful manner	All 2020 performance evaluations and 2021 goal development completed by March 1, 2021
				Employee performance issues are referred to People and Culture and/or dealt with (documented, coaching conversation, etc.) within 10 days of surfacing.
			Effectively manage human capital	Proactively address labor issues and address them in a timely manner, consistent with contract requirements
	Lead with safety in everything we do - Ensure the safety and health of our employees and the communities we serve	All E-Team	Develop and deliver an effective safety program that meets the needs of all	29 or few Preventable Motor Vehicle Collisions per year
				Total Recordable Incident Rate less than or equal to 3.4
			All employees participate in monthly or quarterly safety meetings	By Q2 2021, provide a monthly theme and self review materials for employees who were unable to attend attend monthly or quarterly safety meetings.
			Continue "Safe Work Environment" Program and communicate about purpose and requirements	Research and evaluate updated behavioral based safety observation and site assessment programs by Q3 2021
				Re-envision the safety vision for SCL in collaboration with the Leadership Team and communicate utility-wide by end of Q1 2021
			Sunset Grassroots Safety Teams	Evaluate an updated approach for continuous improvement initiatives for grassroots safety by December 2021.
	Design, develop, and organize organize events materials for the first annual Safety month, and including activities to celebrate and recognize safe behaviors.	August, 2021		

E-Team Related Projects and Goals				
Oversight	Objective	Project Lead	Goal or Success Criteria	Target
			Implement Hazard Communication and safe chemical handling procedures and safe handling procedures and training for employees who hazardous substances.	Revise the program, (identify SMEs in the work units) and develop and deliver training by December 2021
	Demonstrate fiscal responsibility – Implement safe, efficient and effective programs and processes that make best use of limited financial resources	All E-Team	2022 Proposed Budget reflects prudent reallocation of budget authority	All divisions partner with SCL Finance in proposing and implementing 2022 budget adjustments to align with strategic business priorities.
			O&M & capital spending is within authorized budget levels	Officers hold monthly budget discussions with their directors and key team members to foster and reinforce strong financial literacy and budget management responsibilities.
				Finance rolls out Tableau dashboard and dynamic reporting tools by Q2 2021.
				Carryforwards for EOY 2021 are limited to AP accruals and incomplete one-time project funding.
			Improve transparency and monitoring of CIP spending	90% of the revised/rebalanced capital program is spent by EOY 2021
				Large Capital Projects over \$250,000 are tracked and reported on a monthly basis in Operations
	Maintain utility staffing at levels needed to perform necessary work	Maintain a month-end vacancy rate of at least 12%		
	Demonstrate environmental stewardship -- Protect the ecosystems in which we operate and utilize environmental best practices	All E-Team	Meet or exceed all environmental laws, regulations, and policies	No externally identified environmental compliance violations
Strategic Initiatives Priority 1: Customer Service				
Meet evolving customer needs and expectations and make significant improvements to customer service	Modernize customer service –		Expand customer communication to include social media, web chat and mobile technology	Implement Customer Service Portal: <ul style="list-style-type: none"> o Release 3.5 (Start/Stop, Escrow) – 3/14/21 o Release 3.75 (Transfers) – 5/2021 o Release 3.8 (Proxy, SPU Notice & Payment Plans) – 8/2021-9/2021 o Release 4 (Advanced View Usage, Meter Watch Replacement, Landlord/Owners) – 6/2022 o Closeout – 9/2022

E-Team Related Projects and Goals				
Oversight	Objective	Project Lead	Goal or Success Criteria	Target
	Implement programs that increase the ways we connect with customers and the information available to them	CS/MH/JC	Increase options for customer self-service with an enhanced digital customer experience platform	Develop roadmap and business case for new digital customer engagement and purchase platforms for energy efficiency and electrification products and submit for IT/CARE project prioritization by Dec 31, 2021
			Improve Customer Satisfaction	By Sept 30, 2021, implement action plans (including milestones and targets for improvement) to address 2-3 key customer satisfaction gaps identified in the 2021 JD Powers-survey scores
			Provide more personalized, robust and responsive customer service models	Implement permanent customer care/advocacy team based on lesson learned from CAT and Business Customer Service Pilots by July 1, 2021
Strategic Initiatives Priority 2: Affordability				
Implement strategies to control costs, capture new revenues, and restructure rates, all with a goal of maintaining affordability	Improve internal business processes - Create a sustainable, enterprise-wide process improvement program	MV w/ E-Team	Challenge employees to find efficiencies and produce innovative solutions and ideas	Execute StB workplan (Engineering cost estimation, Construction Ready, Planning & scheduling and Planned Outages) and meet 2021 milestones and deliverables.
	Stabilize revenues and implement new rate structures - Create new rate policies and structures that progressively respond to industry changes and challenges	KG/DS/CS	Utilize pilot rate structures to test customer acceptance and utility readiness in advance of significant change:	<ul style="list-style-type: none"> Establish oversight structure of continuing rate pilot program by Q2 2021 Discontinue/pivot Large Customer Demand Response Pilot by Apr 2021 Develop revised DR pilot option by EOY 2021 for launch in 2022 Quarterly reporting on progress of all active pilots
			Negotiate and adopt increases to fixed charges	Implement Jan 1, 2023
			Design and implement opt-in TOU rates	Implement Jan 1, 2023
	Capitalize on evolving energy market - Pursue new opportunities for cost savings or incremental revenue in wholesale market operations	EA/JB/KG	Develop and implement new Green tariff program for commercial customers	Secure resource for bundled energy and REC product by December 31, 2021
Strategic Initiatives Priority 3: Clean Energy				
Deliver robust and innovative programs to promote the efficient use of clean energy and protect the shared ecosystem			Continued implementation and refinement of Climate Change Adaptation Plan	Incorporate climate modeling to help predict Skagit flows and inform reservoir operations & fish protection measures (Ongoing)
			Continued elimination of PCBs from system	Complete XFMR Replacement data synchronization by June 30, 2021

E-Team Related Projects and Goals					
Oversight	Objective	Project Lead	Goal or Success Criteria	Target	
	Demonstrate environmental stewardship - Continue our industry leadership in improving the protection of the ecosystems in which we operate	MB	Continuation of Environmental Equity Program	Ensure that major projects are reviewed for Environmental Equity factors	
		TD			
		MH	Implement Mayor's Executive Order on Fleet reduction (Green Fleet)	Meet the fleet reduction, telematic, alternative mobility options, fueling, and accountability objectives by Dec 31, 2021	
		MV			
			EA	Implement Mayor's Executive Order on Green New Deal through participation in Green New Deal City Team	Participate in Green New Deal IDT and support OSE in Municipal-Building Electrification Plan (new and substantial re-build) - ongoing
				Support and encourage electrification, to further deep decarbonization	Include the electrification of transportation when resuming Integrated Resource Plan studies, City's electrification blueprint, SCL TESIP and EPRI study of electrification load impacts.
	Maintain Seattle's leadership position as a clean, renewable-powered city - Deliver innovative and forward-thinking programs that promote clean energy solutions		EA CS MB MH	Expansion of whole building energy efficiency programs such as Pay for Performance and Energy Efficiency as a Service to increase energy savings in commercial buildings	Enroll additional two additional buildings in P4P by Dec 31, 2021
					For EEAS, establish four additional letters of intent and 3 contracts by Dec 31, 2021
				New program offerings For small and mid-size business	Design and implement expanded energy efficiency program for small and midsize businesses by September 30, 2021
				Reduce barriers to investing in charging infrastructure in our service territory by 1) changing our "One site/one service " policy, and 2) reducing the cycle time from application for service to service connection	Continue workplan progress to add nine active DC Fast Charging (DCFC) sites for a total of 25 by EOY 2021
					Enable service six Electrify America (EA) DCFC sites by Dec 31, 2021
					Evaluate existing residential EV charging pilot and determine whether to continue with existing fee for service model or re-launch another program model. Relaunch by Q1 2022.
				Expand Lighting Design Lab to provide a broader offering of education, technical support and technology validation services to designers, building operators and contractors	Continue working with strategic market partners to develop educational tools, tech demonstrations, and resources around emerging efficiency technologies and best practices as needed, including official announcement by EOY 2021 to expand beyond lighting technologies
					Develop strategic roadmap to define new, expanded operational plan with new focus areas on technologies beyond lighting and workforce development for the LDL by Q3 2021

E-Team Related Projects and Goals				
Oversight	Objective	Project Lead	Goal or Success Criteria	Target
Strategic Initiatives - Priority 4: Continuing Progress on Our Core Business				
Invest in our infrastructure and workforce to provide a consistent level of service, reliability, and response	Insure a secure, resilient work environment - Implement best practices to enhance security emergency preparedness and disaster recovery programs while improving the resiliency of facilities and services	JB MV	Enhance resiliance of substations through the installation of access control at all SCL substations	Broad, Union, Denny access controls installed by Dec 31, 2021; Canal controls to be installed by Dec 31, 2022
	Preserve hydroelectric generation assets – Maintain hydro generation assets through prudent and systematic investment and maintenance	MH MV JB	Improve ancillary systems and facilities including powerhouse systems	Q2 2021 - Complete commissioning for Gen 51, 41 and 42 governors, and Cedar Falls substation civil construction; EOY 2021 - Begin construction on Transformer 154 and Gen 54; complete Queen Ann radio tower painting and seismic upgrades; Complete Boundary Spillway 1 baffle block removal
	Continue to enhance grid performance and cybersecurity – Continued upgrade of OT infrastructure and energy grid to protect against cybersecurity risks and improve power grid operations	MH JB	Implement outage frequency and location tracking system	Hire NMS integrator by 6/1/2021
			Resource cybersecurity efforts and consolidate within City Light	Hire and onboard additional Phase One OT Cyber Security staff by end of Q2 2021
				Establish Cyber Security Governance and Framework by end of Q4 2021
	Preserve transmission and distribution infrastructure – Implement industry best practice system improvements through prudent investment and maintenance of system	MH	Implement metric driven, cost-benefit analysis-supported planning for transmission, substation and distribution projects	Continue to implement enterprise-wide capital project governance, prioritization and reporting (CARE) in 2021
			Develop corporate asset data management procedures and maximize benefits derived from our asset management capabilities	Ongoing - Participate in parallel process with Capital Cabinet
				Draft refined roadmap and gap analysis to E-Team in 2021 Q2 with phased implementation throughout 2021
		MH	Evaluate capacity needs for UW development and Sound Transit Light Rail Expansion	Develop planning level road map for U-District by Q3 2021; meet with UW executive team on a consistent basis
				Ongoing - Participate in ST3 City-wide teams

E-Team Related Projects and Goals				
Oversight	Objective	Project Lead	Goal or Success Criteria	Target
	Ensure system reliability for a growing city – Maintain and upgrade the T&D systems to improve reliability and ensure available capacity to serve growth	MV	Continue to adjust grid operations to realize system-wide benefits from Denny Substation	Complete 3-Network Service connections by EOY 2021
		MH KG JM	Residential undergrounding program has technical plan for achieving low-cost solution for failing cables and policy path for achieving equitable funding for this work.	<ul style="list-style-type: none"> - Complete RET on UG policy by Q2 2021 - Draft policy framework completed by Q3 2021 - Develop and implement communications plan for residential UG customers by Q3 2021



Seattle City Light

EST DIVISION MONTHLY REPORT

March 2021



City Light's 1970s Electric Vehicles

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- Division Status Dashboard
- Key Accomplishments
- HR Management
- Key Activities Planned for April

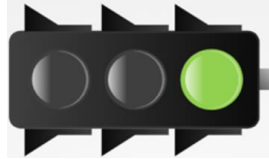
Division Status Dashboard (March 2021)

1. Key Activity Management



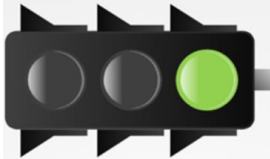
On track.

2. Budget Management



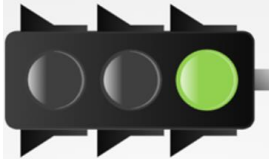
On Track. Work begins on 2022+ budgets.

3. Contracts & Agreement Management



On Track. Initial 2021 Spend Plans complete.

4. HR Management



Active hiring process for Transportation Electrification Sr. Capital Projects Coordinator. HAT Request approved for Lighting Design Lab Strategic Advisor 2.

March 2021 Key Accomplishments

Waterfront Electrification

- Held 3-party staff meeting between SCL, Port of Seattle, Washington State Ferries
- Established monthly leadership meetings between Washington State Ferries and City Light
- Port Pier-66 Design: City Light investment in underground service and Ferries' decision on water-entry point allows Port to move forward with design & permitting (critical path item)



March 2021 Key Accomplishments

Waterfront Electrification

- Pacific Northwest National Laboratories, City Light, Sandia, and Port of Seattle have signed DOE CRADA for \$1.5M DOE award.
 - Fully Executed! Working with communications on press release.
 - City Light participated as contributor in PNW Renewable Hydrogen Action Plan.
- Met with SCL Science Policy Unity to gather resilience scenarios to inform Pacific Northwest National Lab waterfront microgrid study.



March 2021 Key Accomplishments

Securing Stimulus and Grant Funding

- Brainstorming sessions on Commerce CEF4 ideas.
- Coordinated with Pacific Northwest National Labs on a Concept Paper on managed charging of EV fleets to submit to a DOE ARPA-E funding opportunity.
- Connected Communities DOE Funding Opportunity (\$7.5M per award)
 - City Light participated in 5 submitted proposals.
 - Grant awards will be announced in July. Even without award these opportunities will further City Light's efforts around demand flexibility and grid-interactivity.

March 2021 Key Accomplishments

Transportation Electrification

- Held Transportation Electrification Portfolio kickoff meetings with staff and management teams.
- Aligning resources on new program development.
- Held Outreach kickoff meetings with our Community-based Organization partners (ECOSS & Africatown)



March 2021 Key Accomplishments

Miller Microgrid

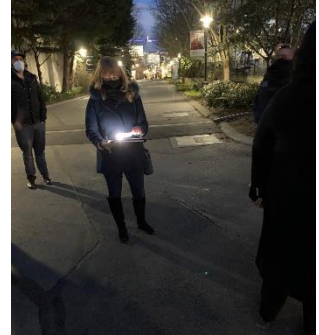
- Controller installed
- Conduit runs completed
- Solar Panels and hardware installed
- Wiring to storage and main electrical complete
- Network Gear in place
- SDCI electrical inspection approved



March 2021 Key Accomplishments



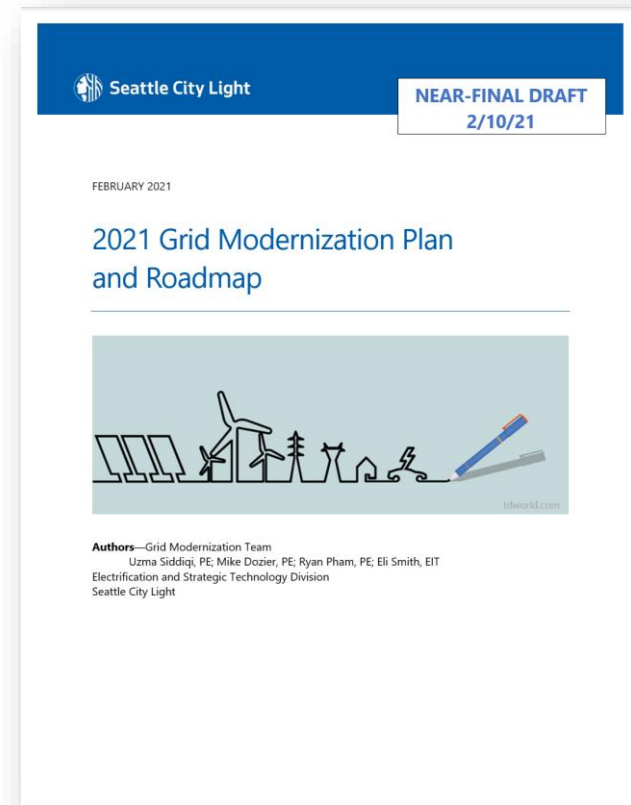
- Conducted Network Lighting Controls Webinars
 - 2 day Fundamentals course to ~40 participants
 - “Communicating Value Proposition of NLC” to ~20 participants
- Consulted Seattle Center staff to evaluate a mock-up of pedestrian lights for the grounds.
- Coordinated upcoming 3-part Heat Pump Webinar with Emerald Cities, Shift Zero, & SDCI.



March 2021 Key Accomplishments

Grid Modernization

- Presented Grid Mod Plan at internal and external events.
 - Clean Tech Alliance “Zappy Hour”
 - ETO All-Hands Meeting
- Distribution Automation on-track for switch installation
 - Repaired six vertical switches and troubleshoot SOC operation
- Developed solutions for King County Water Treatment Plant



March 2021 - HR Management

	2020				
	Q1	Q2	Q3	Q4	Q1
# of Pockets	10	14	21	21	22
# of Incumbents	9	12	17	18	19
New Hires				2	1
Vacancies	1	1	4	1	3

1. Transportation Electrification Senior Capital Projects Coordinator posting active.
2. HAT Request for Lighting Design Lab Strategic Advisor 2 role approved.

Key Activities Planned for April 2021

April

- Transportation Electrification
 - Requesting Job order contracts to construct Burien and Shoreline EV Charging Stations (construction start estimated in June 2021)
 - Outreach ongoing for South Park EV Charging Station
 - Waterfront Electrification feasibility study draft due 4/16
 - Port of Seattle / City Light NDA executed
 - CSI/SODO Renewable Hydrogen Innovation Hub: decide on SCL support