



CITY LIGHT REVIEW PANEL MEETING

Thursday, May 11, 2023

9:00 – 11:00 A.M.

SMT 2821

—or—

Microsoft Teams Meeting

Proposed Agenda

| <u>Item</u> | <u>Lead</u> |
|--|-----------------------------|
| 1. Welcome (5 min.) | Mikel Hansen, Panel Chair |
| 2. Public Comment (5 min.) | |
| 3. Standing Items: (10 min.) | |
| a. Chair's Report (Mikel) | |
| b. Review of agenda (Julie Ryan) | |
| c. Action: Review and approval of meeting minutes of April 19, 2023 | |
| d. Communications to Panel (Leigh) | |
| 4. General Manager Update (30 min.) | Debra Smith |
| a. Q1 2023 Financial Report | Kirsty Grainger |
| 7. Strategic Plan Progress (70 min.) | |
| a. Q1 2023 PIA Status Report | Leigh |
| b. Strategic Priority: Create our Energy Future | Emeka Anyanwu/David Logsdon |
| 8. Adjourn | |

Next Meeting: Thursday, June 22, 2023



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: April 19, 2023 | 9:00 – 11:00 AM |
Meeting held in SMT 2821 and via Microsoft Teams “Draft”

| MEETING ATTENDANCE | | | | | |
|----------------------------------|---|-------------------------|---|--|---|
| Panel Members: | | | | | |
| Anne Ayre | | Leo Lam | √ | John Putz | √ |
| Mikel Hansen | √ | Kerry Meade | √ | Tim Skeel | |
| Scott Haskins | | Joel Paisner | √ | Oksana Savolyuk (<i>Appointment Pending</i>) | |
| Staff and Others: | | | | | |
| Debra Smith | √ | Jen Chan | √ | Julie Ryan (Consultant /RP Facilitator) | √ |
| Kirsty Grainger | √ | Mike Haynes | √ | Craig Smith | √ |
| Jim Baggs | | DaVonna Johnson | √ | Michelle Vargo | √ |
| Kalyana Kakani | √ | Emeka Anyanwu | √ | Maura Brueger | √ |
| Julie Moore | √ | Chris Ruffini | √ | Leigh Barreca | √ |
| Greg Shiring | √ | Carsten Croff | √ | Angela Bertrand | √ |
| Eric McConaghy | √ | Caia Caldwell | √ | Brian Taubeneck | √ |
| Jeff Wolfe | √ | Jody Bauder | √ | Kristina Pham | √ |
| Geoff Vestman (Artisan Electric) | √ | Charlee Thompson (NVEC) | √ | | |

Welcome and Introductions. The meeting was called to order at 9:04 a.m.

Public Comment.

Geoff Vestman (Artisan Electric) – Geoff reported that he has started to see negative policies that are mutually impacting SCL and Artisan and our shared customers. For example, ESRs (Electric Service Representatives) are leaving City Light mid-stream of projects. This impacts the ability to advise customers on project status as Artisan is unable to provide accurate information. The meter serviceability timelines are long and this is impacting costs to customers. As the #1 priority on the City Light Strategic Plan is customer first, these policies are impacting customers. Geoff wanted to share this feedback as a way to improve service.

SCL Response: Please provide your contact information and we will follow up. We want to validate what you said and to note that we have been working on these issues. We continue to have a high vacancy rate and are having trouble staffing up. ESRs are generally an entry-level role so many of them are moving up in the organization. We recognize this impact on customers.



City Light Review Panel Meeting Meeting Minutes

Standing Items:

Chair's Report. Mikel Hansen greeted everyone and opened the meeting. He announced that there is a new nominee to serve as the low-income customer advocate, Oksana Savolyuk. Oksana is the director of an energy assistance program, serving the low-income community in South King County, where she has worked closely with City Light. Oksana's nomination will be voted on by the City Council's Economic Development, Technology and City Light committee on April 26th.

Review Agenda. Leigh Barreca reviewed the agenda.

Approval of March 22, 2023, Meeting Minutes. Minutes were approved as presented.

Communications to Panel. None

General Manager's update:

1. Curbside Chargers - Seattle City Light has picked 31 new sites after input from 1,800 community members. The program aims to provide charging infrastructure for EV owners who lack off-street parking charging options, though anyone will be able to use the sites on a first-come, first-served basis.

The new "level 2" charging sites will provide enough juice in an hour to run a typical EV more than 30 miles, slower than the city's seven fast-charging sites. The current cost at the one completed level 2 site is \$0.21 per kilowatt-hour (kWh), which provides a typical EV enough energy to travel more than three miles. The charging sites will be placed on wood poles, steel poles, and standalone pedestals.

Construction is expected to be 50% complete by the end of May. The project helps meet the goals of the city's transportation electrification strategic plan, which include expanding at-home and near-home charging stations. Five more fast-charging sites are also planned. The city aims to reduce transportation emissions to 83% of 2008 levels by 2030. More than 60,000 EVs operate in Seattle's King County.

Like other utilities, SCL is seeing an increase in copper theft at charging stations. The new chargers have recoil technology that helps prevent such thefts. SCL has been partnering with manufacturers to pilot new technologies.

2. Downtown Activation Plan – City Light, in partnership with the Office of Economic Development, the Mayor's office, and many other COS departments, is participating in an effort to implement a Downtown Activation Plan for renewal and revitalization efforts that addresses both *immediate needs* (like efforts to provide services to people in need, opportunities for new and existing business, and fun activities for visitors, families residents and workers), 3 year tactical initiatives,



City Light Review Panel Meeting Meeting Minutes

and investments that Mayor Harrell has called “*Seattle’s Next Space Needles*”– that will contribute to making Seattle even stronger in the future.

City Light projects in the plan include increased electrification incentives in environmental justice communities, better access for vendors/food truck (including those that are electric,) and improvement in lighting in the downtown core as well as in the International District.

3. 8th and Roy – City Light is close to the sale of this SCL property. The property is on a landmark site and currently includes a tiny home village, which will be moved. The building is in a very poor condition and the site itself is contaminated.

4. PNUCC Report - 2023 Northwest Regional Forecast Overview

The Forecast collects, aggregates and reports utility information from the utility perspective. It is a snapshot in time that provides members and decision-makers with information about the state of the evolving Northwest power system and can be used as a tool for addressing regional power issues. The findings reflect the work utilities have been doing to respond to policies and accommodate customer choices that impact supply and demand. Meeting the needs of the modern power system has become increasingly complex and requires greater situational awareness and regional coordination.

The Load Story:

- Rapidly growing load is showing up, particularly in the first five years.
- Primary drivers are industrial loads, such as data centers.
- Electrification is up and coming and we are not seeing the full effect in this *Forecast*.

The Resource Story:

- Loads are growing faster than utility-planned future resources, creating increasing deficits.
- Utilities are stepping up planned future resources with greater emphasis on storage and capacity.
- Utilities continue to add energy efficiency at a steady pace and to work on demand response.
- The *Forecast’s* planned future resources may not be enough to fill the need.

Opportunities:

- NW utilities are working together to manage the energy transition by addressing challenges, mitigating risk and finding solutions that accommodate growth and bring reliable, affordable and clean resources to the region.
- Growing loads and renewable resources will need new transmission solutions.
- Some large new loads may be procuring their own resources and this forecast may not reflect those additions.



City Light Review Panel Meeting Meeting Minutes

Q: Are you concerned with your ability to secure energy resources?

A: We are not worried about procuring the energy resources (supply) but are more concerned about transmission and distribution capacity. Transmission is the largest issue, and it is difficult for developers to access. While some regional transmission lines have excess capacity, those lines are not near our distribution system. And for our distribution system, we need to address constraints and make upgrades. There is a lot of focus on demand response and load management programs, but capacity is still an issue. We applied for a \$50 MM GRIP grant (our 75% match would be part of a \$200 million project).

5. Class-action Lawsuit – In Fall of 2021, we reached a settlement agreement to conclude a class action lawsuit claiming the utility improperly billed some of its customers based on estimated energy use. We acknowledged that technology issues in 2016 – 2018 resulted in some customers experiencing unusually high bills and delayed problem resolution. As a result, we committed to putting our customers first, proactively addressing areas where we've fallen short and improving processes to prevent future issues.

The new Customer Advocacy Team (CAT) builds on the work the utility has prioritized over the last several years to improve the customer experience. In response to the settlement agreement, we began forming CAT in early 2022 and reached full operations several weeks ago.

CAT is a specialized team with a holistic approach focused on resolving complex billing issues that can't be addressed quickly at the Contact Center. The team's work includes accounting for discrepancies between estimated and actual energy use. CAT also functions as the research arm for all customer billing disputes and is authorized to provide reasonable accommodations for customers with legitimate concerns.

Through the work of this team, customers have received more thorough and timely responses to their concerns, resulting in fewer disputes escalating to the utility's Hearing Officer.

6. Wholesale Generation, Revenue and RSA – Presented by Emeka Anyanwu and Kirsty Grainger

(The presentation provided in the Review Panel packet is a work in progress, in preparation for a City Council meeting.) To review from a prior meeting, the RSA mechanism adds a surcharge to customers' bills when the RSA falls below a certain level. However, SCL is recommending that Council approve an alternative approach, where SCL would transfer surplus cash that arose from higher customer sales to the RSA, thereby avoiding the need to add the RSA surcharge to customer bills.

The update is that our Wholesale Revenue Forecast has continued to trend downward as SCL has become a 'net buyer' as opposed to a 'net seller' in the wholesale power market- meaning we are buying more from the wholesale market than we are selling. There are three contributing factors: 1. Dry soil conditions 2. Colder weather increases customer load and 3. Colder weather delaying run off of the snowpack. These were not reflected in our forecast. Wholesale power



City Light Review Panel Meeting Meeting Minutes

prices are higher because of higher regional power demand, lower hydro energy, and higher than normal natural gas prices. The presentation goes into reasons for this discrepancy as well as our plan to move forward.

Q: How do you approach hedging and how much of this is included in the forecast? I know the regional water year forecast is trending up and there may be more run-off later in the water year.

A: As hydro energy supply has trended downward; we have adjusted our report accordingly. We are currently vigorously pursuing hedging through forward purchases. There are glimmers of higher hydro energy in the future. While we've seen low rainfall, snowpack has been closer to normal. The timing and duration of the snowpack run-off will impact our position going forward.

Regarding hedging, we use probabilistic models and risk management scenarios to set our hedges. Our hedging limits are driven by our energy risk policy which is approved by Council.

Generally speaking, lower hydro supply means higher energy costs. When the weather is dry, we have less surplus low-cost hydro energy in our portfolio to sell. And, in situations when we need to purchase energy, we are purchasing supply at the prevailing wholesale market price, which is usually higher than our hydro production cost. We do try to carry surplus energy relative to load. Unfortunately, given the variability in the volume and timing of our hydro production, it is hard to forecast the hydro supply with certainty.

Q: I'd appreciate a discussion sometime in the future about, if not the specifics, then your general hedging approach. Plus - when we say this is unprecedented - do we have a sense of what percentile outcome? Load, water year, prices?

A: Sure, we could absolutely talk more about supply and demand fundamentals. Hydro-wise, it's not an unprecedented scenario since the current forecast is still above a critical water year. But conditions around Skagit/Boundary are somewhat worse than in the Federal System.

Q: When you say you're hedging, how is climate change factor in longer term predictions?

A: There are climate change factors affecting hydro supply, but it is hard to isolate that variable in the forecasting model.

We have a lot of opportunities and have put in place a number of short-term controls. Additionally, the Risk Oversight Committee (ROC) is actively engaged. We would like to give you a longer-term briefing, and for now I want to assure you we know there are opportunities, and we are absolutely addressing this. The weather conditions have been highly variable, where the whole region is facing challenges. For example, California did not anticipate their huge rainfall. In contrast, hydro conditions worsen the further north you go (and we are the furthest north).

7. Skagit Hydro License: City Light will file the final license application at FERC next week, and we will discuss this more in the next Review Panel meeting. We hope to have a settlement with one of the



City Light Review Panel Meeting Meeting Minutes

tribes that had opposed the license application.

Links shared via chat relevant to General Manager's update:

- <https://powerlines.seattle.gov/2023/03/22/seattle-city-light-announces-curbside-ev-charging-sites-for-pilot-program/>
- <https://www.utilitydive.com/news/the-10-most-ev-friendly-metros-chargers-electric-vehicle-charging/647344/>
- <https://www.pnucc.org/system-planning/northwest-regional-forecast/>
- https://www.newsdata.com/clearing_up/briefs/forecast-for-snake-river-water-supply-drops-again/article_1740850c-dae3-11ed-a91c-bfd4cef099f8.html

Strategic Plan Priority: Develop Workforce and Organizational Agility: Jen Chan (Chief of Staff), DaVonna Johnson (People & Culture Officer), and Kalyana Kakani (Utility Technology Director) presented. The presentation materials are in the Review Panel packet. The presentation provided information on the many projects, initiatives, and activities (PIA) that these teams are engaged in to support the “Develop Workforce and Organizational Agility” strategic priority in the City Light Strategic Plan. The teams presented work completed in 2022 and upcoming initiatives for 2023 in the following areas:

- a. Organizational Change Management
- b. Build an Agile Workforce
- c. Continued implementation of the Utility Technology Roadmap

Closing: Review Panel members expressed disappointment about Debra's stepping down from the GM position July 1. They congratulated her on her excellent work at City Light.

Leigh Barreca advised the Review Panel that the “Create our Energy Future” strategic priority would be the topic at the next meeting.

Adjourn: Meeting adjourned at 10:55 a.m.

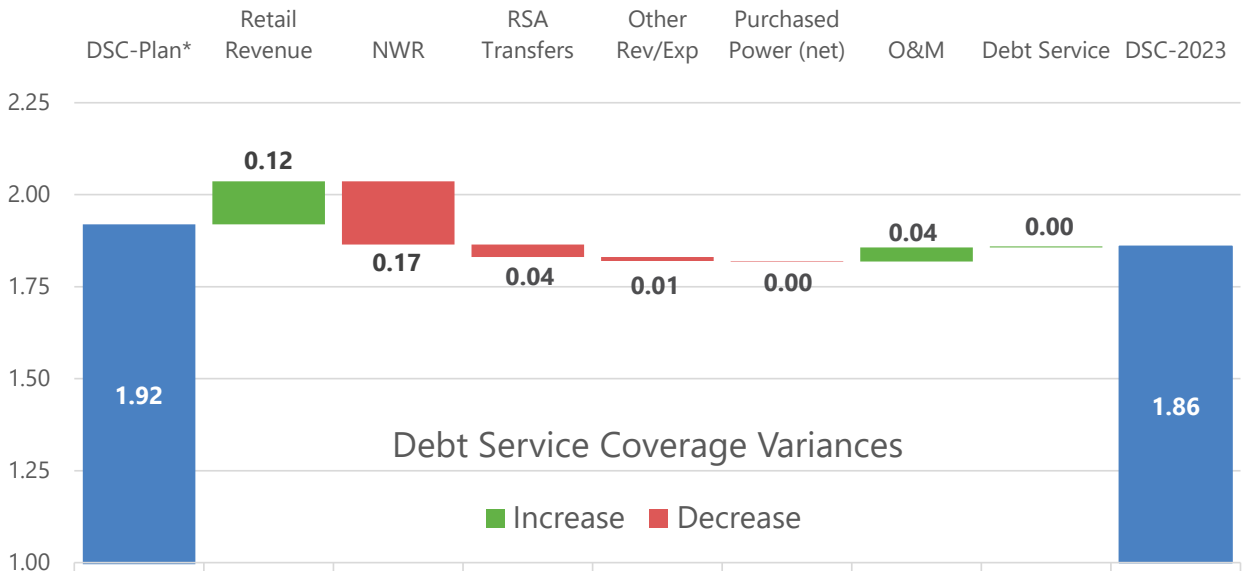
Next meeting: May 11, 2023, 9:00 – 11:00 a.m.



Seattle City Light

2023 FINANCIAL HIGHLIGHTS MARCH 2023

Debt service coverage of 1.86 is 6 basis points below planned coverage of 1.92



*2023 Plan based on financial forecast used to set 2023 retail rates.

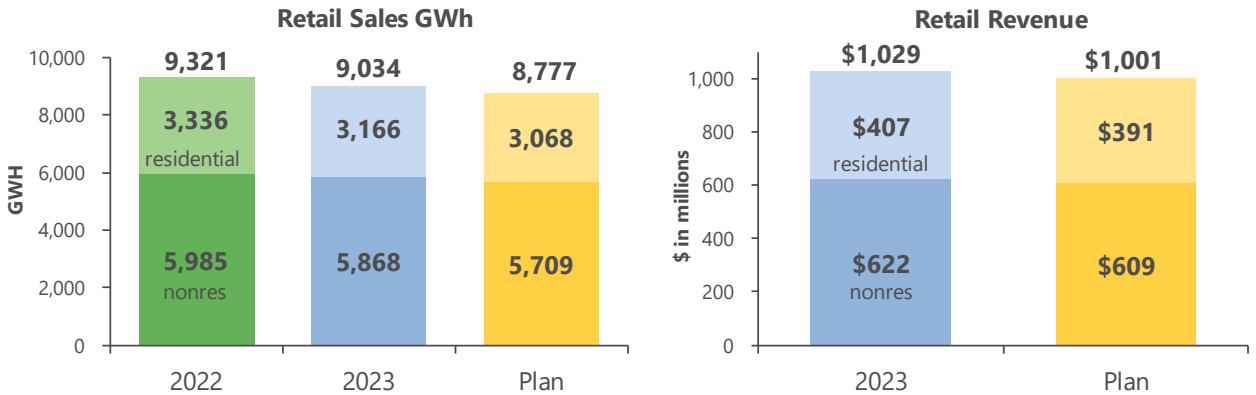
2023 Full Year vs. 2023 Plan:

Retail revenue is forecast at \$27.9M higher than Plan. Around \$15.8M is from January to March actuals, partially from colder weather. The remainder is due to an updated retail sales outlook adopted in December 2022.

Net wholesale revenue (NWR) is projected to end the year at (\$0.8M), \$40.8M under Plan, primarily due to significantly lower than normal hydro generation in Q1 resulting in purchases at high market prices.

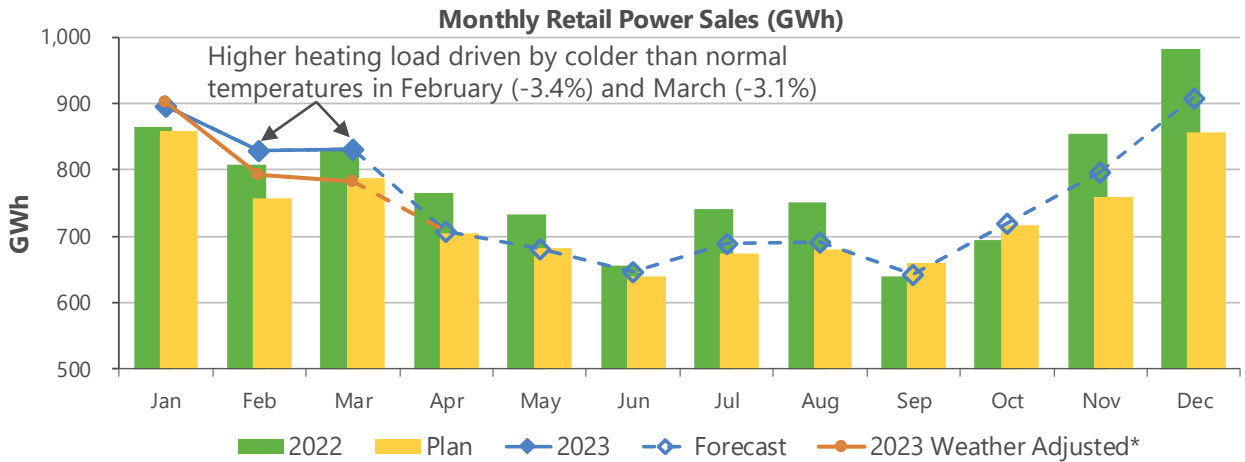
The \$8.0M unfavorable **RSA transfer** includes the impact of transferring \$40M (\$30M in Q2 and \$23M in Q3) of surplus operating funds into the RSA to avoid triggering a RSA surcharge. A 4% surcharge will become effective June 1 if the \$30M discretionary transfer is not approved by Council.

RETAIL POWER SALES AND REVENUE



| Retail Sales GWh | | | |
|--------------------|----------------|-------------|-------|
| | Nonresidential | Residential | Total |
| 2023 Fcst vs. Plan | 2.8% | 3.2% | 2.9% |

| Retail Revenue | | | |
|--------------------|----------------|-------------|-------|
| | Nonresidential | Residential | Total |
| 2023 Fcst vs. Plan | 2.0% | 3.9% | 2.8% |



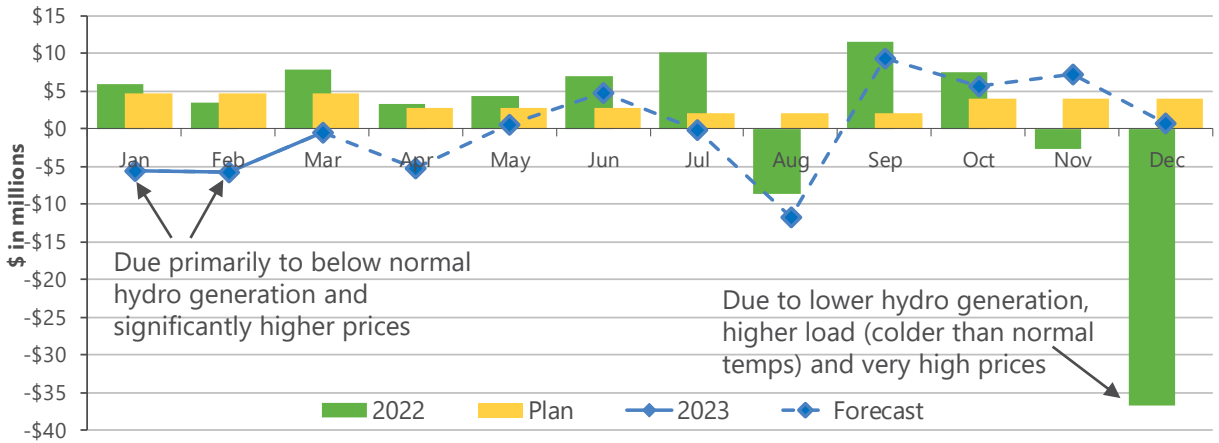
| Retail Revenue: Actuals/Forecast vs. Plan | | | |
|---|---------|---------|-----------|
| \$ in millions | Jan-Mar | Apr-Dec | Full Year |
| Forecast over(under) Plan | \$15.8 | \$11.8 | \$27.7 |

*Heating and cooling requirements vary significantly with temperatures. Weather Adjusted 2023 sales reflect the estimated retail sales if monthly temperatures were at their historical averages.

- The Plan uses the retail forecast used to set 2023 rates (2021 Load Forecast)
- The Forecast uses an updated forecast (2022 Load Forecast), which increased total expected 2023 sales by 2.5% compared to Plan and explains the higher than planned weather adjusted sales.

NET WHOLESALE REVENUE

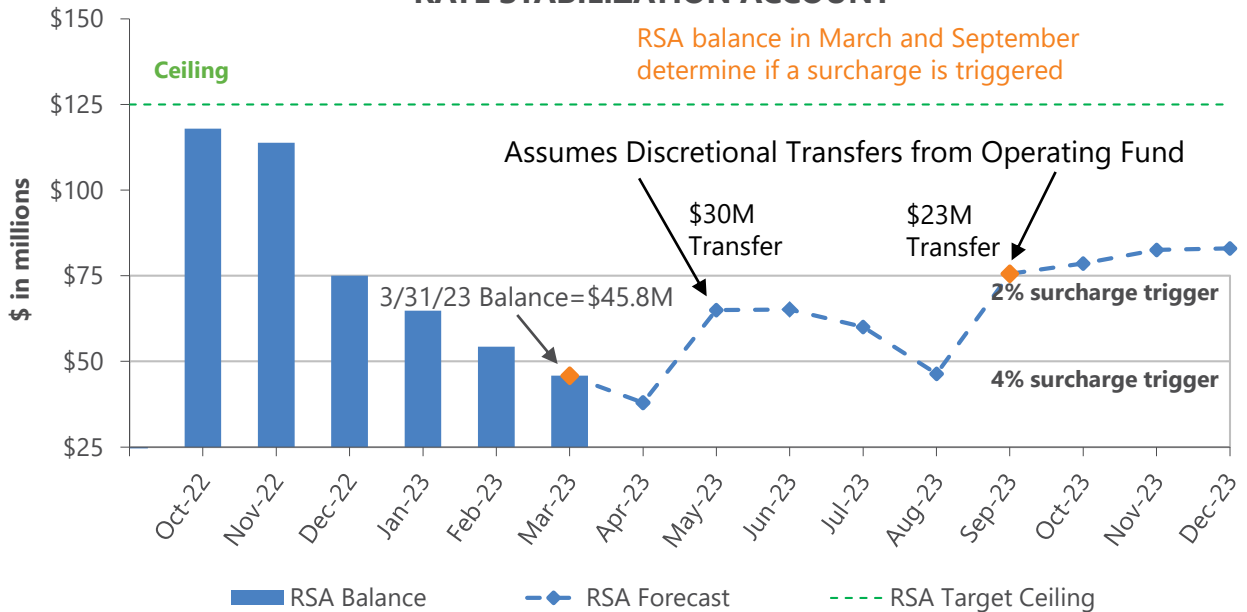
| \$ in millions | 2022 | 2023 | Plan | Variance-Y/Y | Variance-Plan |
|----------------|--------|----------|--------|--------------|-----------------|
| Full Year | \$13.1 | (\$0.8) | \$40.0 | (\$13.9) | (\$40.8) |
| YTD | \$17.4 | (\$11.8) | \$14.0 | (\$29.2) | (\$25.8) |



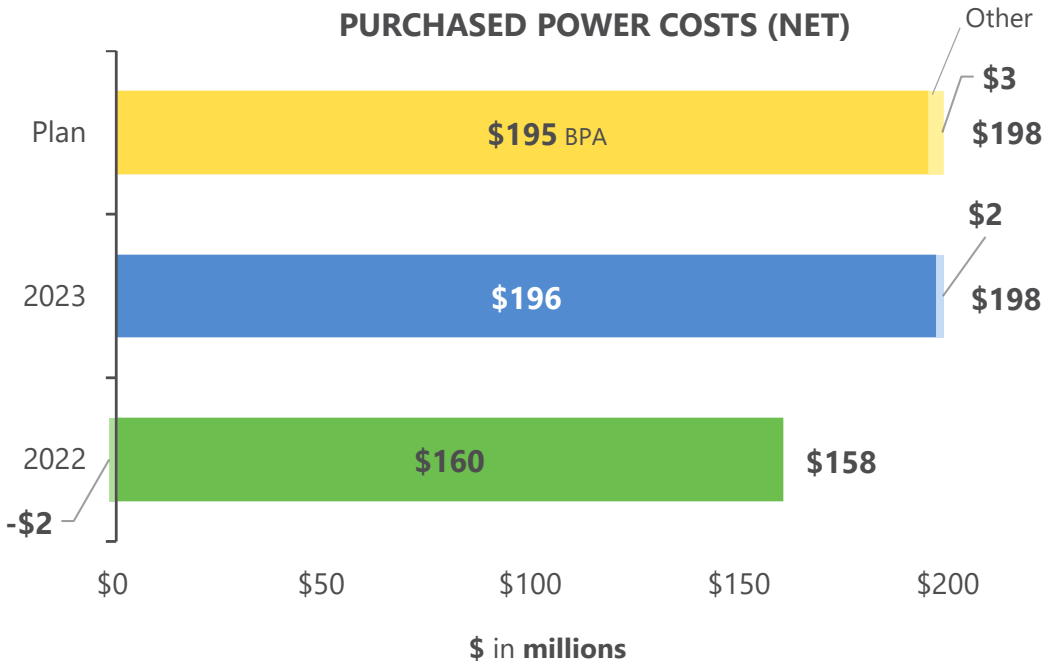
| | Historical Avg* | 2023 Avg | % of Historical Avg |
|----------------------------|-----------------|----------|---------------------|
| SCL Hydro Generation | 6,132 | 5,335 | 87% |
| Market Prices (Peak Hours) | \$49.83 | \$111.55 | 224% |

*Average hydro generation for 1998-2022, average prices for 2018-2022

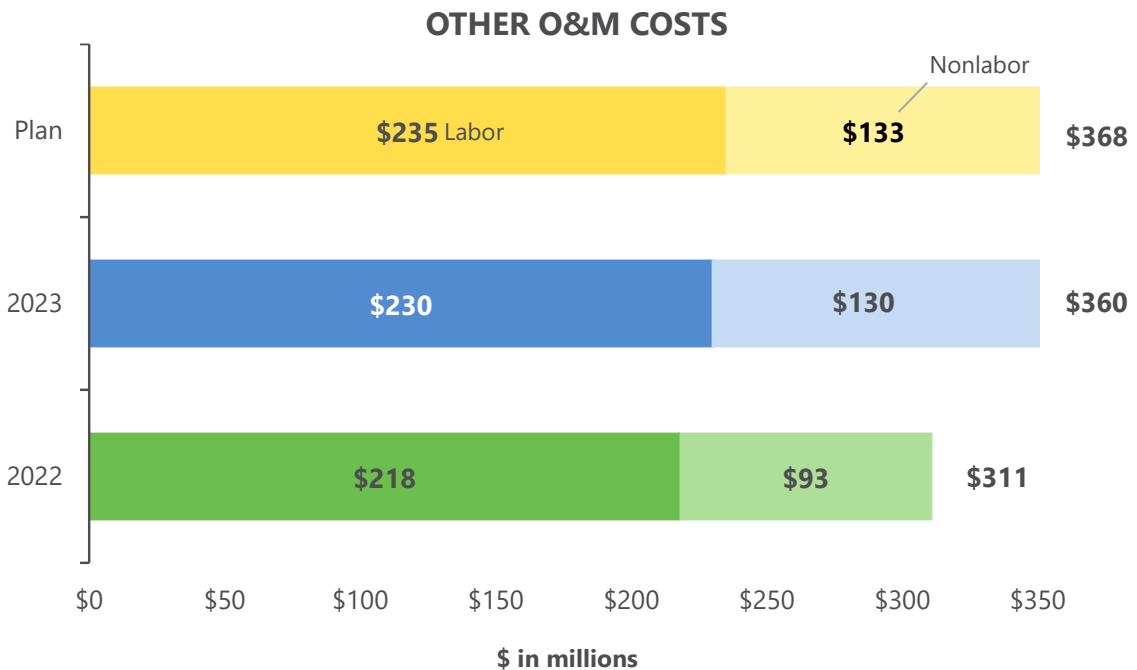
RATE STABILIZATION ACCOUNT



- The March RSA balance fell below \$50M, triggering a 4% surcharge effective June 1 with no action. However, City Light anticipates receiving City Council approval to make one or more discretionary transfers in 2023 to reduce or forestall a surcharge. A surcharge will be avoided if the transfer is made before June.



- Both BPA and other purchased power net costs are expected to end the year close to Plan.
- Projected BPA costs are \$36M higher than 2022 driven by a credit received from BPA’s reserve distribution clause in 2022 (BPA returned funds to customers due to strong secondary sales).



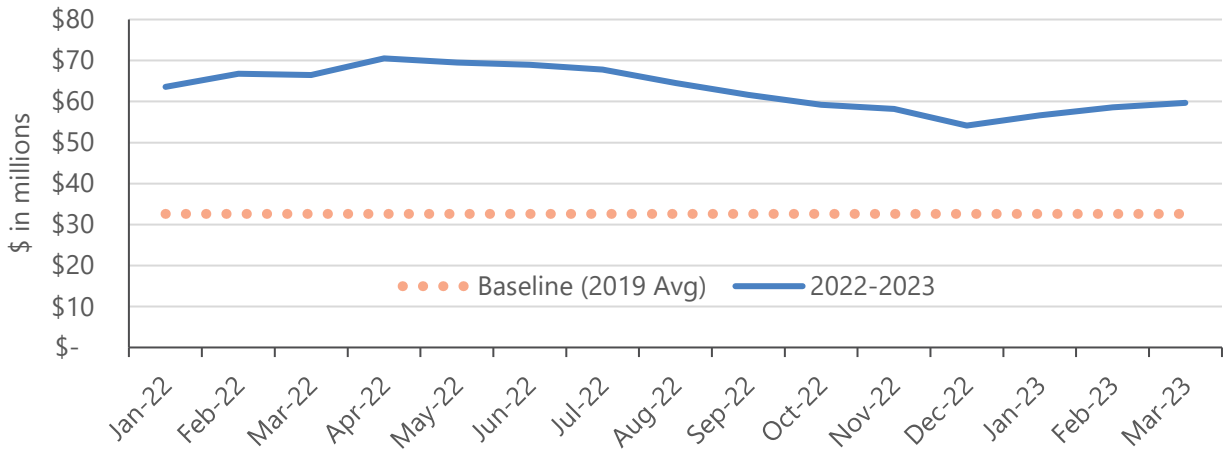
- Labor O&M costs are forecast at \$5M under Plan due primarily to a higher than planned 8% vacancy rate; partially offset by vacancy-related overtime.
- Nonlabor O&M costs are forecast to end the year about \$3M below Plan driven by lower than expected YTD spend.

OTHER REVENUE & EXPENSE (NET)

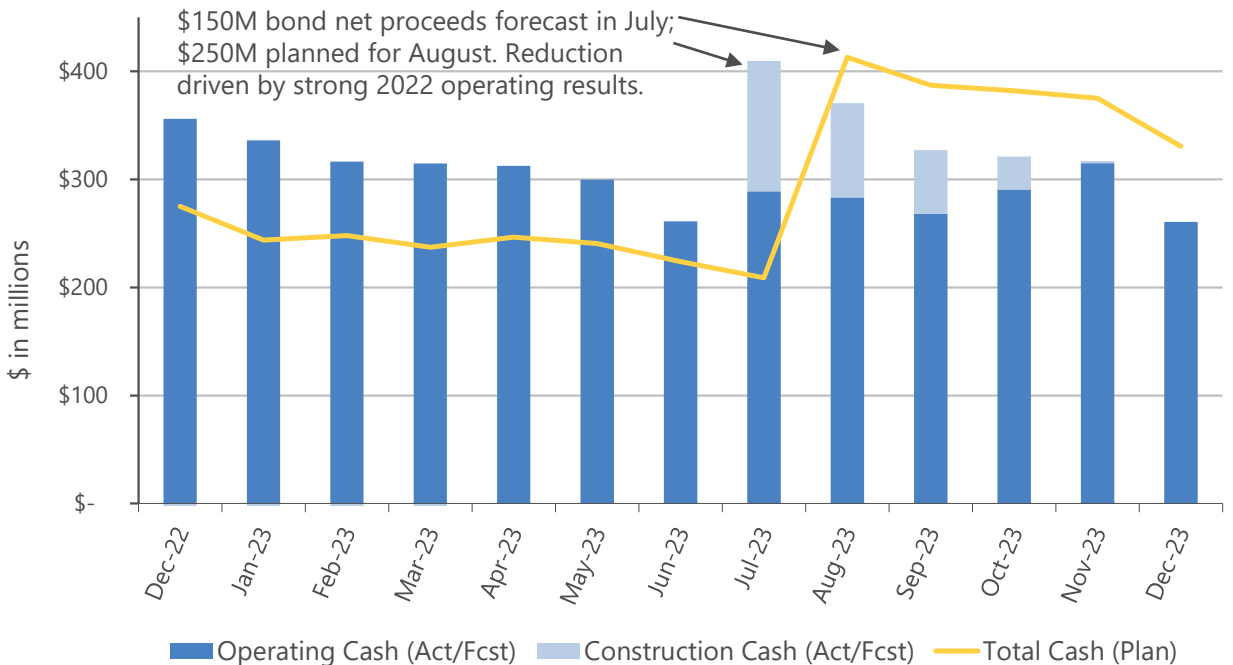
| \$ in millions | 2022 | 2023 | Plan | Variance-Plan |
|--------------------------------------|-----------------|-----------------|-----------------|----------------|
| Other Revenue | \$35.8 | \$37.9 | \$40.1 | (\$2.1) |
| Other Expense | \$55.4 | \$61.0 | \$60.6 | \$0.5 |
| Uncollected Revenue | \$3.1 | \$6.7 | \$7.5 | (\$0.9) |
| State & Franchise Taxes | \$52.3 | \$54.3 | \$53.0 | \$1.3 |
| Other Revenue (Expense) - net | (\$19.6) | (\$23.1) | (\$20.5) | (\$2.6) |

- **Other revenue** is expected to come in slightly below Plan. Higher than planned interest income resulting from a higher market rate environment is forecast to be more than offset by lower than expected late payment fees, pole attachment fees and reconnect charges.
- **Overdue accounts receivable** balances have been trending down since mid-2022 and are expected to continue declining as the reinstated disconnect policy encourages customer payments. The slight uptick in early 2023 is due to seasonality (higher bills in coldest months)

Total Overdue Accounts Receivable Balances



OPERATING & CONSTRUCTION CASH BALANCES



SUMMARY FINANCIAL RESULTS – FULL YEAR 2023

| \$ in millions | 2023 | Plan | Variance | Page ⁽¹⁾ |
|--|----------------|------------------|-----------------|---------------------|
| Debt Service Coverage | | | | |
| Retail Revenue | \$1,028.7 | \$1,000.8 | \$27.9 | 2 |
| RSA Surcharge Revenue | \$0.0 | \$0.0 | \$0.0 | -- |
| Net Wholesale Revenue | (\$0.8) | \$40.0 | (\$40.8) | 3 |
| RSA Transfers (net) | (\$8.0) | \$0.0 | (\$8.0) | -- |
| Other Revenue (expense) | (\$23.1) | (\$20.5) | (\$2.6) | 5 |
| Total Revenue | \$996.8 | \$1,020.3 | (\$23.5) | -- |
| Purchased Power (net) ⁽²⁾ | \$198.0 | \$197.6 | \$0.4 | 4 |
| Other O&M ⁽³⁾ | \$359.5 | \$367.5 | (\$8.0) | 4 |
| Total Expense | \$557.5 | \$565.1 | (\$7.6) | -- |
| Amount Available for Debt Service | \$440.5 | \$455.3 | (\$14.8) | -- |
| Debt Service | \$236.9 | \$237.3 | (\$0.3) | -- |
| Debt Service Coverage | 1.86 | 1.92 | (0.06) | -- |
| Net Income | \$143.4 | \$142.7 | \$0.7 | -- |
| Debt to Capitalization Ratio | 52.3% | 54.5% | -2.2% | -- |
| Liquidity | | | | |
| Operating & Construction Cash @ March 31, 2023 | \$307.5 | \$237.1 | \$70.4 | 5 |
| Rate Stabilization Account @ March 31, 2023 | \$45.8 | \$101.4 | (\$55.6) | 3 |

⁽¹⁾See referenced page for additional detail

⁽²⁾Purchased power costs (net) include long-term purchased power & wheeling expenses net of power contract and power marketing revenue

⁽³⁾Other operations and maintenance expense includes costs related to distribution, transmission, power supply, conservation, customer service and administrative activities

BUDGET

| Budget Summary | YTD - Mar | | Full Year | |
|-------------------------------------|----------------|-----------------|-----------------|-----------------|
| \$ millions | Actuals | Projections | Budget | Diff |
| <i>O&M</i> | | | | - Over / +Under |
| Purchased Power | \$97.6 | \$325.4 | \$294.4 | (\$31.0) |
| Utility Operations & Administration | \$121.8 | \$359.3 | \$374.6 | \$15.3 |
| Taxes and Debt Service | \$99.5 | \$359.9 | \$357.0 | (\$2.9) |
| O&M Total | \$318.9 | \$1044.6 | \$1026.0 | (\$18.6) |
| % of Annual Budget | 31.1% | 101.8% | 100.0% | -1.8% |
| <i>CIP</i> | | | | |
| Conservation & Environmental | \$3.8 | \$56.9 | \$63.5 | \$6.6 |
| Power Supply | \$19.1 | \$200.1 | \$208.6 | \$8.4 |
| Transmission and Distribution | \$24.7 | \$240.2 | \$257.1 | \$17.0 |
| Customer Focused | \$28.5 | \$141.2 | \$131.9 | (\$9.2) |
| CIP Total | \$76.0 | \$638.4 | \$661.2 | \$22.8 |
| % of Annual Budget | 11.5% | 96.5% | 100.0% | 3.5% |
| Total Budget | \$394.9 | \$1683.0 | \$1687.2 | \$4.2 |
| % of Annual Budget | 23.4% | 99.8% | 100.0% | 0.2% |

Purchased Power is forecast to come in \$31.0 million over budget driven by lower than expected hydro generation and colder than normal weather (higher heating load).

Utility Operations and Administration is expected to underspend by \$15.3 million due primarily to labor savings from vacant positions partially offset by increased overtime charges.

Taxes and Debt Service is projected to overspend by \$2.9 million due primarily to taxes on higher than expected retail revenue.

CIP is forecast to underspend by \$22.8 million, an accomplishment rate of 96.5%, which exceeds the 90% achievement target for 2023.

FOR IMMEDIATE RELEASE**Media Contact:** Jenn Strang
jenn.strang@seattle.gov | 206.677.6295**Energized Vision Set for Seattle City Light Hydroelectric Dam Operations**

Years of environmental research and collaborative decision-making result in a final license application that commits City Light to a whole-ecosystem, adaptive management approach for the watershed that surrounds this critical source of renewable energy

SEATTLE— Seattle City Light submitted a final license application to the Federal Energy Regulatory Commission (FERC) today, detailing plans to operate the Skagit River Hydroelectric Project for the next 50 years. Although this is not the last step in the FERC relicensing process, the final license application (FLA) is a significant milestone for City Light and its partners. Totalling approximately 15,000 pages, it represents years of collaboration among Treaty Tribes, Canadian First Nations, federal and state regulatory bodies, environmental groups, and nearby communities.

The Skagit River Hydroelectric Project is an integrated, three-dam system that generates about 20 percent of Seattle's electricity. In managing the dams, City Light also manages the flow of the Skagit River, providing flood risk management for Skagit County communities and ensuring appropriate flows for the many species of fish, as well as education, recreation and other public benefits.

"While there is still a lot to do, we are so grateful to the dozens of license partners, City Light staff, and experts who have worked extraordinarily hard to put together the FLA," said City Light General Manager/CEO Debra Smith. "The next license will dictate how we operate the dams for decades, and it's crucial that we carefully balance the need for renewable energy with the need to respect Tribal interests and be good stewards of the watershed."

About 30 license partners collaborated with City Light on the FLA, which reflects not only the need for safe and stable electricity, but regulatory requirements of agencies such as the National Marine Fisheries Service (NMFS), the U.S. Army Corps of Engineers (USACE) and many others. It attempts to also reflect the interests of the Tribes and the surrounding communities.

"This has been an extraordinarily deep and thorough process," said Scott Schuyler, Policy Representative for the Upper Skagit Indian Tribe. "Since time immemorial the river, the salmon and the wildlife have been central to our community life and very culture. This license makes progress in recognizing its connection to us. Adding fish passage is a logistic challenge, and we appreciate the hundreds of hours Seattle City Light has spent with us and other partners to determine an approach that will help reconnect the different parts of the river. The Upper Skagit people can now take pride knowing that a brighter future is on the horizon for the river and generations to come."

Significant Changes to the License

City Light manages the flow of water through the hydroelectric project according to the following priorities: flood risk management, fish habitat, recreation and power generation. While those priorities

won't change in the next license, there are new measures that reflect climate change, partner and regulatory agency requirements, and tribal cultural interests.

The FLA is based on \$28 million in relicensing research studies. But even with all that data, the climate and the environment are changing faster than the license can adapt. Our next license is built for more monitoring, more flexibility and more collaboration.

- 1) *Whole-ecosystem approach*: The next license takes a whole-ecosystem approach to managing the hydropower project's effects on the watershed.
- 2) *Adaptive management*: The next license will include a robust/long-term monitoring program, which is essential to a flexible and adaptive management program.
- 3) *Comprehensive fish program that includes fish passage*: City Light has worked with Tribes, NMFS, and other key partners to develop a comprehensive fish program that will contribute to protection and restoration of fish throughout the river. This includes considerations such as water quality, spawning beds, shade, food sources and more. City Light has also been responsive to the interests expressed by the Upper Skagit Indian Tribe, NMFS and others, and has proposed a fish passage program for passage across all three dams.

The most significant investment in the new license is the development of a fish passage program designed to move fish completely around the three-dam project. The dams are 30, 39 and 54 stories high and thus too high for fish ladders and similar solutions. In order to get fish around the project to Ross Lake, City Light and partners are collaboratively developing a "trap-and-haul" program. This would involve building an upstream fish collector below Gorge Dam, downstream fish collector at Ross Dam, and building a road through the North Cascades National Park to Ross Lake. The collector and the road will allow trucks to transport fish to and from the Ross reservoir.

This is just one tactic of many to improve fish populations. City Light is also committed to estuary restoration, mainstem habitat restoration and managing flows to reduce the risk of floods while protecting salmon habitat. The FLA identifies over \$500 million in new environmental measures over the next 50 years of the license, and recognizes other potential costs for projects, such as fish passage. Those costs will continue to be refined, as City Light's discussions with partners conclude and projects are finalized.

Next Steps

The final license application is not the final step in the relicensing process. FERC's public environmental review process will be completed over the next several years. Additionally, City Light will continue to collaborate with partners to develop agreements on operating the project and managing the complex ecosystem of the Skagit River. Once completed, those additional agreements will be presented to FERC and may be included in the FERC license.

Additional Resources

Visit the [Relicensing](#) webpage for more information.

Hydro Leader

VOLUME 4 ISSUE 4

APRIL 2023

A portrait of Chris Townsend, a man with a beard and short brown hair, smiling. He is wearing a light blue and white patterned button-down shirt. The background is a blurred industrial setting with warm lighting.

**Chris Townsend of Seattle
City Light: Taking an
Ecosystem-Based Approach
to the Skagit Project
Relicensing Process**

Chris Townsend of Seattle City Light: Taking an Ecosystem-Based Approach to the Skagit Project Relicensing Process



Ross Dam, the largest of the three hydroelectric dams that make up the Skagit Project.

In 2018, Seattle City Light launched the federal process to renew the licenses of its three dams along the Skagit River, which are set to expire in 2025. The key test: Can the utility come up with a plan that tribes and agencies can agree on that enables endangered salmon populations to recover? Seattle City Light has been working with key stakeholders for more than 5 years to identify and implement dozens of studies on the dams' effects on protected salmon habitat, ranging 127 miles from the Canadian border to the Puget Sound estuary. In this interview, Chris Townsend, Seattle City Light's director of natural resources and hydro licensing, talks with Hydro Leader about navigating the rocky shoals of a process that involves the participation of nearly 40 organizations, including state and federal agencies and the three tribes with treaty rights on the Skagit River.

Hydro Leader: Please tell us about your background and how you came to be in your current position.

Chris Townsend: My career has been focused on implementing public infrastructure in the context of sensitive natural environments. Early in my career, I led environmental compliance activities for the construction of the first \$4 billion worth of Sound Transit projects. I worked for King County on major combined sewer overflow projects and compliance processes for its wastewater treatment plants. A highlight of my career was working for the Puget Sound Partnership to draft the first ecosystem management plan to restore and protect the sound. All these projects involved consultation and negotiation for large-scale public infrastructure projects. I'm

lucky to be able to work with many of the same experts on the Skagit Hydroelectric Project relicensing.

Hydro Leader: Please introduce Seattle City Light.

Chris Townsend: Seattle City Light is a municipally owned utility, which means that we are responsible to our rate payers, our customers, the mayor, and the city council. We serve more than 420,000 residential homes and 49,000 businesses. The service area is about 131 square miles within the borders of the city of Seattle. About 86 percent of Seattle's electricity comes from hydroelectric generation, and we own and operate about 60 percent of that generation. Of the hydropower the city depends on, the Skagit River provides about 20 percent, and our Boundary Hydroelectric Project provides about 40 percent. We do not have any coal or natural gas in our portfolio, but we do have some other green energy sources, such as wind and solar. Seattle City Light has a history of environmental stewardship. Wherever we have operated, we have taken that perspective.

Hydro Leader: Tell us more about Seattle City Light's hydropower fleet.

Chris Townsend: We operate seven hydroelectric dams. Gorge, Diablo, and Ross Dams are part of the Skagit Project. The Boundary Project has one dam on the borders of Washington, Idaho, and British Columbia. The Skagit Project provides extra value because it has a 100-mile dedicated transmission line that connects the dams to the city of Seattle. That provides us with a great deal of reliability, which is important, as the Boundary Project shares transmission lines. The Skagit Project has a capacity of 840 megawatts and an annual energy production of about 2.5 million megawatt-hours. It is in the Upper Skagit Valley, which was the traditional homeland of the Upper Skagit Indian Tribe and the traditional territory of at least two other tribes and multiple bands of First Nations in Canada. The reservoir for Ross Dam extends across the border, so we engage with several First Nations as well. The Skagit Project is in the middle of the Ross Lake National Recreation Area, which is part of North Cascades National Park. (The park was created in 1968, about 40 years after the hydroelectric project began.) We have a close relationship with the National Park Service. We jointly manage the roads, recreation areas, and other resources, and we consider it one of our major partners. The project is in the middle of a wilderness area, and we cannot access Ross Dam—the largest dam and the one farthest upstream—by road. All the equipment that needs to reach that facility has to go in by barge. It's an interesting area to operate a hydro project in.

Hydro Leader: How long have you been preparing for the Skagit Project relicensing, and what organizations have you been working with to do so?



Consultants and staff conduct varial zone studies.

Chris Townsend: We have been working on the relicensing since 2018. That year, we started coordinating with the license participants and decided to use the integrated licensing process (ILP). We identified the studies needed to support that relicensing process. About 40 organizations are engaged with us on a regular basis. The license participants include the three tribes with treaty rights in the Skagit River—the Sauk-Suiattle, Upper Skagit, and Swinomish Tribes—and the federal and state agencies with regulatory authority—the National Park Service, the National Marine Fisheries Service, the U.S. Fish and Wildlife Service, the U.S. Forest Service, the Washington Department of Fish and Wildlife, and the Washington State Department of Ecology. Other participants include local governments; drainage districts; and nonprofits that are focused on education, recreation, and the environment. Early on, we hired a professional third-party facilitator, and that has been key to keeping us on track toward a successful license application.

Hydro Leader: In what stage of the relicensing process are you currently?

Chris Townsend: The ILP has a specific set of regulatory milestones, and so far, we have met each of them. The initial



Scientists conduct bug sampling—one of the numerous studies that contribute to the Skagit River Hydroelectric Project relicensing.



The road along the top of Diablo Dam, one of the three hydroelectric dams that make up the Skagit Project.



Skagit Tours conducts boat tours of the region every summer—one of the many recreational opportunities available at the Skagit Project.

stage requires identifying the studies needed to support the relicensing, and we are just completing the second year of those studies. We just submitted our updated study report, which is a capstone of those studies. We will be submitting the final license application to the Federal Energy Regulatory Commission (FERC) at the end of April. We have been engaged in comprehensive settlement negotiations with all the parties, and we intend to enter into a comprehensive settlement agreement that will contain all the protection, mitigation, and enhancement measures (PMEs). Those settlement negotiations will not be fully complete by the time we submit the final license application, but they will likely be complete in fall 2023. At that point, we'll submit an update to FERC to reflect the final agreement. Our current license expires in April 2025, and the ILP is structured so that the new license will be issued by then. Given the complexity and the size of this project, I anticipate that we will likely go into at least one annual license before getting our new 30–50 year license from FERC.

Hydro Leader: Are you taking the same basin-first approach you took during the last relicensing process?

Chris Townsend: By and large, we are using a similar approach in terms of wanting to achieve a comprehensive settlement agreement. I think that Seattle City Light was one of the first utilities in the nation to achieve a comprehensive settlement agreement to support a FERC relicensing effort. We believe in understanding and meeting as many interests as possible. But for this relicensing, there is an innovation in our thinking—one that we would call an *ecosystem-based* rather than a *basin-first* approach. An ecosystem-based approach takes into consideration all the complex interactions between elements of the natural environment and the humans that live and work within the watershed. Other key components in ecosystem management, which I think are relatively new concepts in relicensing, are our commitment to long-term monitoring and adaptive management. Adaptive management recognizes that we cannot possibly know everything that will need to be done to care for the river over the next 30 or 50 years. The license will require continued monitoring to ensure that we're achieving the ecosystem outcomes that we intended when we selected PMEs. For us specifically, it's going to be critical to monitor how endangered salmon species are doing and to change the mitigation measures as needed.

Ecosystem management also recognizes that there are tradeoffs in managing a project in a complex ecosystem. We manage the project based on a set of priorities. Our first priority is flood risk management, our second is fish health, our third is recreation, and our fourth is power generation. When you look at those priorities alone, a lot of balancing needs to be done to ensure that we are getting the best outcomes. Finally, ecosystem management recognizes that it is important to include as many voices as possible in decisionmaking, with a particular emphasis on the tribes,

which have valuable cultural ecological knowledge. I think that the incorporation of different ways of knowing and understanding into the relicensing process is also a cutting-edge approach.

Hydro Leader: How does your research into the ecology of the basin go beyond what is required by FERC?

Chris Townsend: FERC takes a close look at the effects of project operations on natural resources. But our partners and license participants wanted us to go beyond that to investigate potential effects ranging from the Canadian border (and even into Canada) all the way to the estuary in Puget Sound, a distance of about 127 miles. We agreed to do several studies, including sediment transport and water quality monitoring and modeling, below the Skagit's confluence with the Sauk River. We also did a large synthesis study of the hundreds of previous studies done in the lower Skagit River and identified where there might be gaps. It will be important to fill those as we implement the next license and evaluate our progress, particularly with regard to salmon health. We hope to engage with our partners in implementing comprehensive ecosystem monitoring as part of the next license.

Early in the process, we recognized that this was going to be a long and complex undertaking, so we requested a bridge fund to allow us to continue habitat enhancement projects while the next license is being developed. The city council approved a \$2.5 million fund, with an additional \$500,000 for each year it takes to get the next license. That money will support ecosystem restoration projects in partnership with the tribes and federal and state agencies.

Hydro Leader: What physical upgrades to the hydro facilities and dams themselves will be needed for the relicensing?

Chris Townsend: There are two significant issues that I think will require upgrades to the dams themselves. The first concerns a 2-mile stretch of river between Gorge Dam and the Gorge Powerhouse, an area called the bypass reach, which is currently a dry stretch of river. Through the course of this relicensing process, we have understood from the Upper Skagit Indian Tribe that it is a culturally and spiritually significant section of river. The tribe has requested that we put water back into that stretch of river in the next license, and we have agreed. But because the dam is not designed to release small flows of 500–1,000 cubic feet per second on a consistent basis, we have to design a new valve that will allow that.

The second issue, of course, is fish passage. Many parties have asked us to commit to installing fish passage at all three of the dams, and we have agreed to include that in our final license application. Once the parties have determined which species they would like to pass, we will need to install significant infrastructure at one or all of the dams to collect adult fish from the Gorge Powerhouse and to pass the juveniles from behind each of the dams to the river below the



The Gorge Dam powerhouse.

project. Our preliminary designs for a downstream collector at Ross Dam, for example, show that we will need a new road from Highway 20 down to the dam so that we have consistent access to that facility. We will also have to upgrade the haul road from the top of the dam to the powerhouse. That will be a logistical challenge, but that's the type of work that will be needed to implement fish passage. Although the fish passage design is not set, it is clear that significant improvements will be needed at all three of the facilities.

Hydro Leader: What is your vision for the future of the Skagit Project?

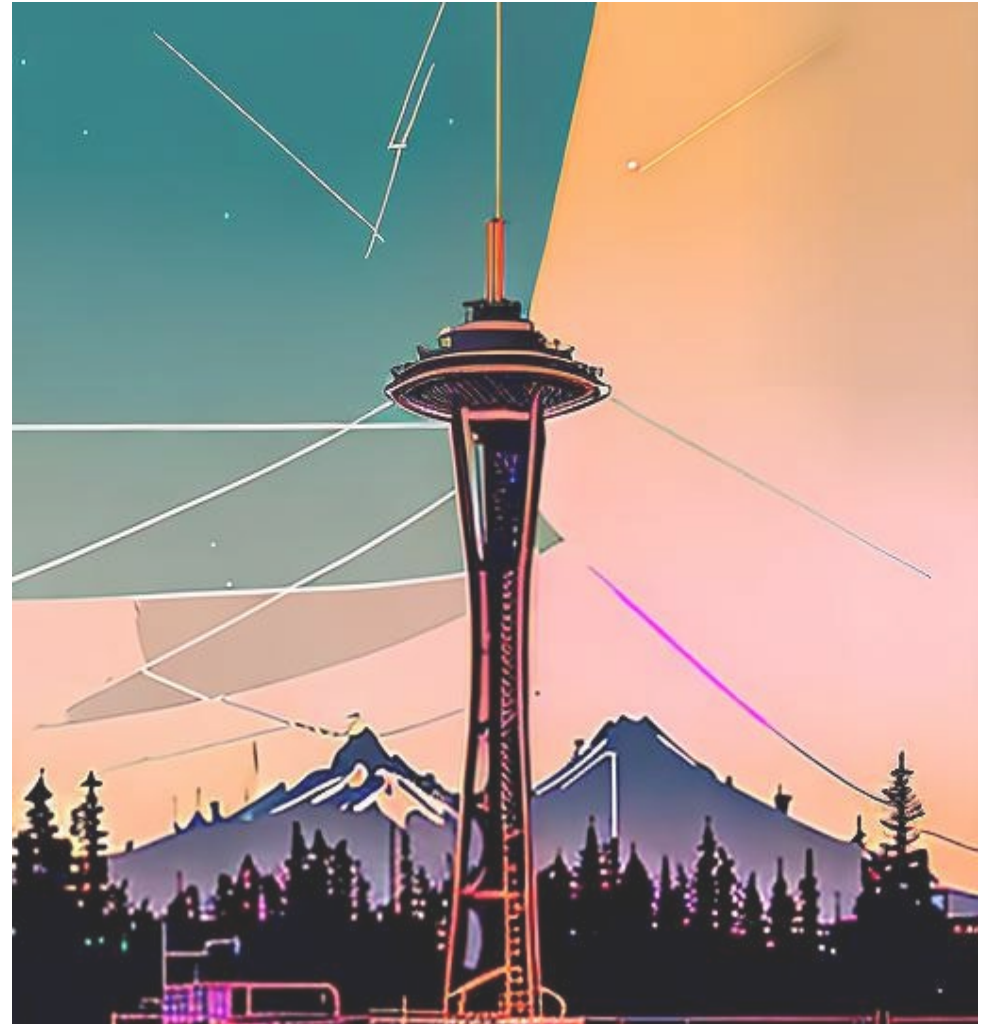
Chris Townsend: The Skagit Project is a vital component of Seattle City Light's 100 percent carbon-free clean energy future. It is important that we maintain it; it is also important that we consider the project's effects on the ecosystem. Right now, 40 percent of all the Chinook salmon that return to Puget Sound come from a stretch of river right below our projects. To me, that means we did a good job in the last license, but I know we can do even better. That is why we are engaged in such intense conversations with our license participants. We're working collaboratively to understand how we can do better and how we can get even more fish back in the Skagit River and out to Puget Sound. Finally, the Skagit River dams have provided great value to the citizens of the city of Seattle for decades. My vision for the future is that we return significant value to the people of the Skagit Valley—first and foremost to the tribes that have depended for millennia on the river, but also to the other residents of the valley, the farmers and people who live in the towns along the I-5 corridor. H



Chris Townsend is the director of natural resources and hydro licensing at Seattle City Light. He can be contacted at chris.townsend@seattle.gov.



Q1 2023 Strategic Plan Status Report



Project Lead: Leigh Barreca
Report Preparation: Brian Taubeneck
May 2, 2023

Table of Contents

- 1. Document Purpose & Key Definitions1**
 - 1.1. Document Purpose.....1
 - 1.2. Key Definitions1

- 2. Strategic Priority – Improve the Customer Experience.....2**
 - 2.1. Q1 Milestone Status.....2
 - 2.2. Selected Q1 Milestone Comments.....2

- 3. Strategic Priority – Create our Energy Future.....3**
 - 3.1. Q1 Milestone Status.....3
 - 3.2. Selected Q1 Milestone Comments.....4

- 4. Strategic Priority – Develop Workforce and Organizational Agility5**
 - 4.1. Q1 Milestone Status.....5
 - 4.2. Selected Q1 Milestone Comments.....6

- 5. Strategic Priority – Ensure Financial Health and Affordability7**
 - 5.1. Q1 Milestone Stage.....7
 - 5.2. Selected Q1 Milestone Comments.....7

- 6. Strategic Priority – We Power8**
 - 6.1. Q1 Milestone Status.....8
 - 6.2. Selected Q1 Milestone Comments.....9

1. Document Purpose & Key Definitions

1.1. Document Purpose

This document is intended for use by Seattle City Light staff and its stakeholders, including the City Light Review Panel. It provides status updates on the quarterly completion of milestones for each workstream associated with the five strategic priorities detailed in City Light’s 2023 – 2028 Strategic Plan.

Each section will begin with a snapshot of whether each workstream’s quarterly milestone(s) has/have been completed, delayed/in progress, or delayed/cancelled. The next section will provide greater detail of each workstream’s milestone status through the comments provided by the workstream leads. The comments will show only those milestones that are delayed or are facing issues with completion. If a workstream has completed all their milestones, that will be noted at the beginning of the section.

1.2. Key Definitions

Strategic Priority – Broad, multi-year areas of focus that will help City Light achieve its vision. These five strategic priorities, also known as business strategies, are detailed in City Light’s Strategic Plan.

PIA – Acronym for “Projects, Initiatives, and Activities.” PIAs are key program areas that have been specifically called out in City Light’s Strategic Plan.

Workstream – Major initiatives and activities completed by various workgroups at City Light in support of the PIAs. Each contributes to the overall success of City Light achieving the goals of the strategic priorities.

Milestone Stage – Workstream Leads choose from 3 statuses when reporting on the success of meeting quarterly milestones:

- Complete – Indicates that milestones for the quarter were completed as scheduled.
- Delayed / In Progress– Indicates that completion of a scheduled milestone has been delayed. This includes milestones that are in progress and will be completed after the close of the reporting quarter.
- Delayed / Cancelled or Reprioritized – Indicates that milestones have been delayed significantly as the result of cancellation or reprioritization.

Milestone Comments – Space provided for workstream leads to give greater detail for their choice of Milestone Status. Examples of comments include deliverables completed and mitigation for delays.

2. Strategic Priority – Improve the Customer Experience

2.1. Q1 Milestone Status

There are six workstreams within the Improve the Customer Experience strategic priority. Five completed all scheduled milestones and one had delayed or in progress milestones for Q1. Milestone detail can be found on the accompanying Excel spreadsheet.

| PIA | Workstream | Q1 Milestone Stage |
|---|--|-----------------------|
| Integrate Voice of the Customer Into Organizational Culture | Apply customer insights to utility projects and programs | Complete |
| Strengthen and Fix Core Customer Services | Service to Bill | Complete |
| | UAP Evaluation | Complete |
| Expand Customer Service Options | Demand Response Pilot | Delayed / In Progress |
| | Implement Time of Day Rates | Complete |
| | Develop the Renewable Plus Program | Complete |

2.2. Selected Q1 Milestone Comments

Workstream Leads provided several comments related to their milestone status. While many deliverables were completed some have been scheduled for early Q2. A selection of comments is highlighted below:

| Workstream | Q1 Milestones | S | Q1 Milestone Comments |
|-----------------------|---|---|--|
| Demand Response Pilot | <p>Program start up; Demand Response Management System configured</p> <p>Marketing plan initiated</p> <p>Define dispatch strategy; provide training and documentation</p> | | Dispatch strategy & Demand Response Management System to be finalized and configured in April (Q2) |

3. Strategic Priority – Create our Energy Future

3.1. Q1 Milestone Status

There are seven workstreams associated with the Create our Energy Future strategic priority. Three completed milestones for Q1, three were delayed in Q1, and one did not have any milestones identified for the current quarter. Milestone detail can be found on the accompanying Excel spreadsheet.

| PIA | Workstream | Q1 Milestone Stage |
|--|--|-----------------------------|
| Demonstrate Leadership In Western Market Development | Achieve reliability & market compliance - Western Market Development | Delayed / In Progress |
| Fund and Implement Utility Next Portfolio | Utility Next – complete applications and secure key grant opportunities | Delayed / In Progress |
| Implement Electrification Plans | Launch PowerUp NW and Finalize Building Electrification Strategy | Complete |
| | Implement key Transportation Electrification initiatives | Complete |
| Implement Grid Modernization Program | Implement grid modernization projects | Delayed / In Progress |
| Integrate Distribution System and Resource Planning | Develop a plan and process for creating an Integrated System and Resource Plan (ISRP) encompassing Generation, Transmission & Distribution | No Q1 Milestones Identified |
| | Design and implement distributed energy resources strategy | Complete |

3.2. Selected Q1 Milestone Comments

Workstream Leads provided several comments related to their milestone status. While many deliverables were completed some have been scheduled for early Q2. A selection of comments is highlighted below:

| Workstream | Q1 Milestones | S | Q1 Milestone Comments |
|---|--|---|--|
| Achieve reliability & market compliance - Western Market Development | Contract for Extended Day-Ahead Market production cost model benefits study | | Scope of work being negotiated and discussed. Working with peer utilities on lessons learned from previous model runs. Will be finalized in early Q2. |
| Utility Next – complete applications and secure key grant opportunities | Finalize Utility Next Charter | | Utility Next charter drafted but will not be finalized until new Grants Strategic Advisor starts (offer made March 2023). |
| Implement grid modernization projects | <p>Complete lab testing for Distribution Automation (DA)</p> <p>Prepare back-end systems for distribution line sensors (DLS): Success means Power System Automation group has identified the SCL owned hardware for the backend system and completed the workshop series with Landis and Gyr (L+G) to establish, install, and integrate the L+G backend software (C.IQ)</p> <p>Completed Engineering Drawings. Receive completed DA Remote Switching Project engineering drawing from consultant</p> | | <p>Lab testing for Distribution Automation is still ongoing</p> <p>Consultant-provided workshop/ training scheduled and will be held in late Q1/early Q2. SCL backend systems identified.</p> <p>90% Engineering Drawings received and reviewed. In comment resolution phase. Small delays occurred due to discussions about possible scope increases.</p> |

4. Strategic Priority – Develop Workforce and Organizational Agility

4.1. Q1 Milestone Status

There are six workstreams within the Develop Workforce and Organizational Agility strategic priority. Four workstreams have completed milestones and two have delayed or in progress milestones. Milestone detail can be found on the accompanying Excel spreadsheet.

| PIA | Workstream | Q1 Milestone Stage |
|--|--|-----------------------|
| Organizational Change Management Program | Operationalize Enterprise Change Management and Business Process Management Programs | Complete |
| Build an Agile Workforce | Develop an Equitable Employee Lifecycle | Delayed / In Progress |
| | P&C Assessment and Strategic Planning | Complete |
| | Foster a Safe and Secure Work Environment | Delayed / In Progress |
| | Redesign racial equity analysis process and tool | Complete |
| Continued Implementation of the Utility Technology Roadmap | Implement the Utility Technology Roadmap | Complete |

4.2. Selected Q1 Milestone Comments

Workstream Leads provided several comments related to their milestone status. A selection of comments is highlighted below:

| Workstream | Q1 Milestones | S | Q1 Milestone Comments |
|--|---|---|---|
| <p>Develop an Equitable Employee Lifecycle</p> | <p>Equitable Employee Lifecycle Framework (Phase 1) completed. Includes (but not limited to):</p> <ul style="list-style-type: none"> a. Talent Management Strategy b. Workforce Development Strategy c. Apprenticeship and Technical Training Strategy d. RSJI Strategy (included in separate Workstream) <p>Review and assess current processes, optimize, and update where possible</p> | | <p>In the process of developing strategies for each work unit that relate to employee development. P&C has researched and inventoried current processes.</p> <p>Workforce Excellence is determining where processes can be updated and centralized and what training and upskilling is needed to fully utilize tools.</p> <p>Working with a vendor, to understand all components of the employee lifecycle, and how it relates to culture, access, and RSJI priorities.</p> |
| <p>Foster a Safe and Secure Work Environment</p> | <p>Update Cority (safety tracking program) to allow incident review and closure by Safety, Health and Wellness (SHaW) staff</p> <p>Debrief Current Culture Survey with each business unit</p> <p>Deploy hoteling software and configure back end and complete design for phase 2 of tenant improvements at Seattle Municipal Tower (30,34-36)</p> | | <p>Cority permissions have been given to all SHaW staff to review and close incidents for their assigned groups. Beginning the week of 4/3, weekly incident reviews are being implemented at SHaW staff meetings.</p> <p>Business units have either debriefed or have scheduled a debrief session with on the Current Culture Survey. Expected completion by the end of April.</p> <p>Hoteling software is approved by the Information Technology Department and has been approved for mobile devices. System configurations are being finalized. Anticipated final build completed by end of May. Design Development 100% for phase 2.</p> |

5. Strategic Priority – Ensure Financial Health and Affordability

5.1. Q1 Milestone Stage

There are five workstreams for the Ensure Financial Health and Affordability strategic priority. Three completed milestones for Q1 and two workstreams reported delayed or in progress milestones. Milestone detail can be found on the accompanying Excel spreadsheet.

| PIA | Workstream | Q1 Milestone Stage |
|-------------------------------|--|-----------------------|
| Control Rate Increases | Increase Financial Acumen | Complete |
| | Refine Financial Policies and Debt Strategy | Complete |
| Price Services for the Future | Influence Bonneville Power Administration Provider of Choice Contract Policy | Complete |
| | Underground Rate Policy | Delayed / In Progress |
| Road to Recovery | Road to Recovery continuation efforts and improvements | Delayed / In Progress |

5.2. Selected Q1 Milestone Comments

Workstream Leads provided several comments related to their milestone status. While many deliverables were completed some have been scheduled for early Q2. A selection of comments is highlighted below:

| Workstream | Q1 Milestones | S | Q1 Milestone Comments |
|------------------------------|---|---|---|
| Underground (UG) Rate Policy | Develop Geographic Information System (GIS) underground service analysis scope and timeline Internal decision on first year proposed UG rate would start | | GIS resources secured. Scope/design study in process. SCL's internal proposal for a (potential) UG surcharge is projected to 2027. |

| | | |
|--|--|---|
| Road to Recovery continuation efforts and improvements | Refine field disconnection and reconnection processes. | <p>Credit and collections leadership has been working with leadership from operations and technical metering to establish protocols and processes for executing manual disconnections. Newly hired Electrical Helpers will be helping with residential and some small commercial disconnects and reconnects. Meter electricians, and when needed, Line Service will handle manual disconnects and reconnects for medium and large commercial customers.</p> <p>The teams last met on March 24th to discuss, but a couple of additional meetings are needed. We will start small in regard to volume for field disconnection requests and look to conduct the first field disconnections in late April or early May.</p> |
|--|--|---|

6. Strategic Priority – We Power

6.1. Q1 Milestone Status

There are three workstreams within the We Power strategic priority. Two completed milestones, and one was delayed or in progress in Q1. Milestone detail can be found on the accompanying Excel spreadsheet.

| PIA | Workstream | Q1 Milestone Stage |
|---|---|-----------------------|
| We Power | Develop Division Performance Dashboards | Complete |
| Skagit Relicensing | All efforts related to relicensing requirements | Complete |
| Prioritize investment in core infrastructure to | Improve reliability and outage response | Delayed / In Progress |
| | Infrastructure improvement prioritization and reporting | Complete |

6.2. Selected Q1 Milestone Comments

Workstream Leads provided several comments related to their milestone status. While many deliverables were completed some have been scheduled for early Q2. A selection of comments is highlighted below:

| Workstream | Q1 Milestones | S | Q1 Milestone Comments |
|---|--|---|---|
| Improve reliability and outage response | Boardwalk Meeting/ Abnormal Condition Log. Line Operations Scheduling Tool Implementation | | Positive progress towards repairing abnormal system/equipment issues via the boardwalk meeting. Line scheduling tool is almost fully implemented for overhead and underground crews. |

| Strategic Priority | PIA | Workstream | E-Team Lead | Q1 Milestones | Q1 Milestone Stage | Q1 Milestone Comments |
|---------------------------------|---|--|-----------------|---|-----------------------|--|
| Improve the Customer Experience | Expand Customer Service Options | Demand Response Pilot | Smith, Craig | Program start up; DRMS configured Marketing plan initiated Define dispatch strategy; provide training and documentation | Delayed / In Progress | Dispatch strategy & DRMS to be finalized and configured in April (Q2) |
| Improve the Customer Experience | Expand Customer Service Options | Implement Time of Day Rates | Smith, Craig | SOW and deliverables defined for program Data Extract solution (DSS-T) contracted and underway | Complete | Program charter signed, outcomes defined, and DSS-T data extract solution contracted with Oracle. |
| Improve the Customer Experience | Integrate Voice of the Customer Into Organizational Culture | Apply customer insights to utility projects and programs | Smith, Craig | CX Foundational: Complete customer personas for utility-wide use CX Foundational: Deploy new SharePoint CX Resource Hub for people to access personas, core journeys, project intake form, survey data, and templates. Conduct roadshows to educate and engage staff. Time of Day (TOD): Conduct customer research to inform SMW replacement (phase 1 of TOD); support TOD concept mapping INSIGHTS: Complete 2022 Year End Survey report outs to inform utility 2023 planning INSIGHTS: Join Chartwell Leadership Councils to develop network of utility professionals and expand insights available through Insights Center | Complete | Completed draft customer personas. Rollout scheduled for Q2. Deployed updated SharePoint site for CX Division, including updated resources. Continued work occurring to develop resources as requested by staff. Rollout scheduled for Q2. Five customer interviews were conducted to inform the Seattle Meter Watch replacement project. To date, the TOD design concept mapping has completed visioning, customer/participant ideation, and journey mapping workshops. Remaining concept mapping will be completed in early Q2 (including customer research). All 2022 Year End Benchmark Survey report outs were completed, including JD Power and Cogent readouts. Additionally, internal CX memos and presentations were given to Communications, CES Division, CCES leadership, Customer Operations leadership, and Business Customer Services team. Memos were also shared broadly with utility leadership. Seattle City Light joined Chartwell's Leadership Councils (Customer Experience Leadership Council, Billing and Payment Council, Outage Communications Council, and Vulnerable Customer Leadership Council) and assigned City Light Leads and participants for each. City Light has leveraged the Councils to for input on CX Team |
| Improve the Customer Experience | Expand Customer Service Options | Develop the Renewable Plus Program | Smith, Craig | Outreach to customers known to be interested in participating in R+ completed, providing updates on program status Release of solar/wind resource RFP (by Power Marketing, as part of broader resource acquisition efforts) | Complete | RFP closed; Submittals being reviewed for short-list. Customer communication drafted. |
| Improve the Customer Experience | Strengthen and Fix Core Customer Services | Service to Bill | Vargo, Michelle | Customer Service Application Review/Updates Engineering Benchmarking Study Closeout/Next Steps | Complete | Customer Service Application Review/Updates: StB facilitated connections between several teams/groups on City Light's Application for Electric Service and began to identify areas requiring change or further investigation, which ranged from application content to communication with customers after application submission to the application technology/format itself. StB's application project manager changed midway through Q1 which allowed for learnings from the contiguous application process mapping to be incorporated. The next steps include: (1) facilitating an Application Workshop with all relevant subject matter experts, and (2) continued partnership with Utility Technology team on solutions and prioritization. Engineering Benchmarking Study Closeout/Next Steps: The ETO Study was presented to the Steering Committee in December 2022. StB met with engineering leadership to discuss next steps as they further consider recommendations from the study in tandem with hiring of pertinent engineering managers. StB will collaborate on process improvements as requested by engineering after ETO digests the benchmarked information. |

| Strategic Priority | PIA | Workstream | E-Team Lead | Q1 Milestones | Q1 Milestone Stage | Q1 Milestone Comments |
|---------------------------------|--|---|----------------|--|-----------------------|---|
| Improve the Customer Experience | Strengthen and Fix Core Customer Services | UAP Evaluation | Smith, Craig | Utility Affordability Programs 2023 workplan in place. Contractor Selected. | Complete | We plan to evaluate and potentially redesign our portfolio of utility assistance programs and affordability programs to ensure they are accessible, effective, and help as many eligible customers as possible. As planned, we have selected a consultant to lead this effort. We were able to utilize an on-call roster of consultants established by the CES division and selected Illume. SOW development is underway. |
| Create Our Energy Future | Demonstrate Leadership in Western Market Development | Achieve reliability & market compliance - Western Market Development | Baggs, James | Contract for EDAM production cost model benefits study | Delayed / In Progress | Scope of work being negotiated and discussed with Brattle. Working with peer utilities on lessons learned from previous model runs. Will be finalized in early Q2. |
| Create Our Energy Future | Integrate Distribution System and Resource Planning | Design and implement distributed energy resources strategy | Anyanwu, Emeka | Conducting current state assessment as it related to DER – Reviewing key SCL documents. Interviewing SCL staff and external stakeholders via consultant. Make significant progress on future state – Host a future state session with employees; review DER best practices from peer utilities. | Complete | Current State and Proposed Future State shared with DER Steering Committee and Executive Steering Committee. Review of proposed Future State requested. Additional SCL staff review tasks announced for Q2. |
| Create Our Energy Future | Fund and Implement Utility Next Portfolio | Utility Next – complete applications and secure key grant opportunities | Anyanwu, Emeka | Finalize Utility Next Charter Complete Department of Energy (DOE) Grid Resilience and Innovation Partnerships (GRIP) Application | Delayed / In Progress | DOE GRIP Application submitted successfully. WA CE4 Grants successfully contracted for. Utility Next charter drafted but will not be finalized until new Grants Strategic Advisor starts (offer made March 2023). |
| Create Our Energy Future | Implement Electrification Plans | Launch PowerUp NW and Finalize Building Electrification Strategy | Anyanwu, Emeka | PowerUp NW: •Develop 2023 Offerings/programming calendar •Contract with PowerUp NW transition plan vendor Building Electrification: •Launch community engagement/input into strategy External Workforce Development: •Align Workforce Development objectives with other City Departments: Office of Economic Development and Office of Sustainability and Environment (OED, OSE) | Complete | PowerUp NW/LDL LDL offerings and programming calendar in place for first half of the year. Transition plan contract signed and in place - awaiting PO to be issued. Building Electrification: Building Electrification Strategy Community Engagement kicked off with 2 sessions facilitated by ECOSS. MOU with DON underway. External Workforce Development Engaging in working group with OSE and OED (led by OED) to coordinate on response to Workforce Development Executive Order |
| Create Our Energy Future | Implement Electrification Plans | Implement key Transportation Electrification initiatives | Anyanwu, Emeka | LCFS: Create scope of work and draft RFP Programs: Onboard Implementation vendor and beginning design | Complete | LCFS: We completed a SOW and selected a vendor to develop SCL's LCFS program. We accelerated this timeline by selecting a vendor on EST's on-call contract. Programs: ICF is onboarded and starting to design SCL's Public Charging Station Program. |
| Create Our Energy Future | Implement Grid Modernization Program | Implement grid modernization projects | Anyanwu, Emeka | Complete lab testing for Distribution Automation: Switches are part of a University Sub Fault Location Isolation and Service Restoration (DA FLISR) scheme Prepare back-end systems for distribution line sensors (DLS) Working with SCL's Utility Technology Division; Success means PSA (Power System Automation group) has identified the SCL owned hardware for the backend system and completed the workshop series with Landis and Gyr (L+G) to establish, install, and integrate the L+G backend software (C.IQ) Completed Engineering Drawings – Receive completed DA Remote Switching Project engineering drawing from consultant | Delayed / In Progress | -Lab testing for Distribution Automation is still ongoing —Switches are part of a University Sub Fault Location Isolation and Service Restoration (DA FLISR) scheme -Distribution line sensors (DLS) – L+G provided workshop/ training scheduled and will be held in late Q1/early Q2. SCL backend system identified. -90% Engineering Drawings received and reviewed. In comment resolution phase. Small delays occurred to to discussions about possible scope increases that did not occur. |

| Strategic Priority | PIA | Workstream | E-Team Lead | Q1 Milestones | Q1 Milestone Stage | Q1 Milestone Comments |
|--|--|--|------------------|---|-----------------------|---|
| Create Our Energy Future | Integrate Distribution System and Resource Planning | Develop a plan and process for creating an Integrated System and Resource Plan (ISRP) encompassing Generation, Transmission & Distribution | Anyanwu, Emeka | | No Q1 milestones | |
| Develop Workforce and Organizational Agility | Continued Implementation of the Utility Technology Roadmap | Implement the Utility Technology Roadmap | Kakani, Kalyana | On Call Contract Crew Callout Tool Contract DSS T Data Extract Contract w/ Oracle | Complete | - The contract for Crew Call Out is in place so the project can proceed. - The contract with Oracle for the Data Extract is in place. - We have selected 17 vendors and identified which of the 9 topic areas that we want to contract with each of them. We are finalizing details and establishing the contracts with the 17 vendors. |
| Develop Workforce and Organizational Agility | Build an Agile Workforce | Develop an Equitable Employee Lifecycle | Johnson, DaVonna | Equitable Employee Lifecycle Framework (Phase 1) completed. Includes (but not limited to): a. Talent Management Strategy b. Workforce Development Strategy c. Apprenticeship and Technical Training Strategy d. BSJI Strategy (included in separate Workstream) Establish stakeholder engagement activities where appropriate Review and assess current processes, optimize and update where possible Engage with internal and external networks (other utilities, affinity groups, Regional Consortium members, etc.) | Delayed / In Progress | The Division is in the process of developing strategies for each work unit that relate to employee development and the groups have researched and inventoried current processes. Working with EPRI, DOE, and regional utility partners (such as Portland General Electric) as well as with SCL's OCM, and other stakeholders at CL, Workforce Excellence is determining where processes can be updated and centralized and what training and upskilling is needed to fully utilize tools (i.e. Cornerstone and NeoGov). Working with a vendor, WEX is working to understand all components of the employee lifecycle, and how it relates to culture, access, and JEDI priorities. |
| Develop Workforce and Organizational Agility | Build an Agile Workforce | P&C Assessment and Strategic Planning | Johnson, DaVonna | Conduct one-on-one interviews with executive leadership. Help identify opportunities for improvement to better support our customers throughout the employee lifecycle – from hire to retire. Conduct survey of People Leaders and key People and Culture staff. Gather stakeholder feedback for the services that People and Culture delivers to internal customers. | Complete | Completed one-on-one interviews with executive leadership on March 8, 2023. Survey of People Leaders and key People and Culture staff was completed on March 20, 2023. |
| Develop Workforce and Organizational Agility | Build an Agile Workforce | Foster a Safe and Secure Work Environment | Johnson, DaVonna | Update Cority to allow incident review and closure by SHaW personnel. Introduce all SHaW personnel to the concepts and functions of Learning Teams (LT); continue to facilitate Learning Teams across City Light. Develop written SHaW internal processes on basic subjects including performance expectations, internal communications, post incident communications, assignment of work, vehicle sharing, etc. Safety supports Workforce Development in creating training opportunities, meeting meet monthly to share information. Deploy hoteling software and configure back end Complete design for phase 2 of tenant improvements at SMT (30,34-36) Layout 2023 CIP workplan to increase YoY spending by 50% Debrief Current Culture Survey with each business unit | Delayed / In Progress | Cority permissions have been given to all SHaW personnel to review and close incidents for their assigned groups. Beginning the week of 4/3, weekly incident reviews are being implemented at SHaW staff meetings. An introductory session to Learning Teams was held at the monthly "All SHaW Professional Development" meeting in February. An additional workshop is scheduled in April. During the first quarter, SHaW completed development of a written process on obtaining Commercial Driver's Licenses and getting into the driving pool, which is being implemented for pre-apprentices and new and existing employees. SHaW completed and implemented an internal Storm Response procedure, a paging system for emergencies, and finalizing the draft on the expanded Incident Response Standards and Safety Committee Guidelines. SHaW provided Workforce Development with the updated Safety training matrix and a list of classes that can be provided online, assisted with scheduling and developing presentations for Safety Camp training sessions, and assisted with external trainer coordination. Business units have either debriefed or have scheduled a debrief session with DecisionWise on the Current Culture Survey. Expected completion date will be the end of April. Hoteling software is approved by ITD, SSO enabled and approved for mobile devices (i.e., iPhone app). System configurations are being finalized. Anticipated final build completed by end of May. Design Development 100% for phase 2 and delivered on-schedule and moving onto Construction Documents. Partnered with Project Delivery to capture and prioritize 6 projects to expend funds and project managers are being |

| Strategic Priority | PIA | Workstream | E-Team Lead | Q1 Milestones | Q1 Milestone Stage | Q1 Milestone Comments |
|--|--|--|------------------|---|-----------------------|--|
| Develop Workforce and Organizational Agility | Operational Change Management Program | Operationalize Enterprise Change Management and Business Process Management Programs | Chan, Jen | <p>Develop and deliver OCM/BPM strategies and/or services for SCL key initiatives:</p> <ul style="list-style-type: none"> •Develop and/or update OCM/BPM strategy for key SCL initiatives such as WAMS, UT Roadmap work, Create Our Energy Future, Time of Day and others. •Deliver OCM services to NMS, Workday, Work & Asset Management. •Develop and/or deliver BPM services to Hiring Process, Accounting Division, Enterprise Intake and others. <p>Refine BPM service offerings and related collaterals:</p> <ul style="list-style-type: none"> •Create adoption rubric, aligned with strategic priorities. •Develop and offer initial BPM 101 training series on rolling basis. •Continue activities to raise awareness in the utility. <p>Lay the groundwork for establishing performance measurement best practices in collaboration with the SCL Strategic Planning and Performance team.</p> | Complete | <p>* Hosted an OCM shared vision workshop for WAMS, which is a step towards an OCM Strategy</p> <p>* Developed a working OCM strategy materials and BPM Strategy for the respective key projects listed in our Q1 milestone (UT Roadmap, TOD, etc.); these materials will evolve as project needs evolve.</p> <p>* Developed the first BPM 101 training course, piloted with the Service-to-Bill team and the Data Interest Group (DIG).</p> <p>* Presented to the DIG cross-utility group, discussing the role and value of BPM, generating additional awareness and support.</p> <p>* Began conversations with the SCL Strategic Planning and Performance team, sketching initial engagement scope.</p> <p>*Developed a BPM training maturity model, along with class outlines and timeline.</p> |
| Develop Workforce and Organizational Agility | Build an Agile Workforce | Redesign racial equity analysis process and tool | Johnson, DaVonna | TOOL: Redesign the tool step by step with equity staff | Complete | The Race and Social Justice (RSJ) team is in the process of redesigning the racial equity analysis process and tool. There are six steps to redesign. The RSJ team is working on the first step within the team and the second step with the Community Outreach and Engagement Advisor. |
| Ensure Financial Health and Affordability | Control Rate Increases | Increase Financial Acumen | Grainger, Kirsty | Project Management Dashboard Requirements | Complete | Draft requirements complete. Ready to transmit to BI Team for prototyping. |
| Ensure Financial Health and Affordability | Control Rate Increases | Refine Financial Policies and Debt Strategy | Grainger, Kirsty | <p>Documentation of financial metrics</p> <p>Develop outline of white paper</p> | Complete | |
| Ensure Financial Health and Affordability | Price Services for the Future | Influence Bonneville Power Administration Provider of Choice Contract Policy | Anyanwu, Emeka | <p>Continue to participate and provide vocal and effective leadership from the staff level up to the executive level on the multiple workstreams in the POC process. This includes</p> <ul style="list-style-type: none"> - PPCs POC executive group, - PPC's small working group, - BPA's Peak Net Requirements small group, - BPA's general stakeholder processes, and - any other ad-hoc groups or meetings as they arise. <p>Development of analytical tools and capability to consider policy impacts to Seattle City Light</p> | Complete | Staff and management continues to participate in PPC, BPA & I5 utility developments on the BPA POC process. Process is moving past the "policy" development stage and in Q2 will move into "product" development. Critical elements in POC process including system size and allocation should be finalized in Q2. |
| Ensure Financial Health and Affordability | Price Services for the Future | Underground Rate Policy | Grainger, Kirsty | <p>Develop GIS underground service analysis scope and timeline</p> <p>Internal decision on first year proposed UG rate would start</p> | Delayed / In Progress | <p>GIS resources secured. Scope/design study still in process.</p> <p>SCL's internal proposal for a (potential) UG surcharge is projected to 2027.</p> |
| Ensure Financial Health and Affordability | Road to Recovery | Road to Recovery continuation efforts and improvements | Smith, Craig | Refine field disconnection and reconnection processes. | Delayed / In Progress | <p>Credit and collections leadership has been working with leadership from operations and technical metering to establish protocols and processes for executing manual disconnections. Newly hired Electrical Helpers will be helping with residential and some small commercial disconnects and reconnects. Meter electricians, and when needed, Line Service will handle manual disconnects and reconnects for medium and large commercial customers.</p> <p>The teams last met on March 24th to discuss, but a couple of additional meetings are needed. We will start small in regards to volume for field disconnection requests and look to conduct the first field disconnections in late April or early May.</p> |
| We Power | Investment in Core Infrastructure Prioritization | Improve reliability and outage response | Vargo, Michelle | <p>Boardwalk Meeting/ Abnormal Condition Log.</p> <p>Line Operations Scheduling Tool Implementation</p> | Delayed / In Progress | <p>Positive progress towards repairing abnormal system/equipment issues via the boardwalk meeting.</p> <p>Line scheduling tool is almost fully implemented for OH and URD crews.</p> |

| Strategic Priority | PIA | Workstream | E-Team Lead | Q1 Milestones | Q1 Milestone Stage | Q1 Milestone Comments |
|--------------------|--|---|--------------|---|--------------------|---|
| We Power | Investment in Core Infrastructure Prioritization | Infrastructure improvement prioritization and reporting | Haynes, Mike | <p>Advertise and hire for Manager 3 (Underground)</p> <p>Assign a Project Delivery Division Program Team (Fleet)</p> <p>Apply for grant funding (Fleet)</p> <p>Start fabrication (Diablo)</p> <p>Responses to construction bid received (Broad St)</p> <p>Focus on Sound Transit Board action on preferred alternative for Ballard Link Extension (Sound Transit 3)</p> <p>Work with Operations and ETO to provide "30% submittal" expedited comment review (Sound Transit 3)</p> | Complete | <p>Underground Cable Replacement Manager 3 was posted and closed on 3/28/2023. Hiring process started.</p> <p>Project Delivery Division Program team lead, for fleet/facilities are Steve Byers (Manager 3) and Lizzy Kay (Sr. Project Manager). Team exploring grant opportunities.</p> <p>Diablo trash rash is in progress.</p> <p>Bids were received. Awarded on 4/11/2023.</p> <p>Engaged on Sound Transit 3 and post March 2023 board action. Pivoting to design options and possible refinements with Sound Transit and developers.</p> <p>Coordination and collaboration with ETO continues, regarding Sound Transit Submittals.</p> |
| We Power | Skagit Relicensing | All efforts related to relicensing requirements | Haynes, Mike | <p>File Updated Study Report with Federal Energy Regulatory Commission (FERC)</p> <p>Mayor's Office and Council Briefing on Final License Application</p> | Complete | All tasks complete. Q2 tasks on track. |
| We Power | We Power | Develop Division Performance Dashboards | Chan, Jen | <p>Build one dashboard</p> <p>Assign action steps necessary for dashboard development to one division</p> <p>Confirm all 2023 division with the directors and present to ETeam for Visibility</p> | Complete | <p>Progress is being made on building a dashboard for CES, and should be complete by end of Q2.</p> <p>CES, Workplace Logistics, Finance, Accounts Payable, and Utility Technology have all been confirmed for the year, with one remaining division to be confirmed. This plan has been presented to ETeam for visibility.</p> <p>Discussions with Env. Land & Licensing are in progress.</p> |



Create Our Energy Future Update



Seattle City Light

WE POWER SEATTLE

Team Introductions



Emeka Anyanwu – Energy Innovation and Resources Officer



Siobhan Doherty – Power Management Director



David Logsdon – Director, Electrification & Strategic Technology

Strategic Plan Business Strategies



Improve the Customer Experience



Create our Energy Future



Develop Workforce and Organizational Agility



Ensure Future Financial Stewardship and Affordability



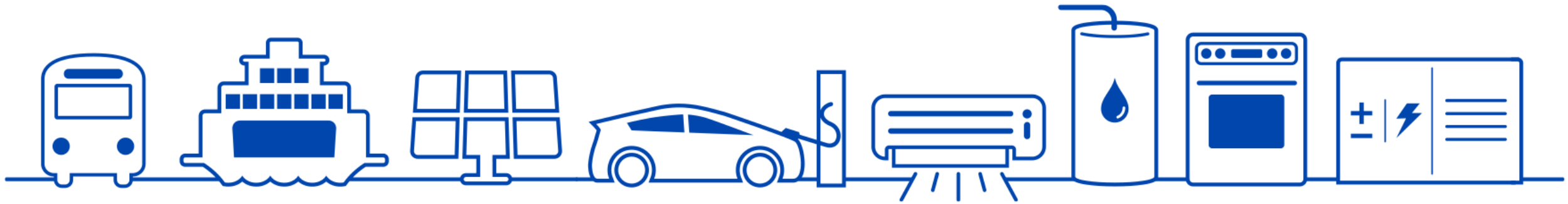
We Power



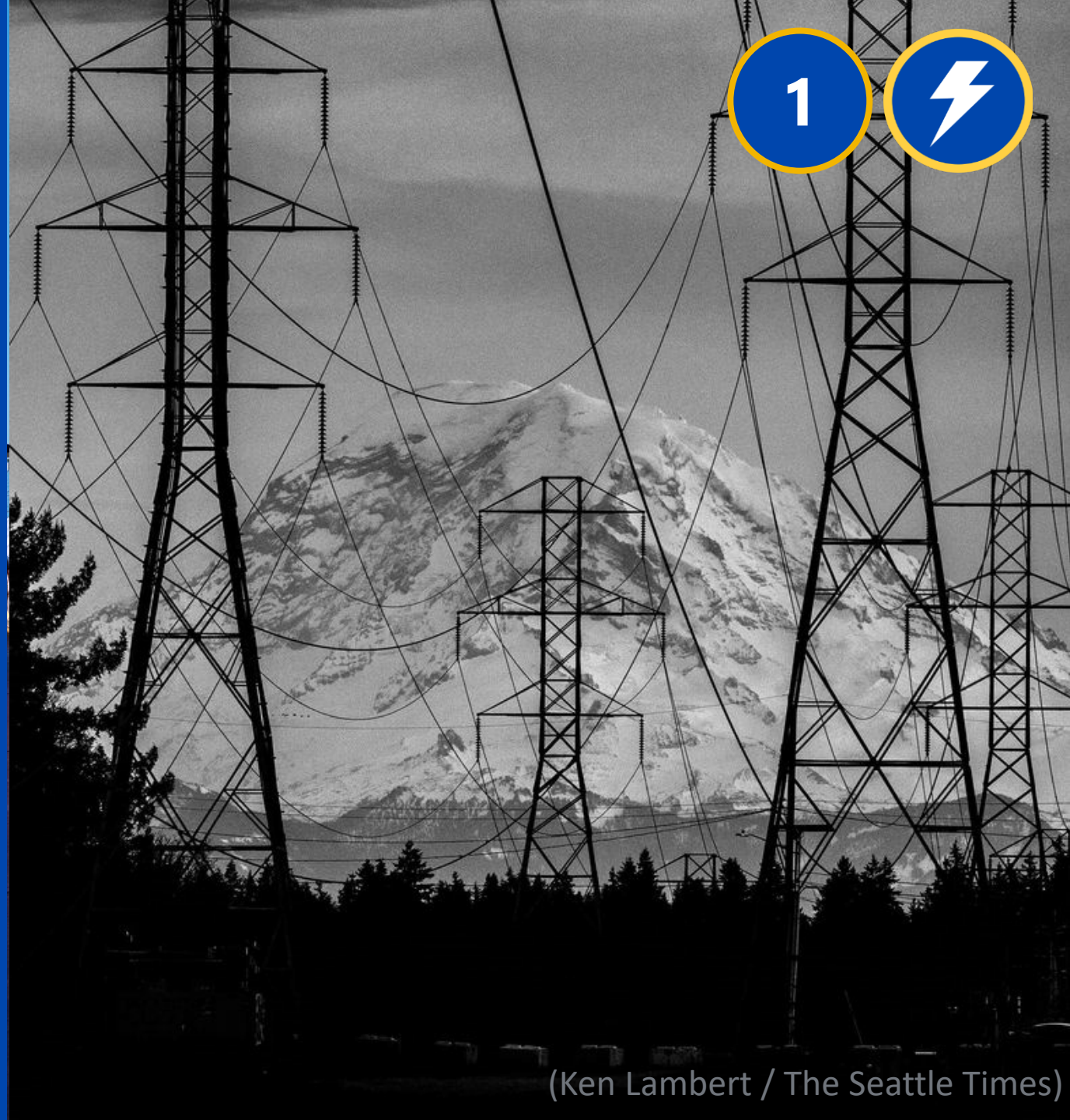
Create Our Energy Future Strategic Plan Initiatives

Initiative

- 1 **Demonstrate Leadership in Western Market Development**
- 2 **Integrate Distribution System and Resource Planning**
- 3 **Utility Next Portfolio**
- 4 **Implement Electrification Plans**
- 5 **Grid Modernization**



Demonstrate Leadership in Western Market Development



(Ken Lambert / The Seattle Times)

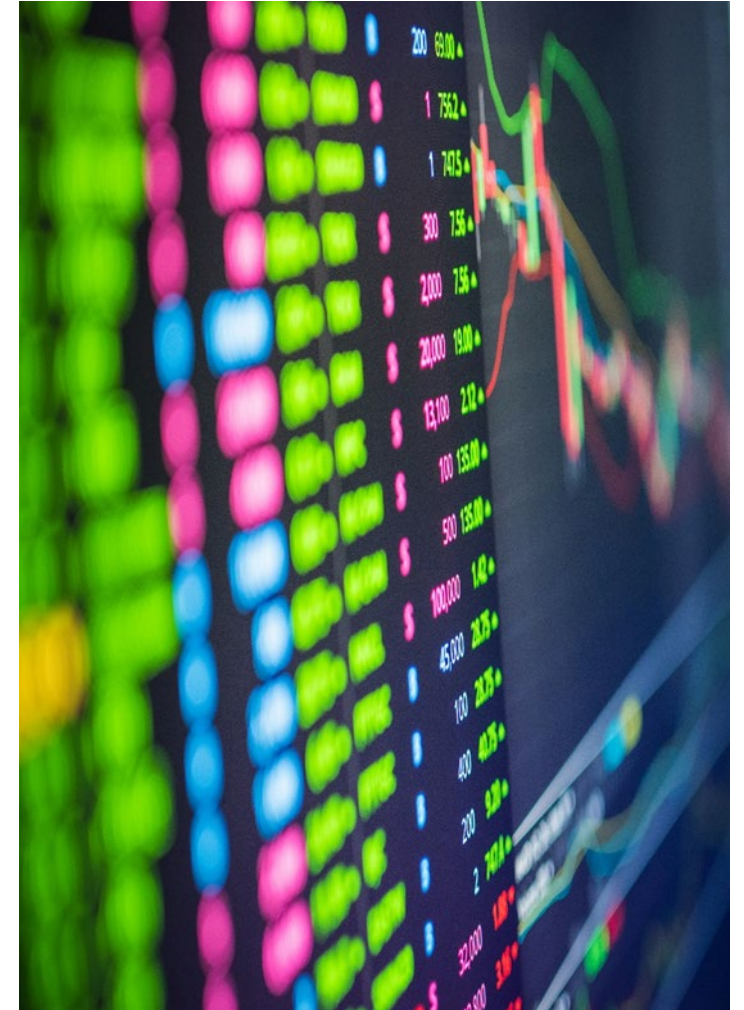
Markets Overview Shared at February Review Panel



- Slides are here: [20230215RPMtgMaterials.pdf \(seattle.gov\)](https://www.seattle.gov/20230215RPMtgMaterials.pdf)

Seattle City Light Specific Interests

- Positive customer benefits:
 - Enhanced reliability
 - Reduced operational/resource costs
 - Reduced regional emissions
- Hydro recognized as valuable clean power
- Transmission to access new power resources
- Renewable resource development



Western Markets



What have we accomplished?

- Western Resource Adequacy Program (WRAP) Tariff approved and SCL received City Council approval to join WRAP in March 2023
- Co-hosted summit with Portland General Electric and Bonneville Power Authority (BPA) to advance regional cooperation between the Northwest and California

What will we do in 2023?

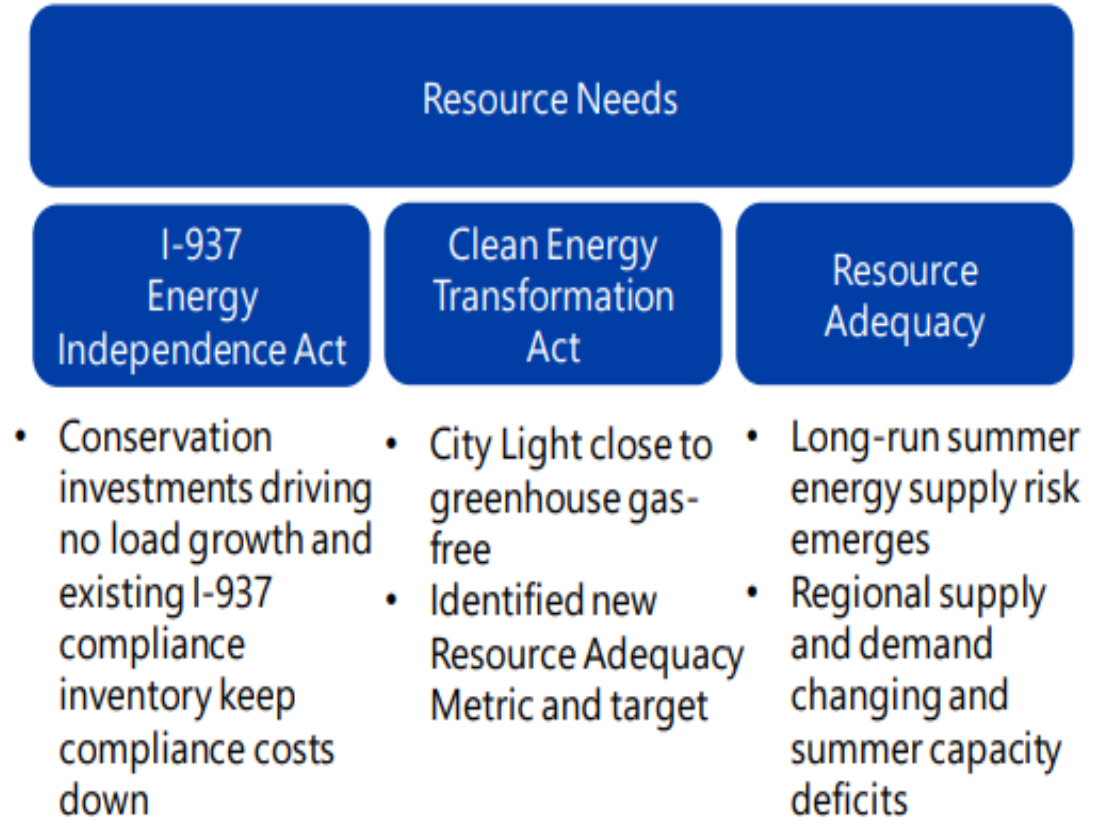
- Engage in development of WRAP business practices and program implementation
- Monitor and influence policies related to market development through direct engagement and in coordination with regional industry groups
- Cost modeling and analysis to inform decisions on whether to join a market

Integrate Distribution and Resource Planning

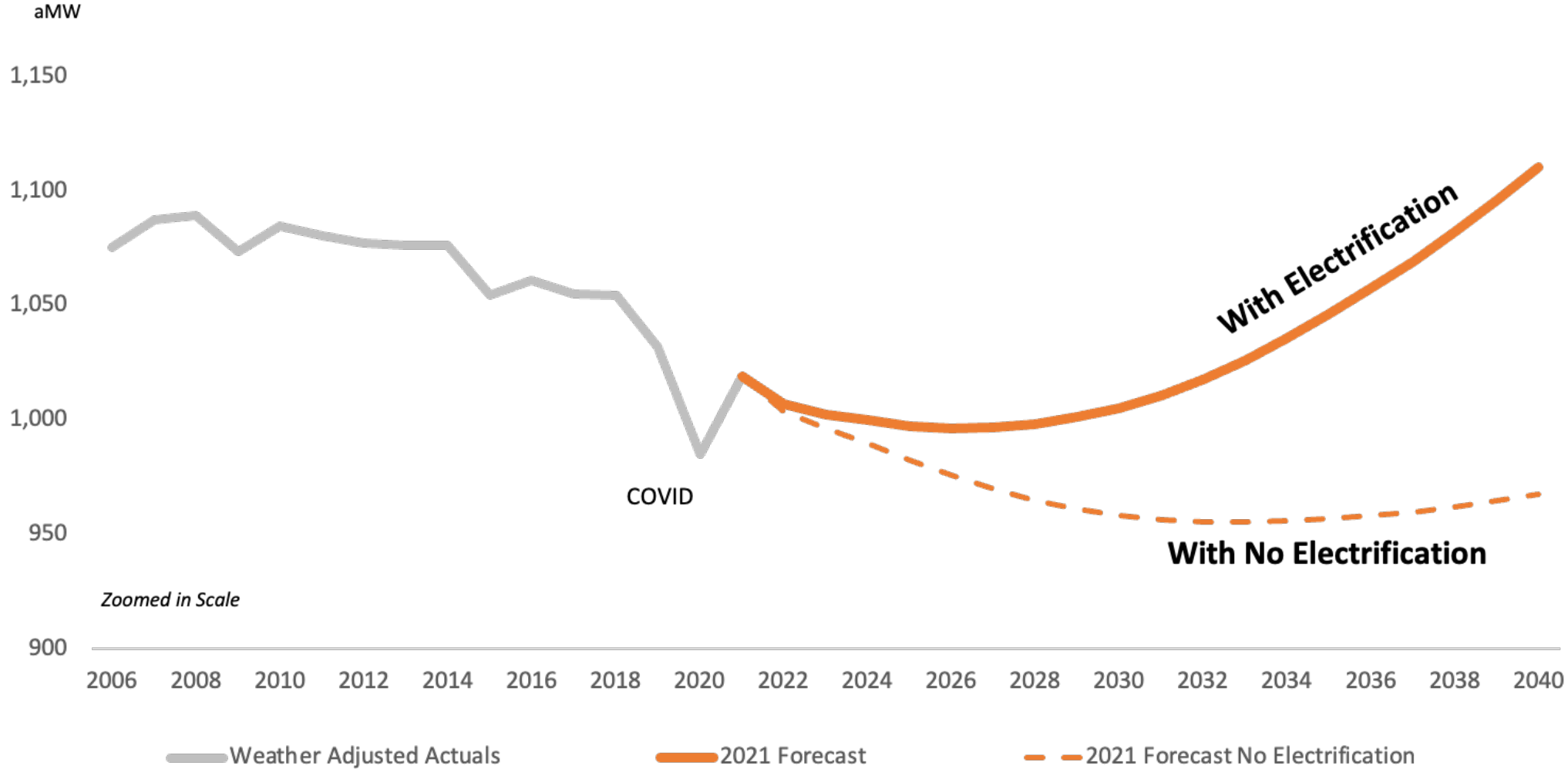


What Is an Integrated Resource Plan?

- Biennial plan describing a path to meet the SCL service area's electric power needs for next 20 years
- An opportunity for customers and stakeholders to share their vision for our future power supply mix
- Reviewed and updated every two years
- Required by WA state law
- Must be approved by Seattle City Council
- Not intended to represent specific resource actions to be taken

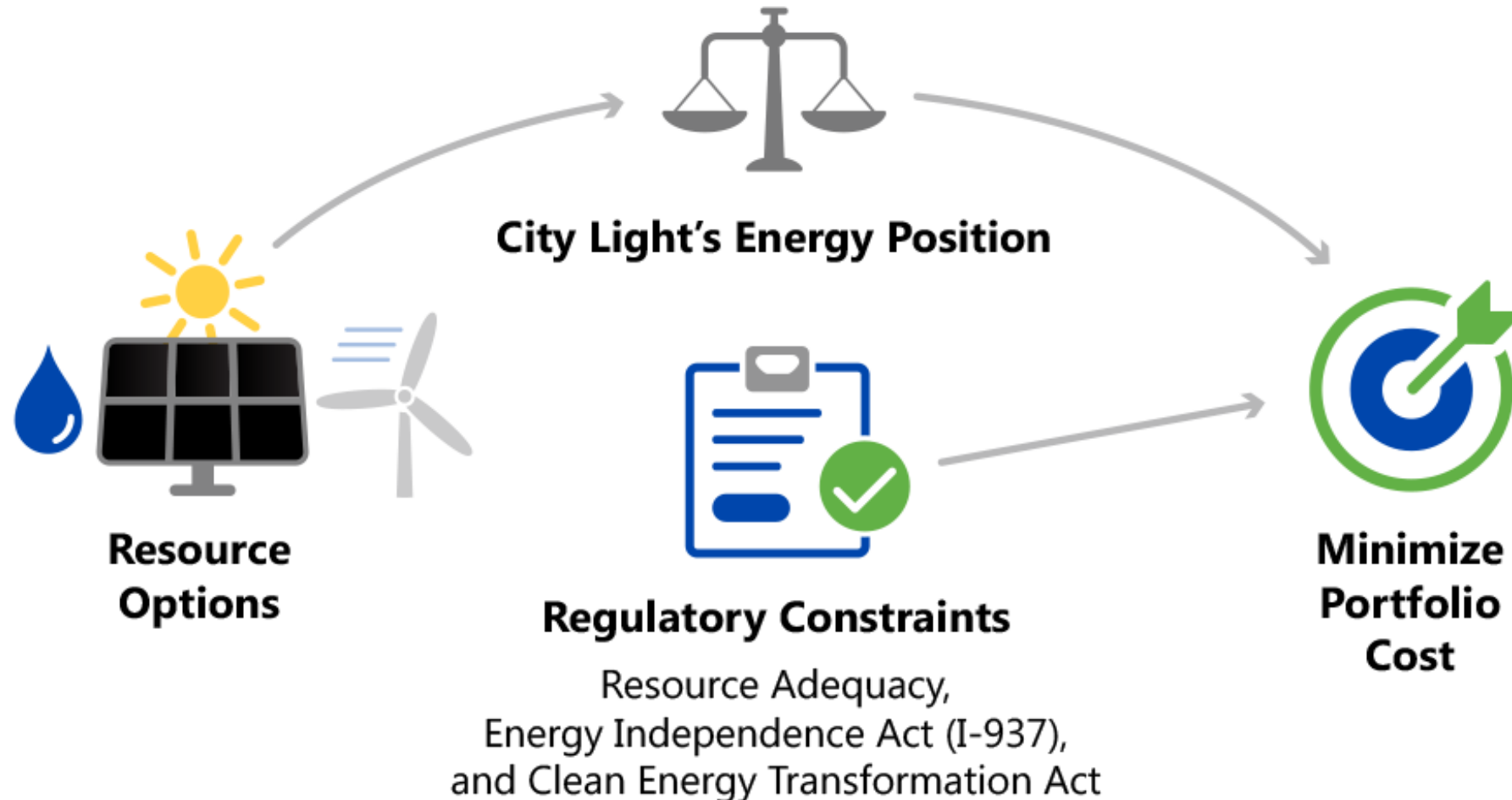


Electrification Growth Is Included in Our Strategic Plan



2022 IRP Framework

Goal: Design best mix of resources to meet City Light's needs over next 20 years



City Light's Current Resource Mix

2020 POWER MIX



| | |
|----------------------|------|
| ● HYDRO | 86% |
| ● WIND | 5% |
| ● NUCLEAR** | 5% |
| ● UNSPECIFIED* | 3% |
| ● BIOGAS..... | 1% |
| <hr/> | |
| TOTAL | 100% |

**City Light does not have coal or natural gas resources in its power supply portfolio. It does make market purchases to balance or match its loads and resources. These purchases, along with market purchases made by Bonneville Power Administration (BPA), may incidentally include coal or natural gas resources, which are assigned to the utility. Any emissions associated with unspecified market purchases are offset through our greenhouse gas (GHG) neutrality policy.*

***This fuel represents a portion of the power purchased from BPA.*

ENERGY RESOURCES

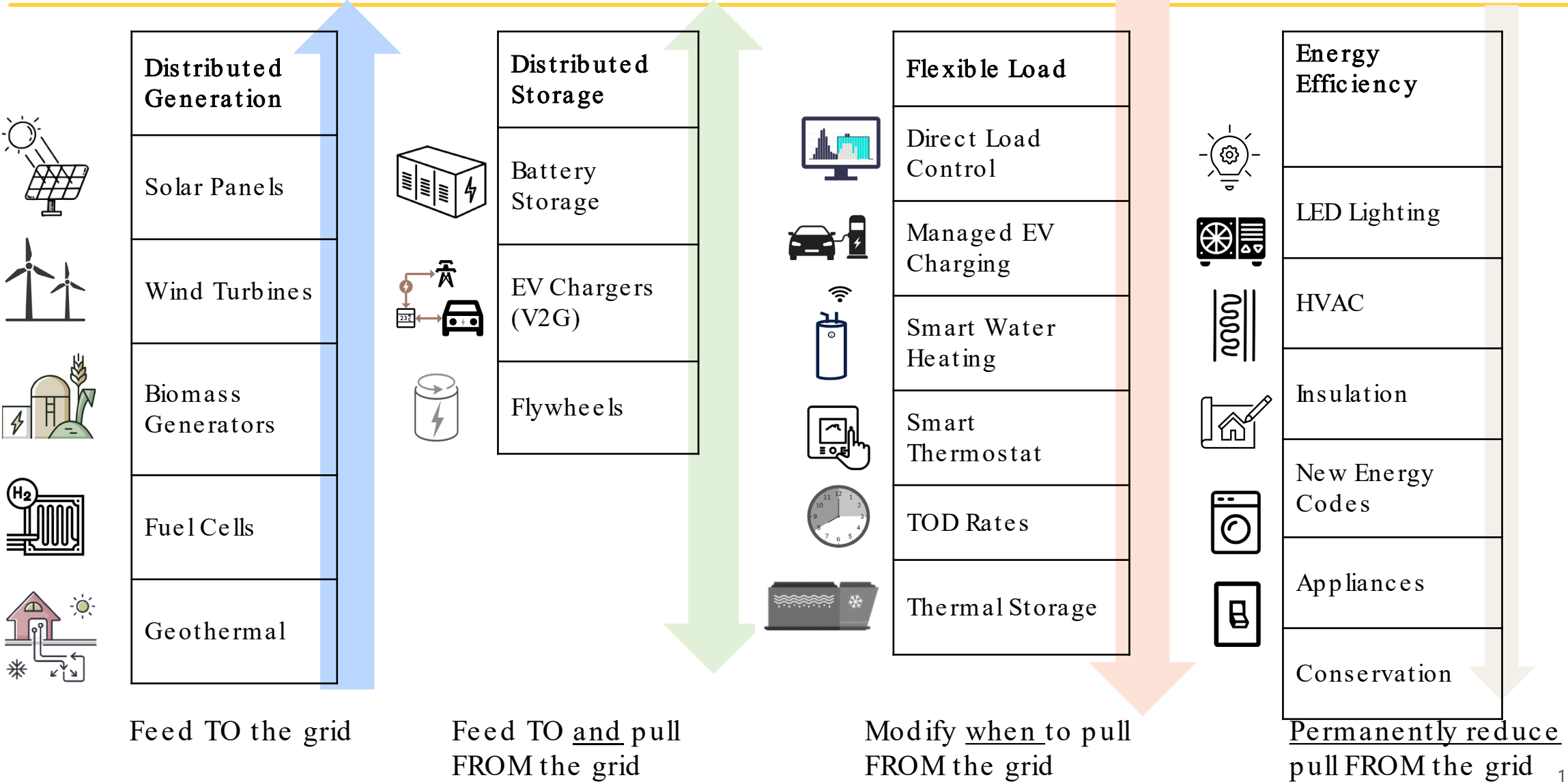


- Owned Hydro
- Treaty Rights From British Columbia
- Long-Term Hydro Contracts (CBH is the Columbia Basin Hydropower)
- Other Long-Term Contracts

Seattle Needs to Add New Clean Energy Resources

| NEW RESOURCE ADDITIONS | 2022–2031 | 2032–2041 | TOTAL |
|-------------------------------|------------------|------------------|--------------|
| Solar (MW) | 175 | 0 | 175 |
| Wind (MW) | 225 | 50 | 275 |
| Energy Efficiency (aMW) | 85 | 31 | 116 |
| Customer Solar Programs (MW) | 24 | 28 | 52 |
| Summer Demand Response (MW) | 47 | 31 | 75 |
| Winter Demand Response (MW) | 79 | 43 | 122 |

Exploring New Distributed Energy Resources



Why This Matters: An Integrated Energy System

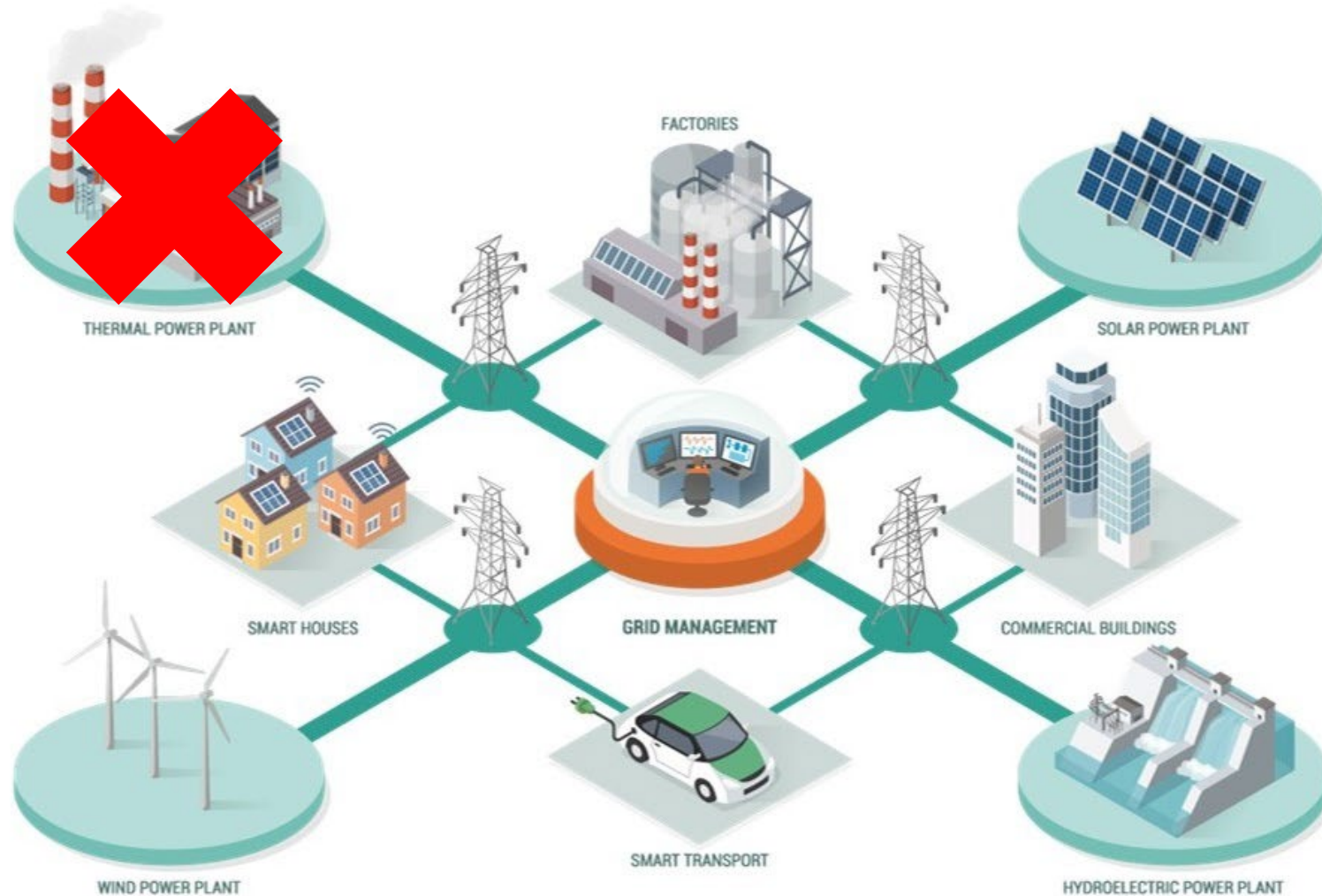
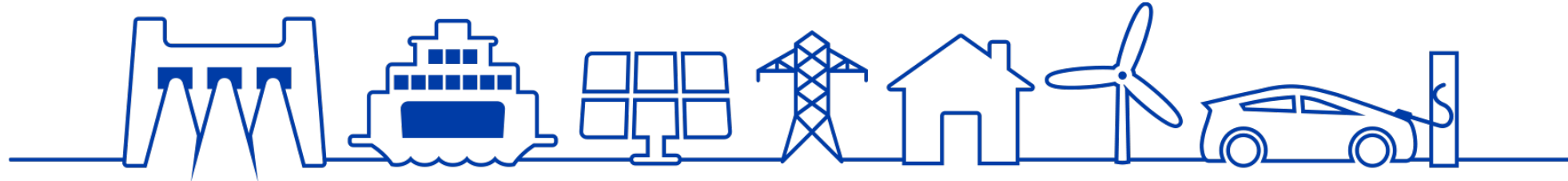


Image: Tennessee Valley Authority (<https://www.tva.com/energy-system-of-the-future/grid-of-tomorrow>)

Integrated Planning



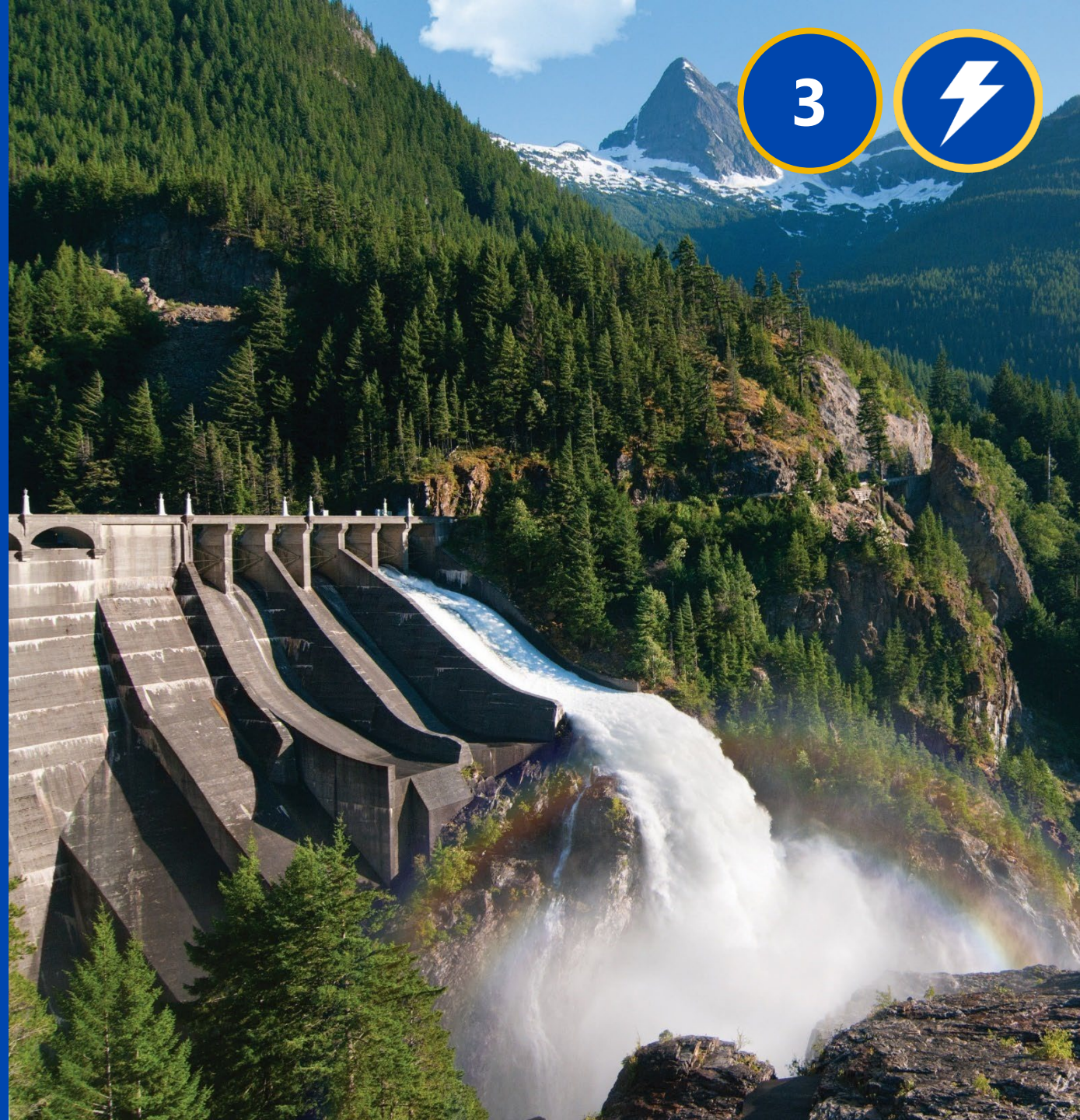
What have we accomplished?

- Completed EPRI Electrification Assessment
- Updated Load Forecast
- Updated Integrated Resource Plan
- Kicked off Distributed Energy Resource Strategy

What will we do in 2023?

- Complete Distributed Energy Resource Strategy
- Complete Demand Side Management Potential Assessment
- Identify cross-functional integrated project team, create program charter

Utility Next: Pursuing Funding Opportunities



Utility Next

Utility Next accelerates and augments the projects needed to achieve Seattle's clean energy vision

- Since 2020, City Light has continually pursued federal, state, and other public funding opportunities
- We prioritize equitable and inclusive project approaches



Pursuing Public Funding Opportunities

The U.S. Infrastructure Investment and Jobs Act invests in the nation's infrastructure, including energy

- We expect to see **\$1.2 trillion** in total federal spending over five years, including \$550 billion in new spending
- City Light has submitted an application for **\$50M in Federal funding for a transformational equity-focused project**



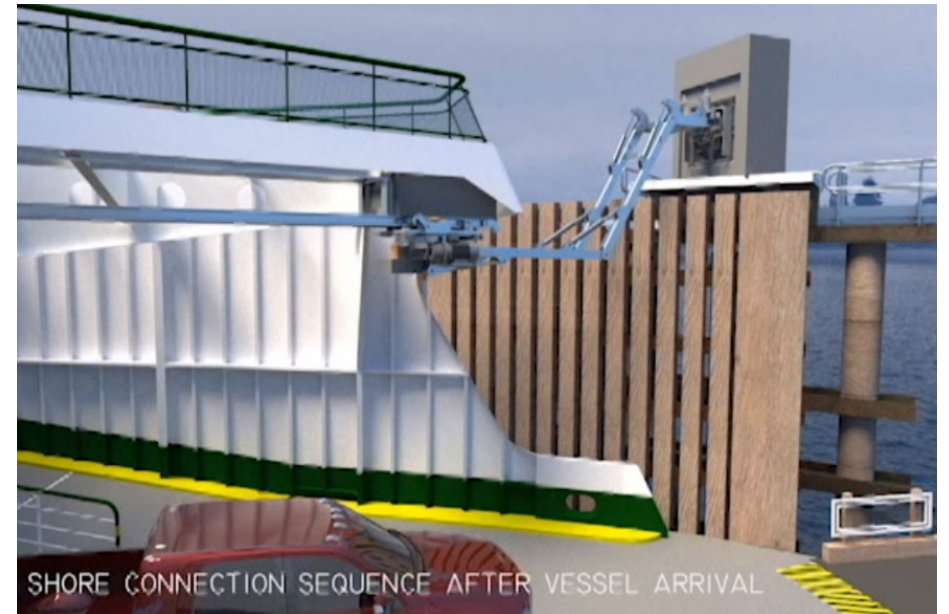
President Joe Biden signing the Infrastructure Investment and Jobs Act, Monday, November 15, 2021, on the South Lawn of the White House. Image: Public domain (Official White House Photo by Cameron Smith).

WA State Clean Energy Fund (CEF) Grants at Work

Grants from the Washington State Department of Commerce advance renewable energy technologies and electrification system innovations

Active City Light State grants:

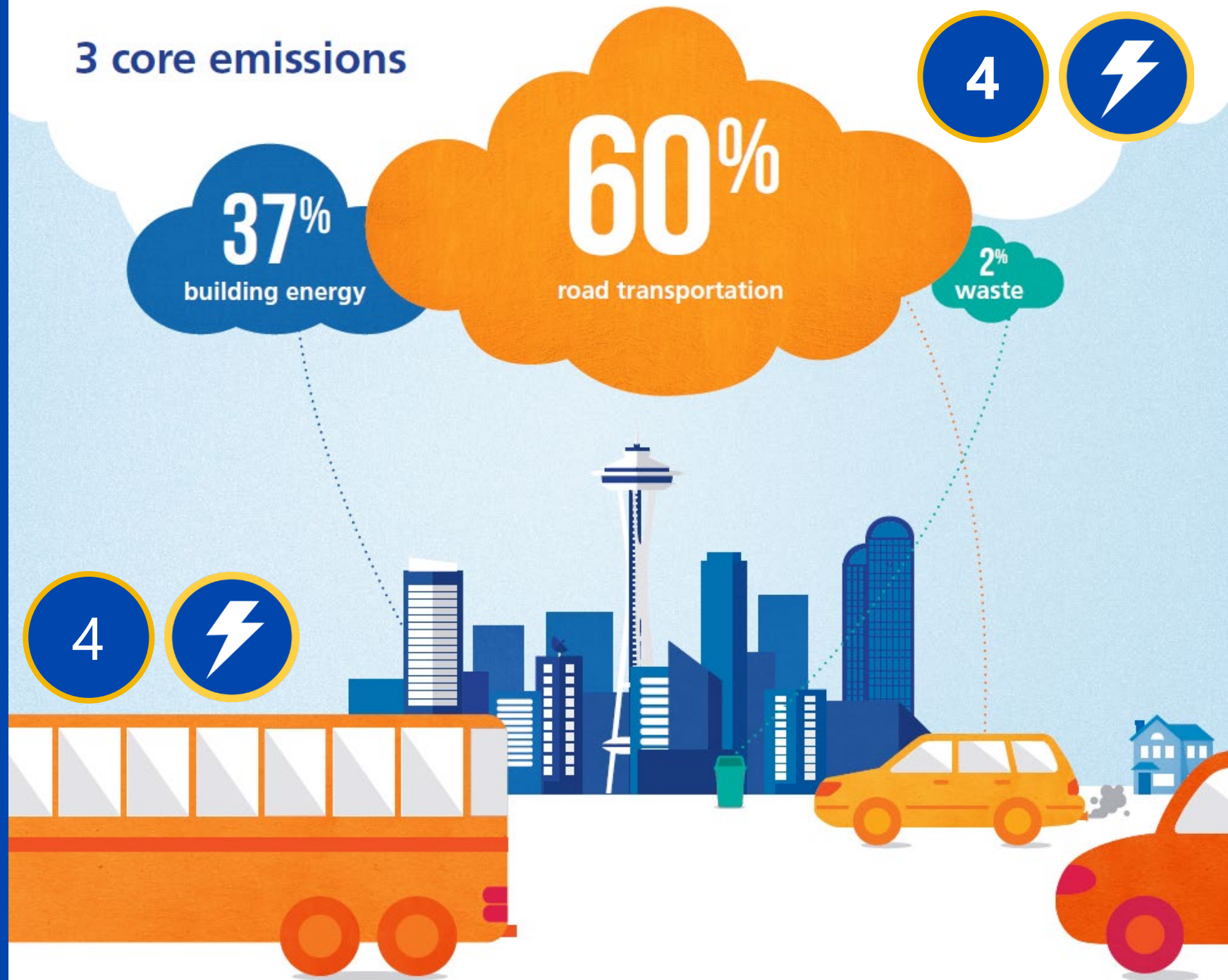
- [Colman Dock](#) electrification
- [Seattle Central College](#) district energy system analysis and design
- **Seattle Center** district energy system analysis and design



Rendering of a ferry charging dockside. Image: Washington State Ferries.

Implement Electrification Plans

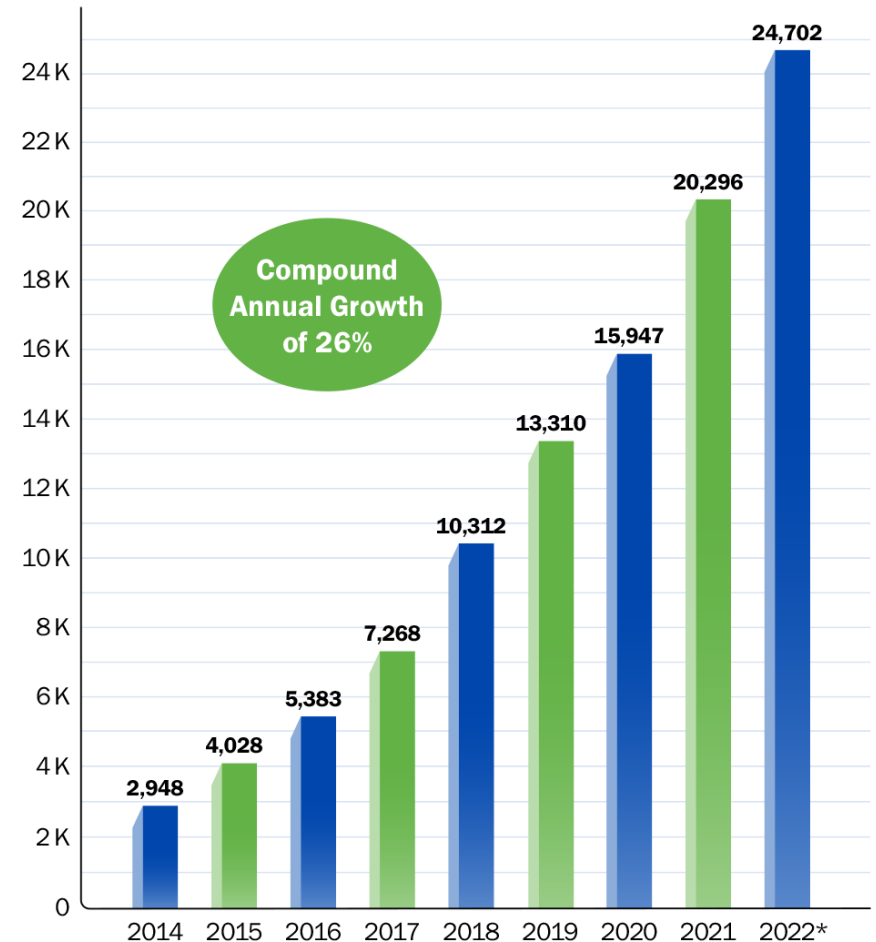
3 core emissions



Transportation Electrification Is Accelerating

- Consumer demand is growing
- Investment is increasing significantly
- City, State, and Federal policy alignment

EVs IN SEATTLE CITY LIGHT'S SERVICE TERRITORY



*Number reflects January through September only.

Data provided by Electric Power Research Institute. Includes plug-in hybrids and battery-electric vehicles. }

How City Light Supports Transportation Electrification

Community and Stakeholder Collaboration

Public Transit



Fleets



Personal Mobility



Electrification Enablement



Community Outreach and Partnership

Environmental justice community focus supports access so no one is left behind in the transition



- Trusted link with community
- Key work on:
 - Overall transportation electrification outreach and engagement
 - Developing a Mobility Hub Blueprint
 - Carshare electrification
 - Affordable housing

Partnering to Achieve Zero-emission Public Transit

Investing in public transit prioritizes environmental justice communities



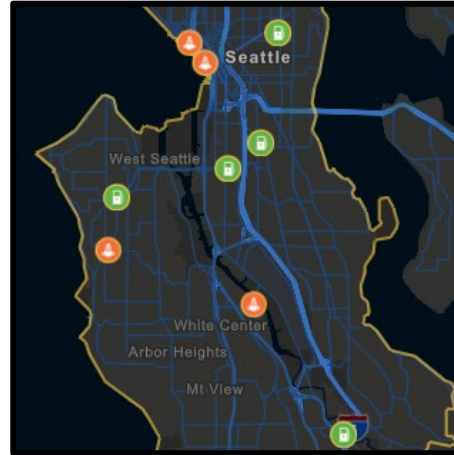
- Partnering with King County Metro
- Developing the **Seattle Waterfront Clean Energy Strategic Plan**
- Innovating to bring **the first electric ferry** in the region online

Expanding Electric Personal Mobility Access



Multi-Family Housing

- Expanding at-home and near-home charging for multi-family residents



Public Charging

- Filling in gaps that the private market is leaving behind



Curbside Level 2 Pilot

- Building 30 curbside EV charging stations

Building Electrification = Heat Pumpification

Seattle City Light is ensuring heat pumps move into the mainstream

- Supporting adoption of efficient electric heat pumps and heat pump hot water heaters
- Providing customers and building industry professionals with enhanced [education and training resources](#)



Energy-efficient heat pumps can heat and cool all in one unit. Image: Resource Media, Marcela Gara, Flickr Creative Commons.

Helping Trades/Customers Understand Changing Policies

Codes & Standards

| Building | New Requirements |
|--|--|
| New construction | <ul style="list-style-type: none"> Heat pumps |
| Existing large commercial & multifamily | <ul style="list-style-type: none"> Reduced energy use Heat pumps, for most equipment replacement Emissions reductions (under development) |
| Existing small commercial & residential | <ul style="list-style-type: none"> None yet |







Inflation Reduction Act Funding Opportunities

| | | |
|---|--|--|
|  Home Energy Rebates \$9B U.S. DOE |  Affordable Housing \$1B U.S. HUD |  Clean Transportation \$7B U.S. EPA |
|  Energy Tax Credits ~\$277B* U.S. Treasury |  Greenhouse Gas Reduction Fund \$27B U.S. EPA |  Enviro. Justice Block Grants \$3B U.S. EPA |

BUILDING ELECTRIFICATION STRATEGY



Goal:
Partner with customers and communities to leverage our carbon-neutral electricity to deliver **affordable** & **equitable** building decarbonization.

| 2023 | 2024 | ONGOING |
|--|--|---|
| <ul style="list-style-type: none"> INCREASE ACCESS & AWARENESS BUILD THE WORKFORCE | <ul style="list-style-type: none"> OFFSET ELECTRIFICATION WITH EFFICIENCY REDUCE UPFRONT COSTS | <ul style="list-style-type: none"> LONG-TERM RESILIENCY Seattle City Light |

Grid Modernization



Discussion break

- What do you think of when you hear "Grid Modernization"?
- Why might it be important for City Light and our Customers?



"A silent question" by [Seth Capitulo](#) is licensed under [CC BY 2.0](#).

Grid Modernization

- Prepares us for **electrification load growth**
- Supports adoption of **distributed energy resources**
- Improves **reliability** of everyday operations through increased monitoring and control
- Increases **resiliency** by adding renewable energy resources and hardening the grid
- Advances **equity** by broadening our economic prosperity
- Enhances **cybersecurity** from evolving threats
- Supports **flexibility** to respond to uncertainty at various time horizons



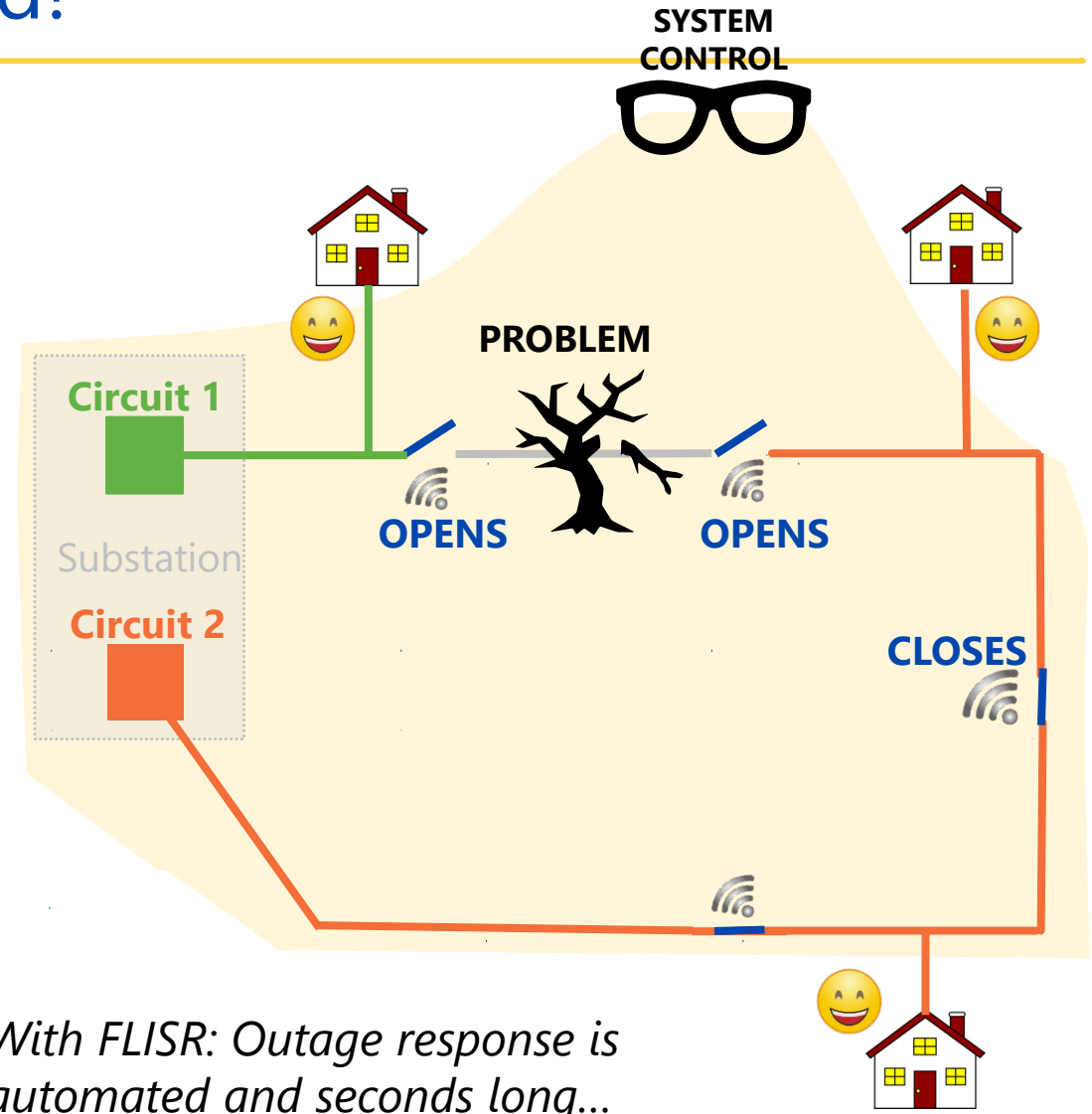
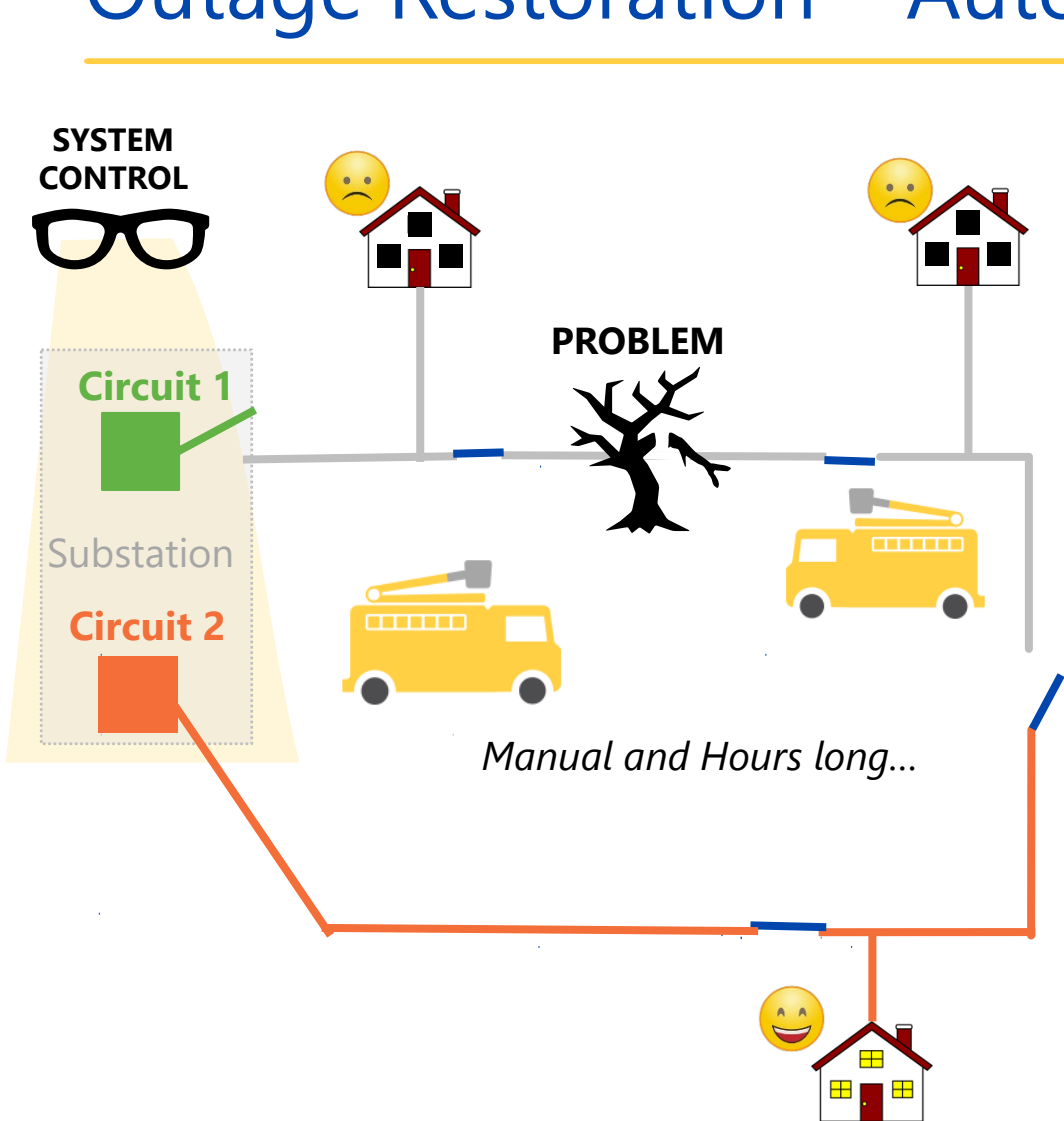
Grid Modernization Tools Include...



- Advanced operational platforms
- Remotely operable switches
- Renewable energy
- Smart thermostats
- Improved modeling
- New customer offerings
- Electrification technologies
- Line sensors for grid monitoring
- Adding flexibility to building loads



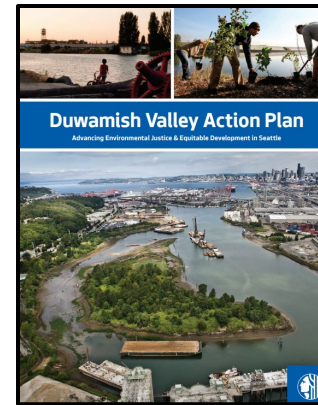
Outage Restoration – Automated!



Pursuing Equitable Investments in the Grid

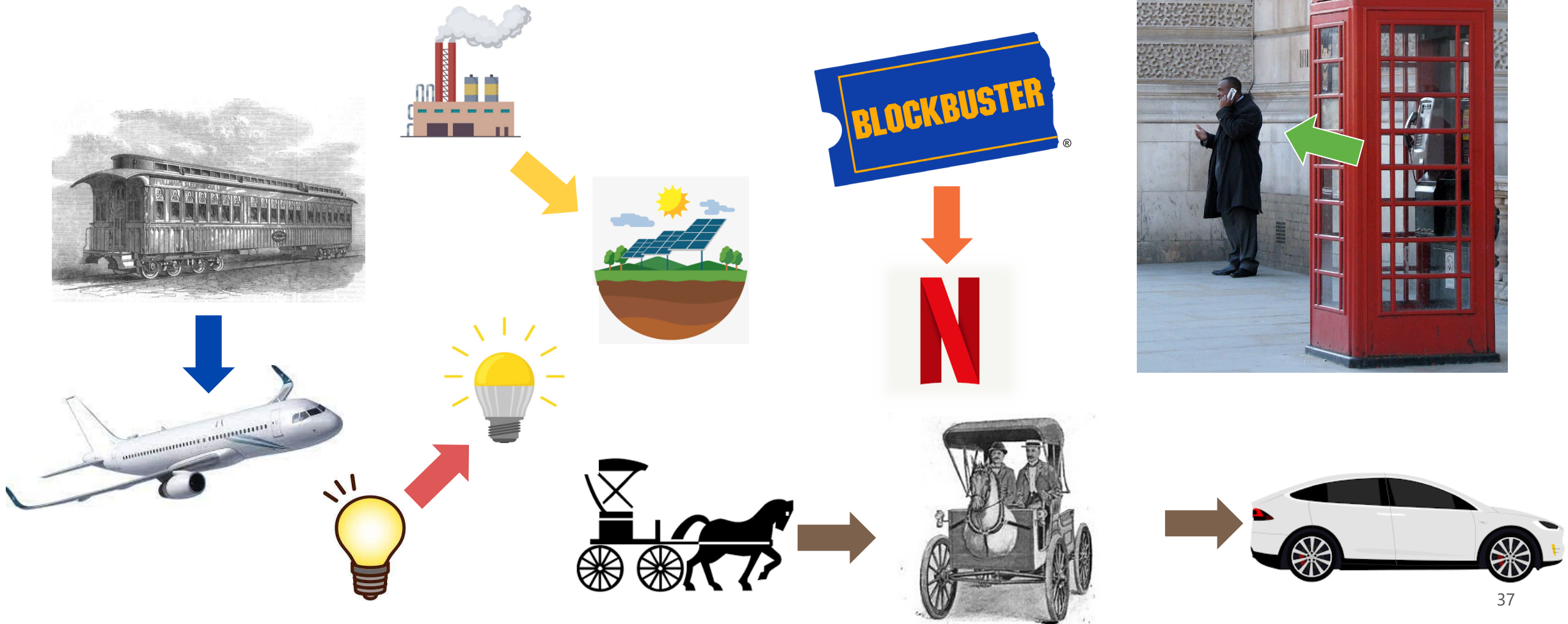
Our energy system has economic, social, and environmental implications

- **Duwamish Valley Technology Zone** projects bring new technology benefits to Environmental Justice areas first
- **Connected Communities** partnerships bring new technology benefits to affordable housing
- **Planning for Solar investment at the Convergence of Resilience and Equity** with community and national and local researchers



Transformational Change

“Retrospectively, transformational change is easily recognized.
Yet in the throes of the actual tumult, industry’s critical direction is not so transparent.”



Create Our Energy Future Sets a Vision for the Future

Shifting from using fossil fuels to clean electricity to power needs like transportation and heating — **electrification— provides a path to meet the City’s climate goals of making Seattle fully carbon neutral by or before 2050 as Seattle City Light works to best serve our customers and communities.**

- We are upgrading our power grid, our distribution and transmission system, and our regional market involvement to support increasing electricity use
- We are building pathways for all our customers to access electric vehicle and building options
- We are leading a comprehensive team effort to accelerate change



THANK YOU



Seattle City Light



seattle.gov/city-light





Seattle City Light Announces Curbside EV Charging Sites for Pilot Program

We have announced the much-anticipated new locations for the Curbside Level 2 Electric Vehicle Charging pilot program! We received over 1,800 requests from Seattle-area community members last summer, and with the help of a panel of subject matter experts from City Light and Seattle Department of Transportation, we were able to narrow down the field. Now, we are pleased to move the pilot forward with these 31 locations.

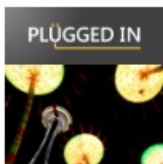
[Learn More](#)



Spotlight

Our work reflects our shared responsibility for environmental stewardship. Each year we acquire 188 acres of land, on average, for wildlife habitat conservation, and we continually work to protect over 13,000 acres. This month, we re-devote ourselves to building partnerships at all levels to advance our green initiatives.

[Learn More](#)



Plugged In

Established in 1973, Seattle was one of the first cities in the country to adopt a percent-for-art program. Since then, City Light has allocated up to 1% of eligible funds from capital construction projects for the inclusion of art and has built a robust collection of over 400 permanently sited artworks and over 3,000 portable artworks.

[Learn More](#)



Powerful Tips

As planting season nears its end, keep a few things in mind to avoid any risks to your home or electrical system. We have a list of shrubs to avoid planting near power lines, several tips on how and where to plant, a complimentary guide full of detailed guidance, and information on what to do should a tree fall or need replacing.

[Learn More](#)