



## CITY LIGHT REVIEW PANEL MEETING

Wednesday, June 26, 2024

9:00 – 11:00 A.M.

In Person - SMT 3204

—or—

Microsoft Teams Meeting

### Proposed Agenda

<u>Item</u>	<u>Lead</u>
1. Welcome (5 min.)	Julie Ryan, Facilitator
2. Public Comment (5 min.)	
3. Standing Items: (10 min.)	
a. Chair's Report (Leo Lam)	
b. Review of agenda (Julie Ryan)	
c. <b>Action:</b> Review and approval of meeting minutes of May 15, 2024	
d. Communications to Panel (Leigh)	
4. General Manager Update (15 min.)	Dawn Lindell
5. Overview: Integrated Resource Plan (30 min.)	Paul Dockery
6. Update: SCL FUTURE: GRIP Grant (30 min.) ( <b>F</b> urthering <b>U</b> tility <b>T</b> echnology for <b>U</b> rban <b>R</b> esilience and <b>E</b> lectrification; <b>G</b> rid <b>R</b> esilience and <b>I</b> nnovation <b>P</b> artnerships)	Monica Cowlshaw
7. Review Panel Workplan Discussion (30 min.)	Julie
8. Adjourn	

*Next Meeting: June 26, 2024 – Topic(s): Rate Ordinance*



**City Light Review Panel Meeting  
Meeting Minutes**

**Date of Meeting: May 15, 2024 | 9:00 – 11:00 AM**

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

MEETING ATTENDANCE					
<b>Panel Members:</b>					
Mikel Hansen	√	Leo Lam	√	Oksana Savolyuk	
Joel Paisner	√	John Putz	√	Thien-Di Do	
Kerry Meade	√	Tim Skeel	√	Amy Altchuler	√
Dawn Lindell ( <i>GM, pending appointment</i> )	√	Jen Chan	√	Julie Ryan (Consultant /RP Facilitator)	√
Mike Haynes	√	Andrew Strong	√	Craig Smith	√
Kirsty Grainger	√	DaVonna Johnson		Maura Brueger	√
Julie Moore	√	Chris Ruffini	√	Leigh Barreca	√
Greg Shiring	√	Carsten Croff	√	Angela Bertrand	√
Eric McConaghy	√	Caia Caldwell	√	Brian Taubeneck	√
Jeff Wolf	√	Karin Estby	√	Bridget Molina	√
Siobhan Doherty	√	Nina Park	√	Claire Lloyd	√

**Welcome and Introductions.** The meeting was called to order at 9:02 a.m.

**Public Comment.** There was no public comment.

**Standing Items:**

**Chair’s Report.** Leo Lam welcomed everyone to the meeting. He noted that today’s objective will be to finalize the Review Panel letter.

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

**Approval of April 17, 2024, Meeting Minutes.** Minutes were approved as presented.

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

**General Manager’s Update.**

1. Financial Support for Customers - In this year’s budget, the state allocated \$150M from Climate Commitment Act funds for a \$200 rebate for low- and moderate-income customers to be credited on their utility bill. We found out that SCL will receive **\$19,143,506** for **90,932** customers.

We are not exactly sure of the timing of the distribution, but the money must be allocated to



## City Light Review Panel Meeting Meeting Minutes

customer accounts by September. We are working with the state Department of Commerce to discuss the funding timing. We are also currently identifying qualifying customers so we will be able to move quickly when funds are available. This is terrific news that will offer relief to many of our customers.

2. South Fork Tolt Relicense - The City of Seattle filed documents on April 8 with the Federal Energy Regulatory Commission (FERC) to formally begin relicensing the South Fork Tolt Hydroelectric Project. Seattle City Light and Seattle Public Utilities (SPU) are collaborating on this relicensing project.

City Light's 16.8-megawatt hydropower generation facility is the project being relicensed. It was fully commissioned in 1996 to take advantage of the preexisting dam and reservoir. SPU has owned and operated the reservoir and water treatment facility since the 1960s. These facilities provide 30-40% of the drinking water supply for 1.6 million people in our region. The hydropower plant associated with the dam is small and provides less than 1% of City Light's power. But it powers the Tolt Water Treatment Facility and balances out the power provided by other renewable sources. Each facility is a key part of the infrastructure network that provides our region with electricity and water services.

Next steps: FERC will host a public scoping meeting and site visit in early summer 2024. The City continues to work closely with Tribes, agencies, and other licensing participants to identify and design a series of relicensing studies. These will help fill in gaps in our collective knowledge and inform the details of the new license.

3. Solar Installation - On April 23, South Seattle College celebrated a new solar array installation on top of Cascade Hall. This new 300-panel system can generate 86 kilowatts of clean energy, a significant improvement from the original 7-kilowatt array. This installation marks a leap forward in the college's commitment to sustainability. It is also part of a broader effort across Seattle Colleges to decarbonize their campuses. Seattle Central College and North Seattle College also installed new solar arrays, which generated more than 275 kilowatts of photovoltaic electricity last year.

For all three Seattle Colleges, City Light proudly contributed \$425,000 toward the purchase of renewable energy credits from these projects through the Green Up Community Program. For South Seattle College in particular, we contributed more than \$123,000 in renewable energy credits for this local rooftop solar project.

Green Up is a voluntary program that allows City Light customers to support Pacific Northwest renewable energy projects. When City Light customers participate in Green Up, City Light purchases renewable energy credits on behalf of our customers. Green Up also sources renewable energy credits from local rooftop solar projects hosted by nonprofit and public organizations like schools, pools, and affordable housing authorities.



## City Light Review Panel Meeting Meeting Minutes

**Strategic Plan Update.** Leigh Barreca introduced the topics related to the 2025 – 2030 Strategic Plan Update. All materials are included in the Review Panel packet.

- a. Revenue Requirement and Rate path Follow up (Kirsty Grainger presented. Materials are in the Review Panel Packet).
  - I. Rate path assumptions
  - II. Cost Savings

**Q: Will the cost drivers chart be updated to reflect these new labor costs?**

**A:** Yes, the charts have been updated. The inflation buffer that we included in prior versions of the Rate Path will be used largely up by material and labor cost increases. You can see this in the blue O&M segment on the revenue requirement drivers chart in the packet.

**Q: With respect to tree trimming, how much do you currently devote to that and how is that changing?**

**A:** Currently we have \$8 million in our budget for urban tree trimming. Most of our outages are due to squirrels and trees. We are trying to add an additional trimming cycle to increase reliability. Outages drive overtime so this will hopefully decrease overtime costs. We contract much of our trimming, and their costs are going up the same as ours – their employees are part of the same bargaining unit as City Light's.

**Q: Are the annual rate increases in the Rate Path the same for each rate class?**

**A:** No. We start with a system wide rate increase, then we break it out by each rate class. The full rate proposal, by rate class with rate design, will be presented this summer.

**Q: Do you have a similar chart for the revenue as far as how much will be covered by load growth vs rate changes?**

**A:** In slide "2025 Rate Increase Walkthrough," there is a table showing the first year of the Rate Path's costs and savings by category. The rising cost results in a rate increase of 7.1%, but this is partially offset by higher retail revenues of 4.7%. If we did not have increased load, our rate would likely be more, noting that it would be slightly offset by the decrease in purchased power costs.

We have had 3 years of drought, and we do not have the reserves to absorb another year. This drought has resulted in us using more of our own generation and having to be a net purchaser in the market (as opposed to net seller.) We are planning with a 30<sup>th</sup> percentile confidence level for hydro energy. If we do better than planned, the RSA surcharge will come off, resulting in a 4% rate decrease.

**Q: You mentioned the wholesale power costs are somewhat out of our control. I see that as a large variable component. There are many things you can consider to manage that and I do not feel it has been managed to the best extent possible; I would advise using some tools to focus on that**



## City Light Review Panel Meeting Meeting Minutes

more.

**A:** I agree. I meant to express that we must purchase power – that is non-negotiable,

**C:** City Light has included an initiative in the Plan relating to energy risk management.

**Q: How much do the supply chain challenges impact your costs? Will this improve or will we live in that world for a long time?**

**A:** Inflation is significant, and it is definitely impacting costs. It may flatten out, but it will be higher than we have seen in the past. We are seeing orders take double or triple the amount of time it used to take to get supplies and parts. We have seen costs increase 190% to 239% from 2019 to today. Geopolitical relations have impacted these costs and timelines, as well as limitations on what countries we can source parts from.

**C: This shows so much work. I encourage you to highlight how if actuals are better than the forecast, rates will not increase as much as originally forecasted.**

- b. Draft Strategic Plan (Leigh presented. Materials are in the Review Panel packet)
- c. Finalize Review Panel letter (Julie Ryan led the discussion). Panel members suggested several more edits and requested clarification on several points. Review Panel members supported the Rate Path and generally approved the letter, subject to those revisions being made.

**Q: Did you see in California they are changing fixed rates and reducing variable?**

**A:** Yes. I believe the reason for this is because in California there is a lot of customer participation in rooftop solar programs. Utility rates did not include a connection charge for those customers to stay connected to the grid and therefore the connection cost has not been fully recovered by utilities. Increasing the fixed portion of the customer bill is intended to recover the interconnection costs. Otherwise, everyone who has roof-top solar ends up being subsidized by those who do not. With the growing customer-side generation, the rate design had to change.

San Diego Gas & Electric is currently running a pilot, where they can access distributed batteries in customers garages to help manage peak demand events. If successful, this may be a program that we could consider for City Light and its customers.

**Adjourn.** The meeting was adjourned at 10:38 a.m.

**Next meeting:** June 26, 2024, 9:00 – 11:00 a.m.

# 2024 Integrated Resource Plan (IRP) Progress Report Resolution

City Light Review Panel

June 26, 2024

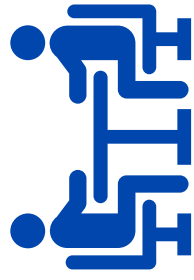


Seattle City Light

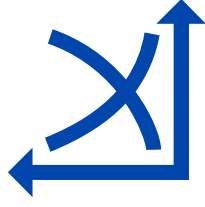
WE POWER SEATTLE

# What is an Integrated Resource Plan?

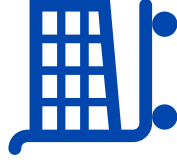
---



Customer & Stakeholder  
Engagement



Evaluation of Load  
& Resources



Not an  
Acquisition Plan



Not an Appropriation  
of Funds



Resource Planning  
Playbook



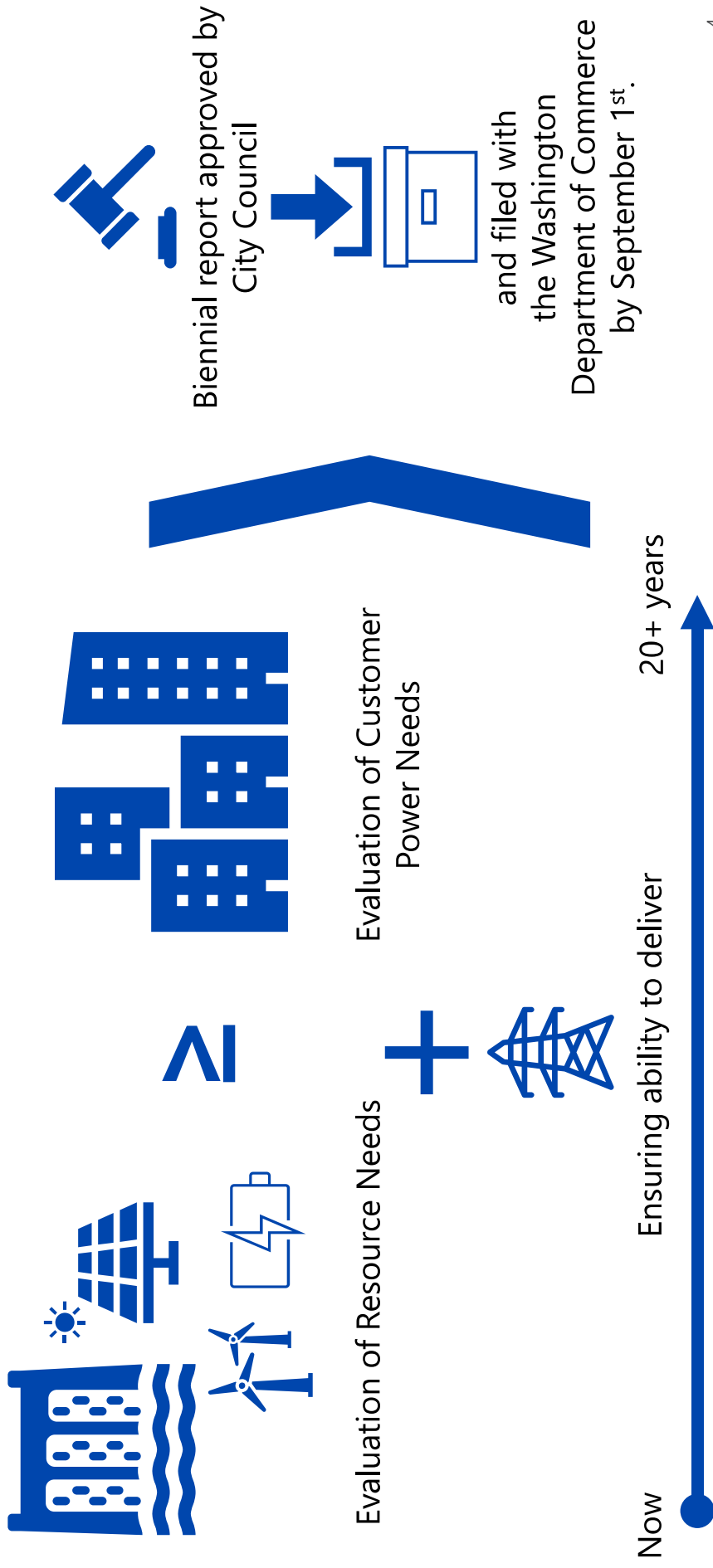
# IRP Advisory Panel

Member	Organization
Steve Gelb	Emerald Cities Collaborative
Paul Munz	Former Bonneville Power Administration
Jeremy Park	University of Washington
Yuri Rodrigues	Seattle Pacific University
Mike Ruby	Envirometrics, Inc.
Amy Wheelless	WA Department of Commerce
Elizabeth Osborne	WA Department of Commerce
Austin Scharff	WA Department of Commerce
John Ollis	NW Power & Conservation Council
Charlee Thompson	Northwest Energy Coalition
Dr. Angela Griffin	Byrd Barr





# Integrated Resource Plan (IRP) Requirements

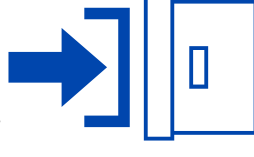


# What is a Progress Report?

---



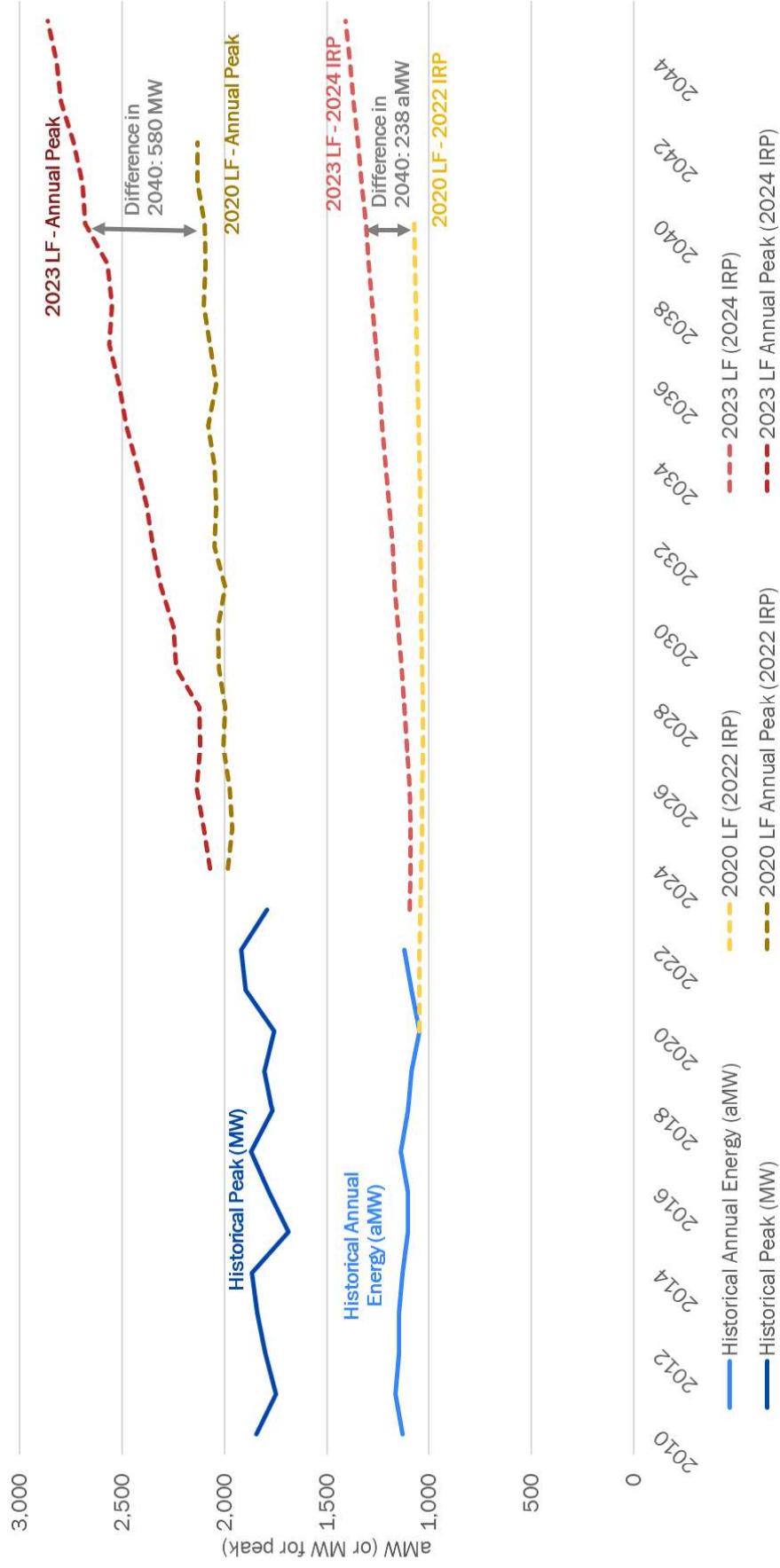
Biennial report approved by  
City Council



and filed with  
the Washington  
Department of Commerce  
by September 1<sup>st</sup>.

# Load Growth: 2022 IRP v 2024 IRP Progress Report

## Load Forecast Comparison



# Resource Needs: 2022 IRP v 2024 IRP Progress Report

New Wholesale Resource Additions (Nameplate MW)	2022 Full IRP			2024 IRP Progress Report		
	2022 – 2031	2032 – 2041	TOTAL	2024 – 2033	2034 – 2043	TOTAL
Battery				200		200
Solar	175	0	175	375		375
Solar + Battery				50	25	75
Wind	225	50	275	1,100	100	1,200
Enhanced Geothermal				100	300	400
Offshore Wind					100	100
<b>Wholesale Resources Subtotal*</b>	<b>400</b>	<b>50</b>	<b>450</b>	<b>1,825</b>	<b>525</b>	<b>2,350</b>

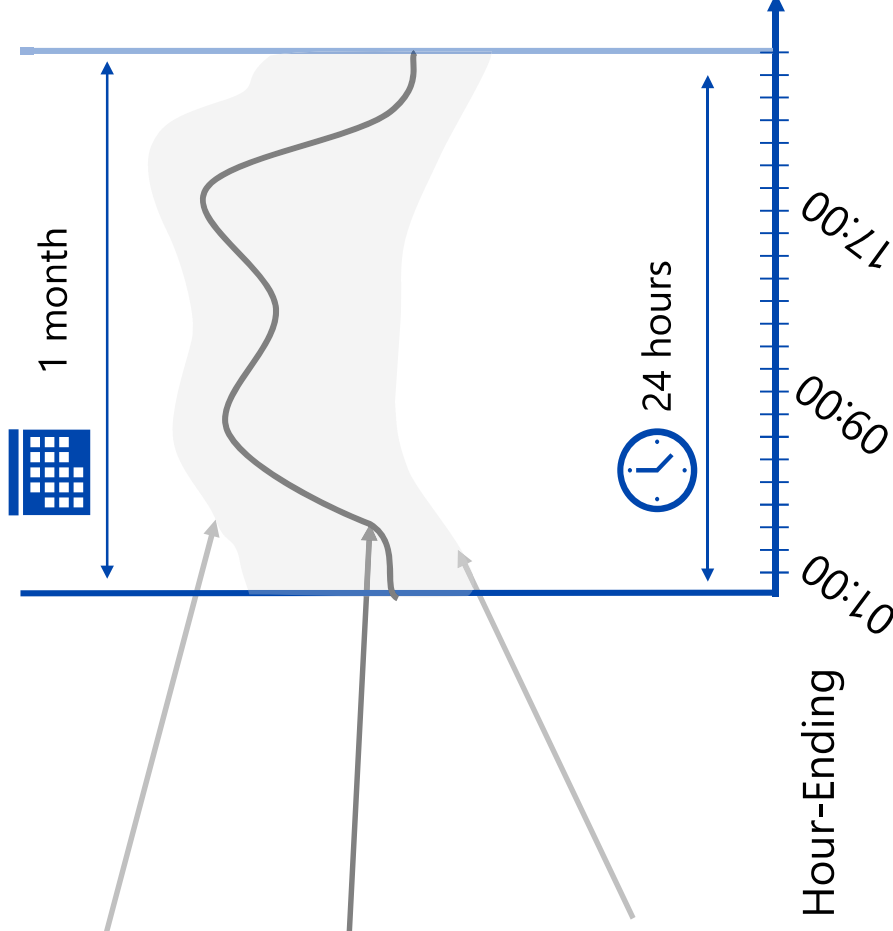
\*Additional resources continued on next slide

# Resource Needs: 2022 IRP v 2024 IRP Progress Report

New Conservation Resource Additions	2022 Full IRP			2024 IRP Progress Report		
	2022 – 2031	2032 – 2041	TOTAL	2024 – 2033	2034 – 2043	TOTAL
Energy Efficiency (aMW)	85	31	116	80	49	129
Customer Solar Programs (aMW)	4	4	8	12	21	33
Time of Use Program (MW)				7	8	15
Demand Response Programs (MW)	79	43	122	19	17	36
<b>Conservation Resources Subtotal</b>	<b>168</b>	<b>78</b>	<b>246</b>	<b>118</b>	<b>95</b>	<b>213</b>

<b>Wholesale and Conservation Resources Grand Total</b>	<b>568</b>	<b>128</b>	<b>696</b>	<b>1,943</b>	<b>620</b>	<b>2,563</b>
---	------------	------------	------------	--------------	------------	--------------

# Hourly Load Shapes using Month-Hour Graphs



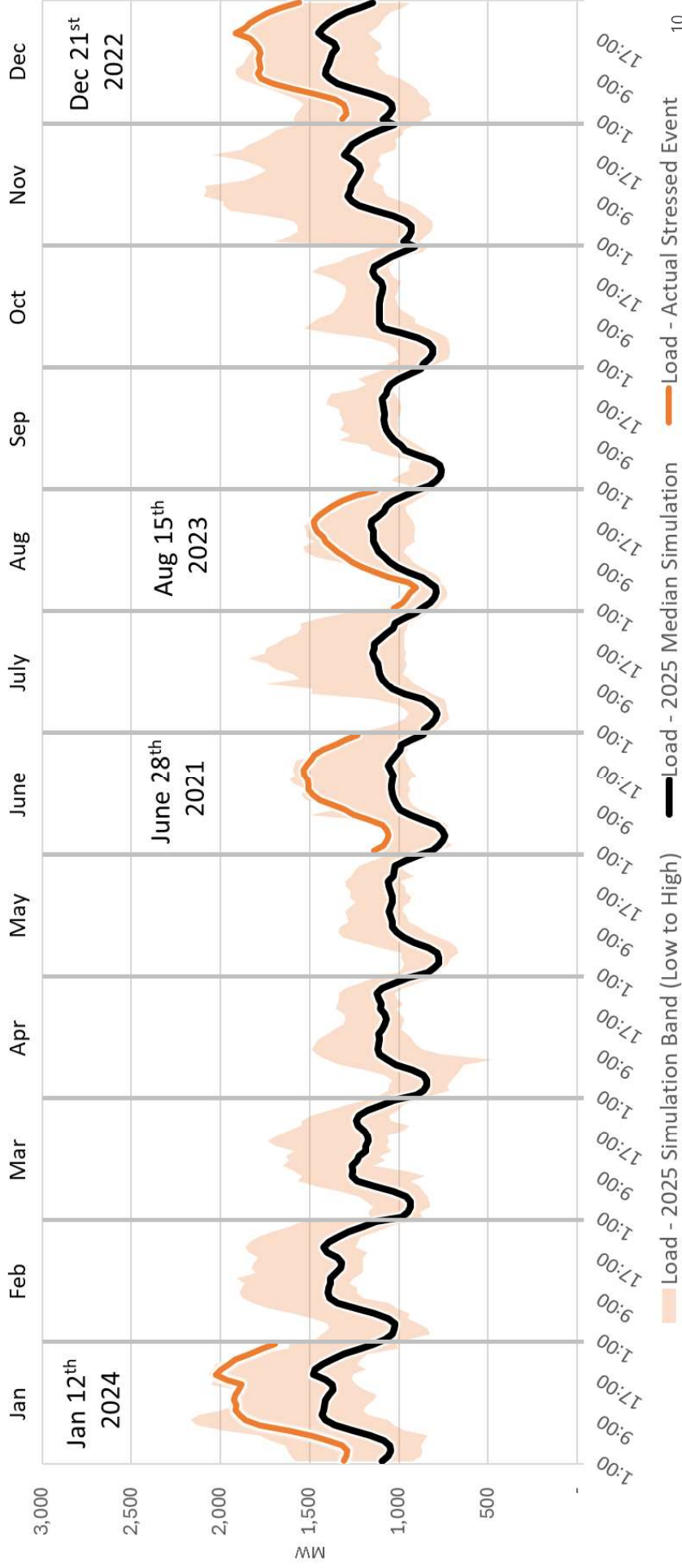
High range of simulated hour in sample set for month

Sample amount for hour in set

Low range of simulated hour in sample set for month

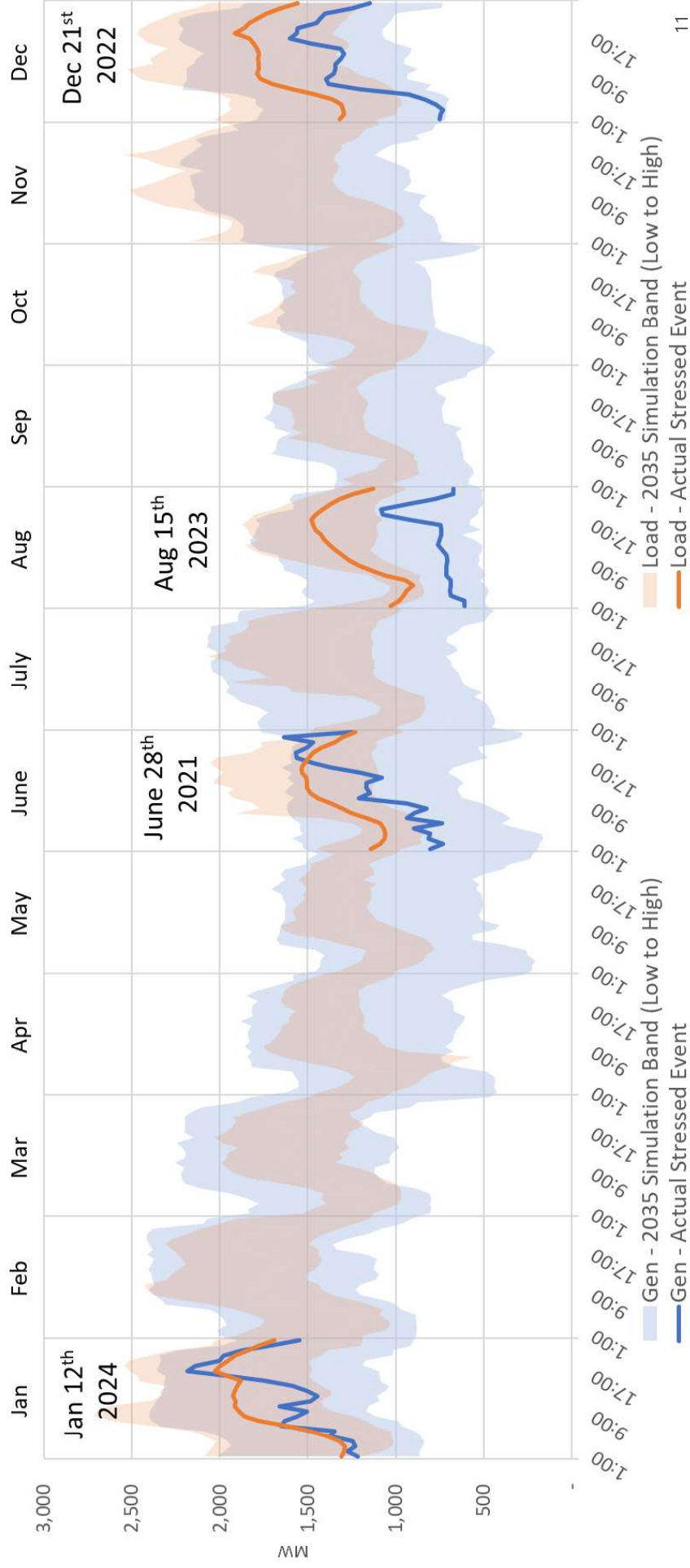
# Comparing Simulation Ranges to Stressed Events

## Stressed Conditions vs 2025 Median Load Forecast



# Comparing Simulation Ranges to Stressed Events

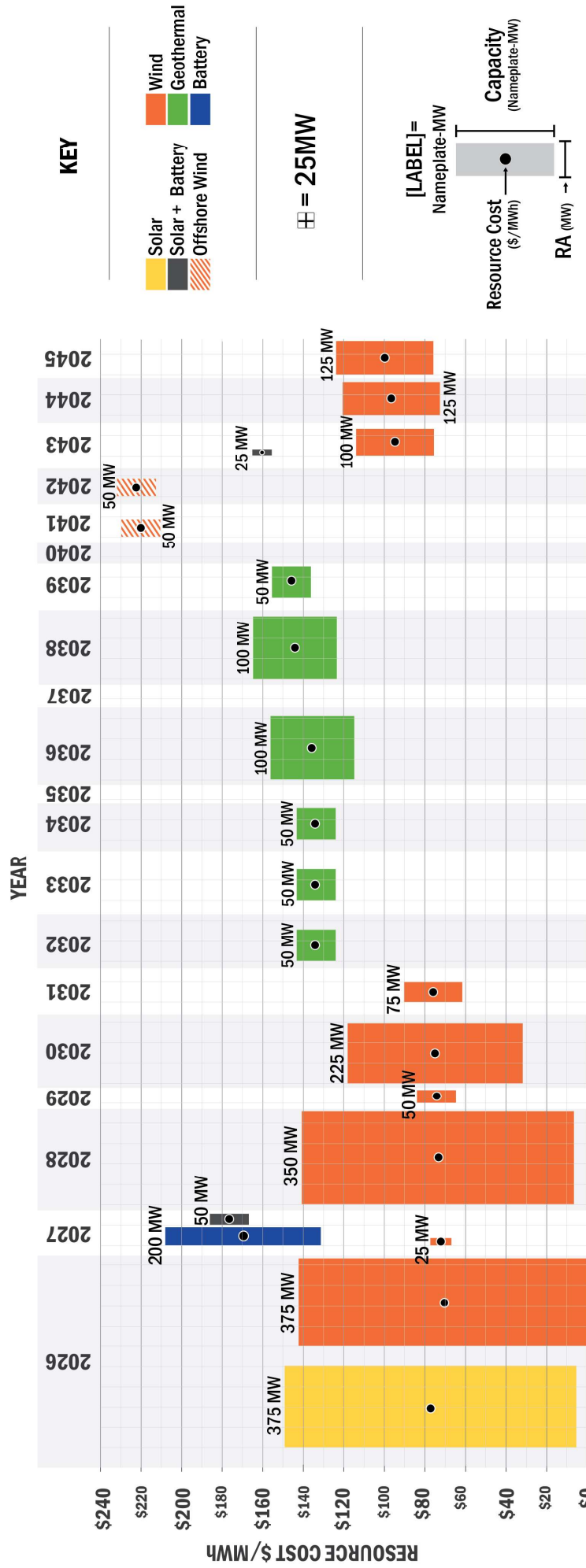
## Stressed Conditions vs 2035 Simulated Load & Resource Balance





# Resource Planning Playbook

## 2026-2045 Resource Additions

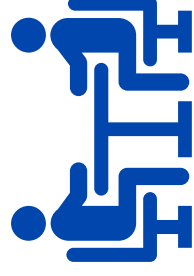


\*Resource Cost is delivered to City Light in nominal \$/MWh for year selected

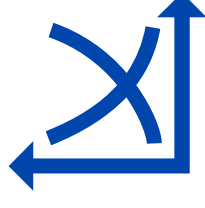
## Study Take-Aways

---

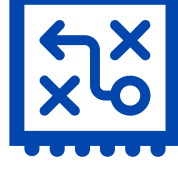
- Electrification of buildings and transportation results in increased customer electricity needs
- Winter peaks are the binding constraint for adequately meeting future demand
- Meeting future electricity needs requires adding wind, solar, batteries, and carbon free, firm energy resources to Seattle City Light's portfolio



Customer & Stakeholder  
Engagement



Evaluation of Load  
& Resources



Resource Planning  
Playbook

## Requested Action

- Adopt a resolution that:
  - Acknowledges and approves the 2024 IRP Progress Report to allow its submission to the Washington Department of Commerce by September 1, 2024
  - Concur that City Light will continue emphasizing environmental leadership through conservation programs and compliance with state regulations
  - Establish the September 1, 2026 submission date for the next full Integrated Resource Plan



# THANK YOU

---



Seattle City Light



# Seattle City Light

---

[seattle.gov/city-light](http://seattle.gov/city-light)



# Mission, Vision & Values

---

## Mission

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

## Vision

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

## Values



**Customers First**



**Environmental Stewardship**



**Equitable Community Connections**



**Operational and Financial Excellence**



**Safe and Engaged Employees**



**Seattle City Light**

WE POWER SEATTLE

# SCL FUTURE: Review Panel Briefing

## June 26, 2024

2024 US DOE GRIP Grant Submission



Seattle City Light

WE POWER SEATTLE

# Team Introductions

---



**Monica Cowlshaw**

Manager Create Our Energy Future Business Operations



**Kincheiu Wei**

Grid Modernization Principal Engineer



**Goran Zecevic**

Grid Mod Domain Architect



**Bret Coffman**

Business Architect



# Agenda for today

---



**SCOPE OF  
PROJECT/GRANT**



**PROJECT TIMELINE**



**LOOKING AHEAD**

# 2024 SCL FUTURE

## Background and Basics of SCL FUTURE

Furthering Utility Technology for  
Urban Resilience and Electrification



**Seattle City Light**

# GRIP Program

---

- \$10.5B DOE program
  - Enhance grid flexibility
  - Improve resilience of the system against growing extreme weather and climate change threats
- Round 2 Funding: \$3.9B
  - City Light is requesting ~\$50M
- Objectives:
  - Deploy advanced technologies (DERs & battery systems)
  - Advance interconnection processes
  - Facilitate electrification
  - Justice40 initiative

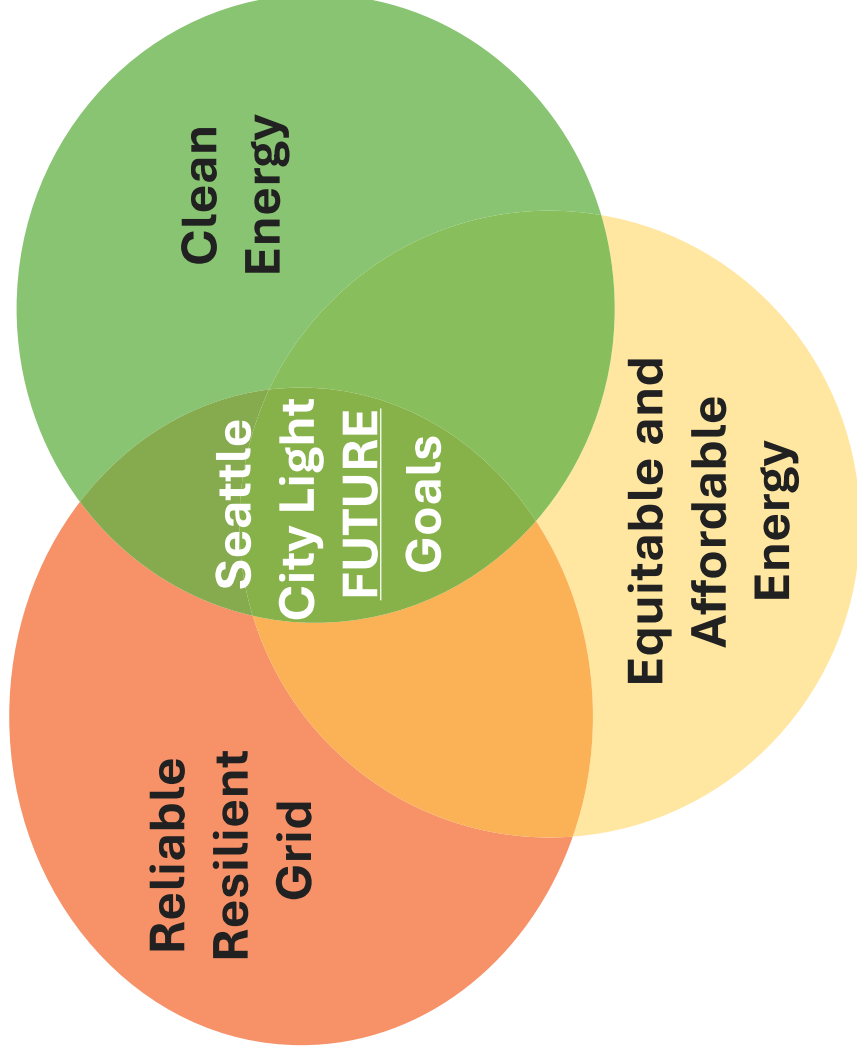


# Project Goal

---



- SCL FUTURE goal is to empower Seattle's decarbonization goals by leveraging advanced technologies to provide clean, reliable, equitable, and affordable energy to City Light customers.



# SCL FUTURE - Scope of implementation

---

## Advanced Distribution Management System (ADMS)

- Distribution Supervisory Control and Data Acquisition (D-SCADA)
- Advanced Power Applications
- Substation Hardening

## Distributed Energy Resource Management System (DERMS)

- DER Interconnection Application Tool
- DERMS Utility
- DERMS Edge/VPP

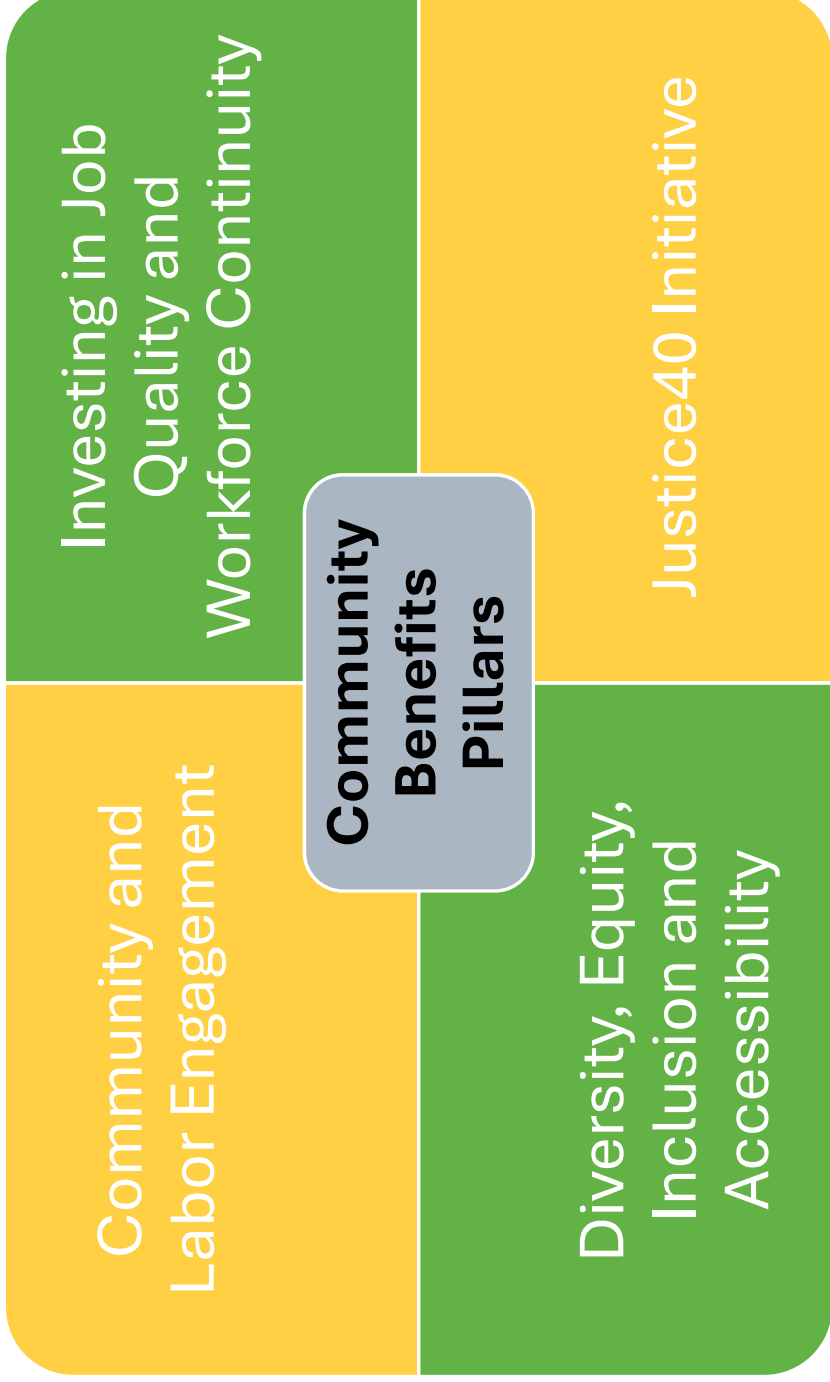
## Distributed Energy Resources Deployment (DER)

## Community Benefits Plan

- Outreach and Engagement
- Workforce Development

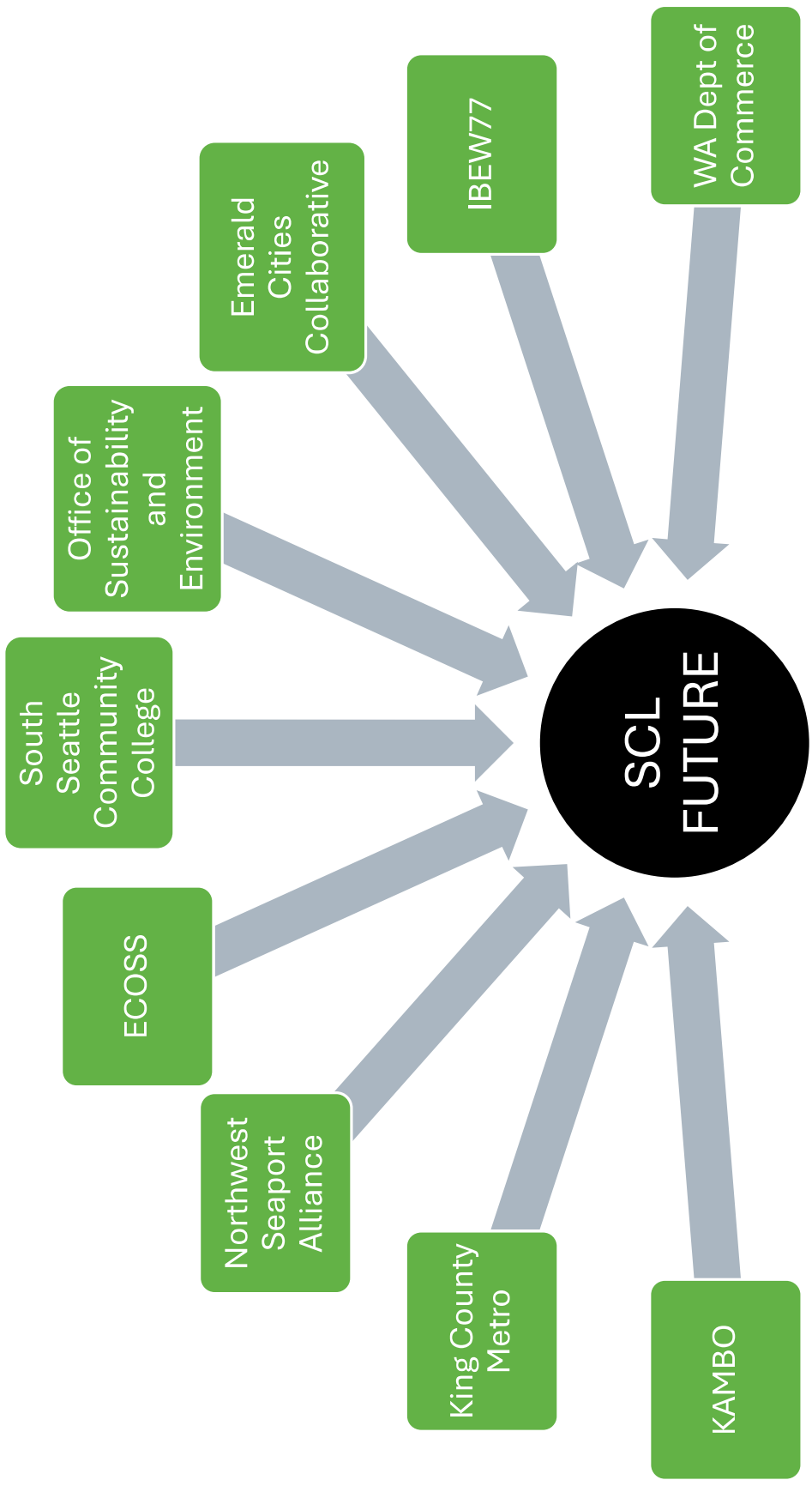
# Community Benefits Plan

---



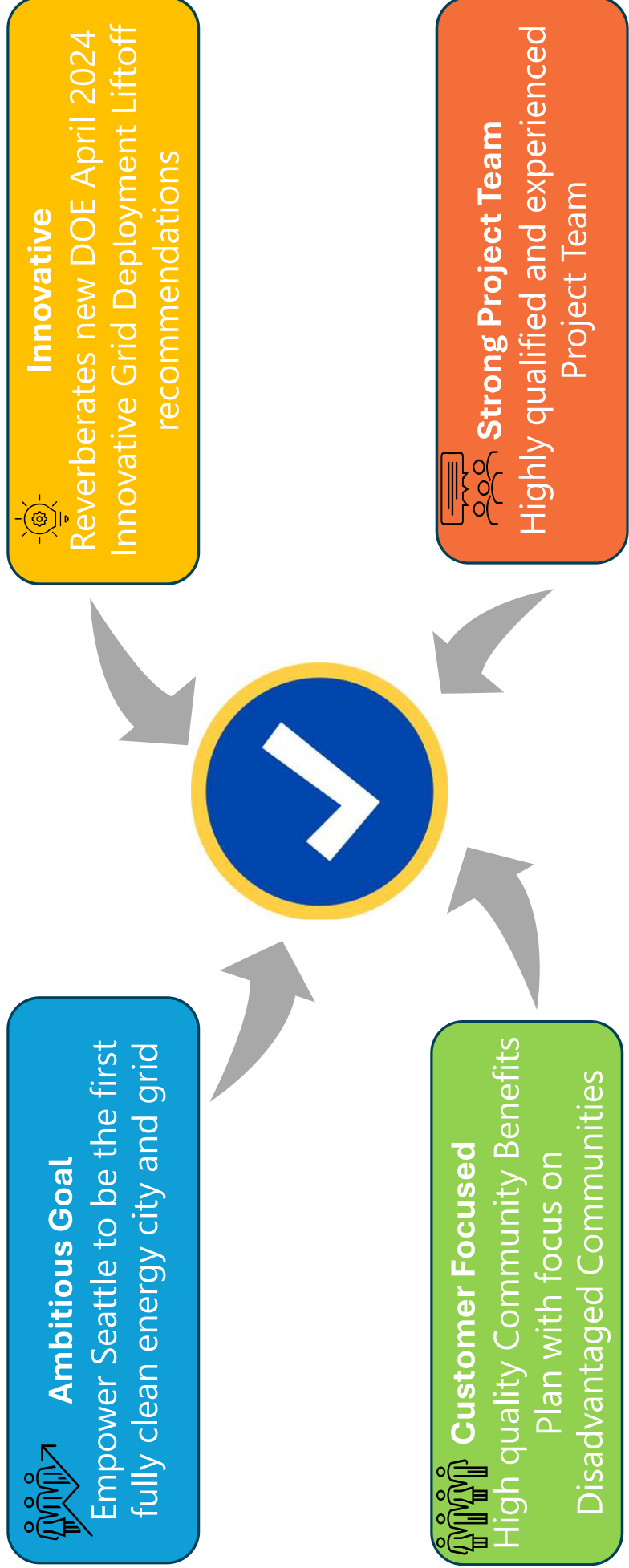
# Community Partnerships

---



# How we're competitive

---





# Approach and Funding

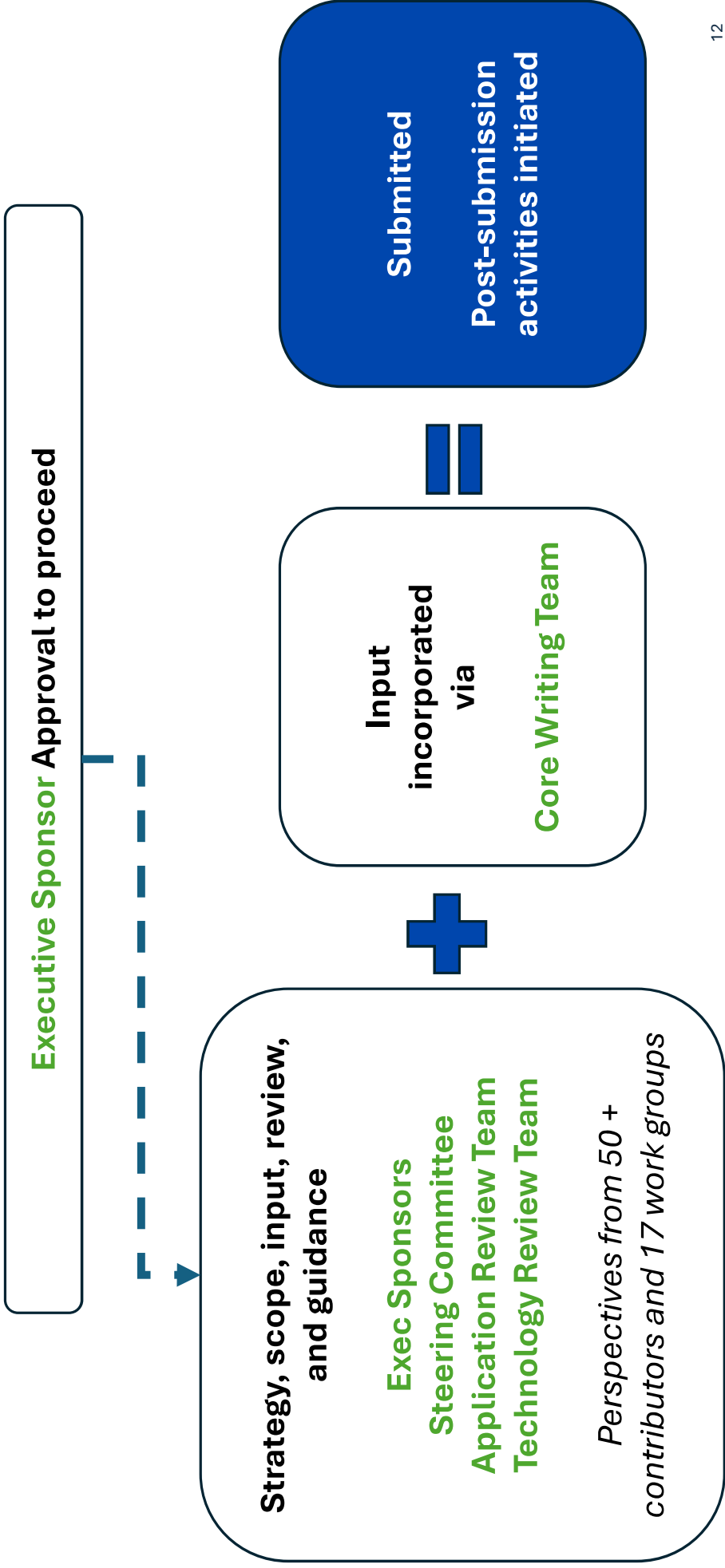
May 2025 - 2030



**Seattle City Light**

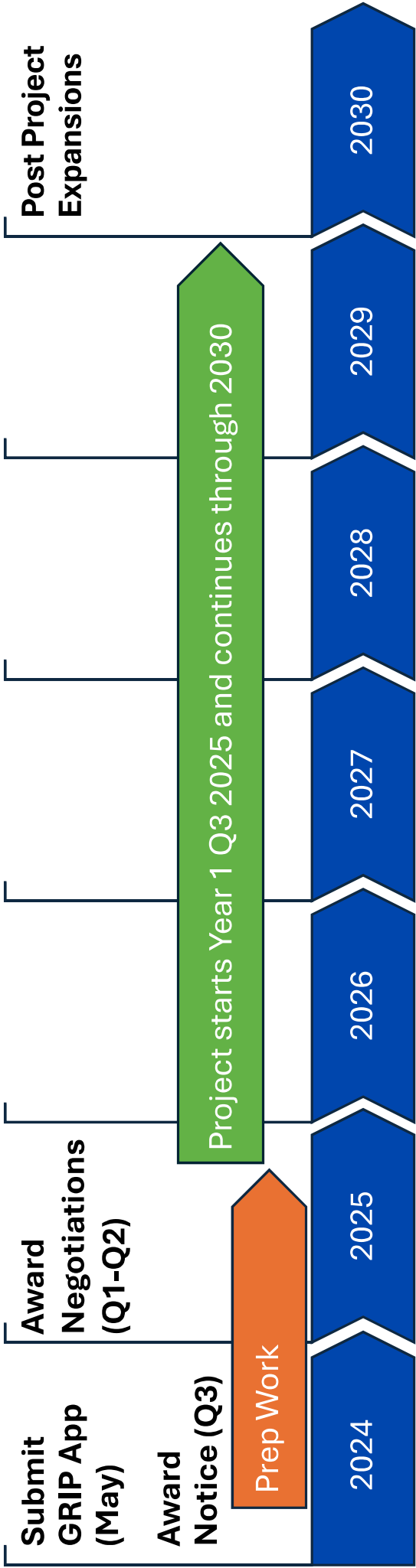
# How we got here- GRIP Application Approach

---



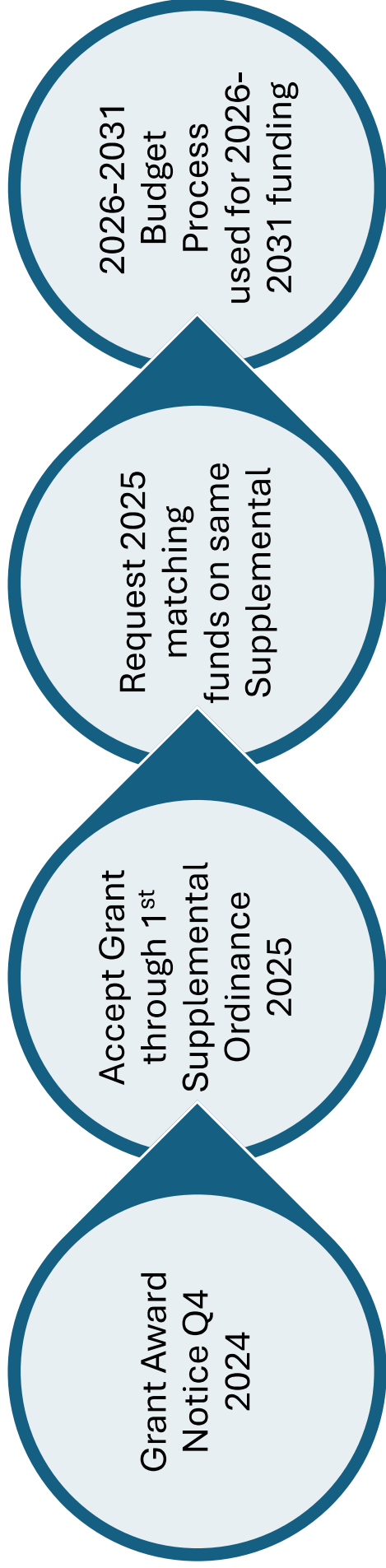
# SCL FUTURE Project Timeline

---



# Y1 – Y5 Funding Process

---



# SCL FUTURE Budget

(\$000's)	2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5	Total
\$MM Amount CIP	\$5,339	\$15,891	\$19,535	\$20,858	\$7,500	\$69,123
\$MM Amount O&M	\$7,174	\$2,136	\$2,722	\$5,644	\$3,689	\$21,365
<b>\$MM Total</b>	<b>\$12,513</b>	<b>\$18,027</b>	<b>\$22,257</b>	<b>\$26,502</b>	<b>\$11,189</b>	<b>\$90,488</b>

**Note:** Proposed cost share match at approximately 50% DOE/City Light

## Up Next

---

- We're progressing on activities to prepare for Year 1
- Awaiting feedback from DOE, expected response Fall 2024
- Contracting with DOE
- Questions?



**PRELIMINARY DRAFT 6-13-24**  
**June 2024 – June 2026 Review Panel Workplan**

*\*Per the RP’s request, more meeting time will be set aside for Q&A.*

*The schedule objectives include:*

- *Quarterly reports of Executive Dashboard and Strategic Plan progress*
- *Twice annual updates on energy supply planning, service connections progress, and workforce*
- *Annual updates on net wholesale revenue, electrification progress, and debt strategy metrics*
- *Other topics as available*

Quarter	Month	Topics	Other Topics As Available
Q2 2024	June 26	<ul style="list-style-type: none"> <li>• Status update of the 2025-2030 Strategic Plan</li> <li>• Overview: Integrated Resource Plan</li> <li>• SCL FUTURE GRIP Grant</li> <li>• Review Panel Workplan</li> </ul>	<ul style="list-style-type: none"> <li>• Skagit re-licensing (when information can be shared publicly)</li> <li>• Demand Response implementation</li> <li>• Economic trends</li> <li>• Technology and Cyber Risk briefing</li> </ul>
Q3 2024	July 17	<ul style="list-style-type: none"> <li>• Rate Design                             <ul style="list-style-type: none"> <li>○ Introduction to rate design</li> <li>○ City Light rate proposal</li> </ul> </li> </ul>	
	August	No meeting	
	September 18	<ul style="list-style-type: none"> <li>• Annual update on Debt Metrics and bond rating</li> <li>• New CIO’s vision for technology and cyber security</li> <li>• Q2 2024 Executive Dashboard</li> <li>• Q2 2024 Strategic Plan Report</li> </ul>	

Q4 2024	October 16	<ul style="list-style-type: none"> <li>Income Assistance Programs briefing</li> </ul>
	November 20	<ul style="list-style-type: none"> <li>Time of Use update</li> <li>Net Wholesale Revenue update</li> <li>New Power Supply briefing</li> </ul>
	December 18	<ul style="list-style-type: none"> <li>Q3 Executive Dashboard</li> <li>Q3 2024 Strategic Plan Report</li> <li>Service connections progress update</li> <li>2025-2030 Strategic Plan Outcomes briefing</li> </ul>
Q1 2025	January (date TBD)	<ul style="list-style-type: none"> <li>Workforce Update</li> <li>Debt management/Debt strategy</li> </ul>
	February (date TBD)	<ul style="list-style-type: none"> <li>Update on the pace of electrification in Seattle</li> <li>Updates on Markets Plus and the California ISO EDAM</li> <li>SCL Energy Risk Management program briefing</li> </ul>
	March (date TBD)	<ul style="list-style-type: none"> <li>Q4 2024 Executive Dashboard</li> <li>Q4 2024- Strategic Plan Report <ul style="list-style-type: none"> <li>Final report on the current Strategic Plan</li> <li>Transition to the Strategic Plan</li> </ul> </li> <li>Strategic Priority – Briefing on key initiatives in one of the Strategic Plan Priorities (1<sup>st</sup> of 5 reports)</li> </ul>
Q2 2025	April (date TBD)	<ul style="list-style-type: none"> <li>Confirm Review Panel Officers – Chair and Co-Chair</li> <li>Service connections progress update</li> <li>Long-term energy supply briefing <ul style="list-style-type: none"> <li>Update on energy resources and long-term contracts</li> <li>Regional resource planning initiatives</li> </ul> </li> <li>Strategic Priority – Briefing on key initiatives in one of the Strategic Plan Priorities (2<sup>nd</sup> of 5 reports)</li> </ul>



	<p>May (date TBD)</p> <ul style="list-style-type: none"> <li>• Strategic Priority – Briefing on key initiatives in one of the Strategic Plan Priorities (3<sup>rd</sup> of 5 reports)</li> <li>• New Power Supply briefing <ul style="list-style-type: none"> <li>○ Update on energy resources and long-term contracts</li> <li>○ Regional resource planning initiatives</li> </ul> </li> </ul>	
	<p>June (date TBD)</p> <ul style="list-style-type: none"> <li>• Q1 2025 Executive Dashboard</li> <li>• Q1 2025- 2030 Strategic Plan Report</li> <li>• Strategic Priority – Briefing on key initiatives in one of the Strategic Plan Priorities (4<sup>th</sup> of 5 reports)</li> </ul>	
<p>Q3 2025 (no meeting in August)</p>	<ul style="list-style-type: none"> <li>• Strategic Priority – Briefing on key initiatives in one of the Strategic Plan Priorities (5<sup>th</sup> of 5 reports)</li> <li>• Q2 2025 Executive Dashboard</li> <li>• Q2 2025- 2030 Strategic Plan Report</li> </ul>	
<p>Q4 2025</p>	<ul style="list-style-type: none"> <li>• 2026-2031 Strategic Plan – context workshop</li> <li>• 2026-2031 Strategic Plan - Priorities and outcomes</li> <li>• Net Wholesale Revenue update</li> <li>• New Power Supply briefing <ul style="list-style-type: none"> <li>○ Update on energy resources and long-term contracts</li> <li>○ Regional resource planning initiatives</li> </ul> </li> <li>• Service connections progress update</li> <li>• Q3 2025 Executive Dashboard</li> <li>• Q3 2025- Strategic Plan Report</li> <li>• 2025-2030 Strategic Plan successes and gaps</li> <li>• Review Panel suggestions for new plan</li> </ul>	

<p>Q1 2026</p>	<ul style="list-style-type: none"> <li>• Workforce Update</li> <li>• 2024-2030 Strategic Plan Draft Revenue Requirement</li> <li>• 2024-2030 Strategic Plan Draft Revenue Requirement cont'd</li> <li>• Major changes/initiatives for the 2024-2030 Strategic Plan</li> <li>• Q4 2025 Executive Dashboard</li> <li>• Q4 2025- Strategic Plan Report</li> <li>• 2027-2032 Strategic Plan Draft Revenue Requirement cont'd</li> <li>• RP Questions about 2026-2031 Strategic Plan</li> <li>• Draft Review Panel Letter for 2027-2032 Strategic Plan</li> </ul>	
<p>Q2 2026</p>	<ul style="list-style-type: none"> <li>• Service connections progress update</li> <li>• 2027-2032 Strategic Plan Update</li> <li>• Final Revenue Requirement</li> <li>• Review Panel SP letter for 2027-2032 Strategic Plan</li> <li>• New Power Supply briefing <ul style="list-style-type: none"> <li>○ Update on energy resources and long-term contracts</li> <li>○ Regional resource planning initiatives</li> </ul> </li> <li>• Finalize Review Panel letter for 2027-2032 Strategic Plan</li> <li>• Q1 2026 Executive Dashboard</li> <li>• Q1 2026- Strategic Plan Report</li> <li>• Panel 2027 – 2028 Workplan</li> </ul>	