



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: October 25, 2022 | 9:00 – 11:00 AM |
Meeting held in SMT 3517 and via Microsoft Teams “Final”

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Anne Ayre	√	Leo Lam	√	John Putz	√
Mikel Hansen	√	Kerry Meade	√	Tim Skeel	√
Scott Haskins	√	Joel Paisner	√	Michelle Mitchell-Brannon	
Staff and Others:					
Debra Smith	√	Jen Chan	√	Karen Reed (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	√	Chris Tantoco	
Greg Shiring	√	Carsten Croff	√	Leigh Barreca	√
Eric McConaghy		Caia Caldwell		Angela Bertrand	√
		Stefanie Johnson	√	Brian Taubeneck	√
Amy Wheelless (NVEC)	√				

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

Public Comment. There was no public comment.

Standing Items:

Review Agenda. Karen Reed reviewed the agenda.

Approval of Sept. 27, 2022, Meeting Minutes. Minutes were approved as presented.

Chair’s Report. No report.

Communications to Panel. Leigh Barreca forwarded an invitation to a November 9th meeting during which the results of a recent customer satisfaction survey will be shared. This is an optional meeting. Please let Leigh know if you need more information.

Infrastructure Investment & Jobs Act (IIJA) Overview. Maura Brueger and Stefanie Johnson presented on what this 2021 federal law provides in the way of potential grants for SCL. The presentation is in the meeting packet.



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Q: Can you tell us what GRIP RFI means?

A: It stands for Grid Resilience and Innovation Partnership (GRIP) Request for Information (RFI). This is a multistep process – the RFI is prior to the grant application.

Q: How do the grant opportunities compare to assumptions built into budget, CIP, or revenue requirements

A: You'll see projects we've mentioned before and are following our climate adaptation strategy and the priorities in our Strategic Plan. Knowing this is a 5-year funding opportunity give us a lot of options.

Q: Can you speak to how competitive these opportunities are?

A: We have learned a lot by attending webinars and other informational meetings. We are encouraging the funding organizations to be risk takers and move the money quickly. It will be hard to know just how competitive the process will be until we have the Notice of Funding Availability. 40% of the funds for some of the grants must go to Justice40. There are portions of the City of Seattle that qualify. If we find a project in those communities, it will increase our chances for getting the grant.

Q: Are the groups that are trying to have dams removed active against some of this funding?

A: Hydropower is strongly bipartisan, and we have not had a lot of push back. We are part of a push with the environmental community as to how can we invest in the projects we need to invest in and not in the areas that no longer have a purpose (non-generating).

Q: Are the pending applications on slide 10 in process?

A: No notice of funding availability has been issued, so we have not applied for any yet. These are the types of projects we are tracking and are looking at applying for when its available.

Q: On ferry electrification – is that through the state or are there federal funds?

A: There are federal funds that the state system is applying for. Our role is the ferry battery storage system. There is a lot of interest along the waterfront for electrifying ferries, water taxis and cruise ships. Battery storage would help us manage that considerable load.

2023 – 2028 Strategic Priorities and Projects, initiatives, and activities (PIA) Review. Leigh reviewed the strategic priorities and PIAs that are in the Strategic Plan in preparation for upcoming meetings that will be devoted to in depth discussion of each priority and supporting PIAs.

Finalize Review Panel Workplan and Supporting letter. Karen reviewed the draft workplan and the draft letter that will accompany the workplan transmittal to the Council and Mayor. Both documents are in the meeting packet. Submitting a two-year work plan is an ordinance requirement for the Panel. Panel members provided feedback and suggestions on the transmittal letter, and approved submittal of the work plan and the revised letter.



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General Manager's update. Jen Chan & Mike Haynes updated the panel on the following items:

- a. **Budget:** Seattle City Light's 2023-2024 Proposed Budget includes a package of spending reallocations that advance City priorities and strategic business priorities outlined in City Light's adopted [2023-2028 Strategic Plan Update](#), continuing work on the same five business strategies first described in last year's 2022-2026 Strategic Plan:
 - 1) Improve the Customer Experience
 - 2) Create our Energy Future
 - 3) Ensure Financial Health and Affordability
 - 4) Develop Workforce and Organizational Agility
 - 5) We Power (Core Business)

City Light's proposed budget is approximately \$1.5 billion, including \$448 million for capital projects, with no new position or additional funding requests. Here is a summary of City Light's key changes in the 2023-24 Proposed Budget:

1. Improve the Customer Experience – Affordability Programs

This budget adds funds to evaluate, align, and enhance customer programs that reduce customers' energy costs through both financial assistance and energy efficiency, solar, and electrification offerings. It also funds research and assessment of potential options to lower upfront and operating costs of utility service to support affordable housing providers in building cost-effective, resilient, energy- and water-efficient, all-electric housing.

2. Create Our Energy Future – Western Energy Market

This budget adds funding for increased participation in the development of a regional organized Western Energy market. Access to affordable, green, reliable power is critical to our energy future. As the largest public utility in the Northwest, City Light's strong presence in this regional effort, while it is in its nascent stages, will help ensure that Seattle's interests are reflected in any new market design created.

3. Develop Workforce & Organizational Agility – Utility Technology Roadmap

This priority outlines investments needed over the next seven years to support strategic business priorities. This budget adds operating and maintenance (O&M) funding to begin implementation of this work and transfers five positions from Seattle IT for City Light specific data infrastructure, network, and IT security needs. Additional capital projects will be proposed in the next budget cycle in 2023.

4. Ensure Financial Health and Affordability – TOD Rates & Finance

This budget adds funds and resources to support the rollout of a new Time of Day (TOD) rate option at the start of 2024. Customer outreach and communication, as well as training for customer-facing staff, will be critical to ensure all customers can make an informed choice about the pricing plan most beneficial for them. This budget also reallocates two positions to support improved budget reporting and financial management.

5. We Power – Stewardship of Legacy Hydroelectric Facilities

Critical efforts funded in past budgets include Skagit Relicensing and the Accelerated Pole Replacement



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Program; both initiatives continue in the 2023-2024 Budget. This budget allocates needed O&M and capital funding to maintain Seattle's legacy hydroelectric assets.

6. O&M Budget Reductions and Technical Changes

To balance the incremental spending in business strategy priority areas, we are taking corresponding O&M reductions across the organization. Earlier this year, City Light completed a non-labor O&M reconciliation that identified budget available for redeployment due to underutilization or one-time need. Reductions in operating budgets are primarily in salary savings from an increased vacancy rate, underutilized budget for travel and services, and lower Federal Energy Regulatory Commission (FERC) fees. We increased the inflation and cost-of-living adjustments in both the capital and O&M budgets to accommodate the significantly higher costs we are experiencing.

The final adoption of the budget is expected on Tuesday, Nov. 22.

- b. Return to work updates: They Mayor has asked all departments and all employees to increase the number of days employees are in the office from a one to two days/week starting November 1st. Staff are submitting their work plans now. We are hoping this is another step towards normalcy.
- c. Staffing/reorganization update: The new org chart is in RP packets.

Over the last few months, we have decreased our vacancy rate and have filled key vacancies in leadership roles and announced the restructuring of several divisions to align strengths, streamline processes, and create synergies. Realignments underway across the utility include shifting work units, standing up new teams and divisions, renaming work groups, and establishing new leadership positions.

Asset Management & Large Projects, renamed Project Delivery, and Engineering & Technology Operations (ETO) are realigning teams within and across the two divisions housed in the Environment, Generation & Technical Services Business Unit. Under the leadership of Project Delivery Director Tamara Jenkins and ETO Director Andy Strong, the goal is to achieve efficiency gains within engineering, project management, construction management, and asset management and data services.

In recent years, the **Customer Care & Energy Solutions Business Unit** has seen a lot of change. With new leadership in key roles – beginning with Marcus Jackson as Customer Operations Director, followed by Joe Fernandi in his new role as Customer Energy Solutions Director, and most recently Kathryn Aisenberg being named director to lead a new division Customer Experience – we're realigning resources and maximizing our collective impact to better serve our customers and support our staff.

Q: Are you finding it easier/harder to attract people to hire? At the broadest level.

A: I think we all have different experiences. For Admin, it was really difficult because we didn't get a lot of candidates, then it got refined down. Also, when our hiring process is a long time, we lose good candidates. We are turning a corner, but I can't tell if its our internal processes or the labor market. There's a lot of opportunity to grow our staff, and sometimes its good to bring in new blood. In operations, people are looking for skilled trades. The pipeline is narrow, and we have a lot of upcoming retirements. Focusing on remote sites as those have become a bit of a challenge.



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Q: Where does power trading and contracts sit?

A: With Siobahn Doherty – a new director under Emeka. That area has a higher-than-average vacancy rate. We're actively recruiting in this area.

Adjourn: Meeting adjourned at 10:17 a.m.

Next meeting: Nov. 22, 2022, 9:00 – 11:00 a.m. There will be both virtual and In-person meeting options.