



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 “Final”

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.



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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,



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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.



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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



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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



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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.