



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: June 22, 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	√
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 Wolf	√	Karin Eastby		Jason Adams	√

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. Mikel Hansen was not in attendance. There was no report.

Review Agenda. Julie Ryan reviewed the agenda.

Approval of May 11, 2023, Meeting Minutes. Minutes were approved as presented.

Communications to Panel. Leigh Barreca reported that she had received an email from a customer inquiring if City Light procedures could be altered so their surplus (solar) electricity will go first towards paying my "base, or meter charge" before being put on the market. This inquiry was referred to the internal escalation process and was answered by a member of SCL Customer Energy Solutions staff.

We have new administrative staff. If you receive email from Bridget Molina, that is communications from our team related to Panel business.

General Manager’s update. Presented by Jen Chan.



City Light Review Panel Meeting Meeting Minutes

1. Financial Highlights –

- City Light's financial outlook for 2023 is pretty good. Our projected **debt service coverage ratio of 1.88X** for 2023 is above the 1.80X minimum target but below the budget/plan of 1.92X.
- Why is our outlook good? Mostly: **strong retail demand** (+\$30.4M). It was a cold Jan-Apr, which increased demand from heating. But also, cooling demand is on the rise. (All those AC window units people are panic-purchasing each heat wave are really adding up! Heat pumps are contributing too.) We are expecting that cooling demand will be high this upcoming summer and have updated our load forecast to reflect this.
- Also helping is that our **O&M spending is slow/low**. (+\$10.0M) We are running well under budget — vacancies are probably a big contributing factor to this.
- **\$ diverted into the RSA to avoid a rate surcharge – As the Panel knows, we** are transferring operating cash into the RSA to avoid a rate surcharge this year, and our 2023 coverage ratio would be excellent but for \$53M in planned operating cash transfers to the RSA.
- **Wholesale conditions continue to be not good** - Winter, dry conditions, high retail demand, and unfavorable market prices find us spending more on the wholesale market for purchases of supplemental power than we are realizing from sales. The snowpack came down fast in May, flooding the market and tanking prices for everyone.

2. Newhalem Wastewater Treatment Plant – City Light received an Outstanding Performance Award from the Washington State Department of Ecology in recognition of the Newhalem Wastewater Treatment Plant's excellent compliance with its water quality permits. The Newhalem plant, located at the Skagit Hydroelectric Project, is one of 109 plants that achieved this status in 2022 out of more than 300 eligible plants statewide. To determine the awardees, Ecology evaluated wastewater treatment plants on permit conditions such as regularly meeting numeric effluent limits, conducting monitoring, and reporting data as required. Wastewater treatment plants are complex facilities that deal with everything homes and businesses flush down the drain. While every facility is unique, they all rely on certified wastewater operators for proper operation and maintenance. Newhalem is one of 28 facilities this year to have earned the award at least 15 times in the past.



City Light Review Panel Meeting Meeting Minutes

3. Skagit staff respond to wildfire – Around 3 p.m. on May 31, Senior Boat Captain Erik Davis reported the presence of a wildfire in close proximity to the Buster Brown Boat-In Campsite. This location is situated approximately 150 yards downhill from the Skagit transmission lines, as well as the Diablo-Ross Tie Right-Of-Way.

In response to this urgent situation, a well-coordinated crew was immediately assembled, and Skagit's Fire Brigade was alerted by Skagit 911. A team comprised of Fire Brigade members and other Skagit personnel promptly mobilized, equipped with essential hand tools and backpack fire pumps, following the preliminary evaluation. This skilled team promptly engaged in fire suppression activities while simultaneously establishing an effective perimeter. With the perimeter successfully established, the crew effectively divided their efforts. A portion of the team maintained the perimeter's integrity, while others retrieved a fire pump. Upon arrival at the site, this fire pump proved to be instrumental in effectively suppressing the fire, safeguarding not only the SCL property but also the nearby North Cascades Institute/Environmental Learning Center. During suppression / mop up activities, a small crew from the North Cascades National Park arrived onsite to monitor the fire and take command of the situation.

4. APPA Conference – The American Public Power Association (APPA) National Conference was held in Seattle on June 16 – 21. APPA is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. It represents public power before the federal government to protect the interests of the more than 49 million people that public power utilities serve, and the 96,000 people they employ. It advocates and advises on electricity policy, technology, trends, training, and operations.

At the conference, attendees from across the country explored how changing policy, technology, and lifestyles are reshaping the energy industry and how that impacts communities. Public power leaders and policymakers engaged with visionaries, experts, and peers to exchange strategies and solutions and discover tools for future success.

The City of Seattle/City Light presented at two sessions: *Collaborating with Tribes on Hydropower Relicensing and Licensing* with Tim Reynon, the City of Seattle Tribal Relations Director and Matt Love, a member of our Skagit Relicensing legal team; and *Exploring Utility and Transit Partnerships* with SCL's Lucie Huang, Strategic Technology & Electrification Engineer, who will discuss our work with King County Metro to electrify transit.

Q: Any updates on the search for the general manager?

A: The job description has been posted. The search is being conducted by the Mayor's Office. The Seattle Department of Human Resources has reached out to the Executive Team to serve on interviews and find out what the needs of the utility are. Their goal is to spend the summer recruiting with at target to find someone by the mid/end of August. However, they do want to give due diligence to finding a good replacement.



City Light Review Panel Meeting Meeting Minutes

Strategic Plan Priority: We Power Mike Haynes (Assistant General Manager), Michelle Vargo (Chief Operating Officer), Angela Bertrand (Strategic Advisor) and Jason Adams (Strategic Advisor) presented. The presentation materials are in Panel packet. The presentation provided information on the many projects, initiatives, and activities (PIA) that these teams are engaged in to support the “We Power” 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. Division Dashboards
- b. Skagit Hydro Project Relicensing
- c. Investments in Core Infrastructure

Q: Aside from the tribes, are there other groups that you need to negotiate with?

A: All the parties participate in a comprehensive settlement agreement. This agreement will be folded into the license order and will include additional details such as fish passage and estuary improvements.

Q: Are you feeling good about the negotiations overall?

A: One of Debra’s legacies will be the good relationships we established through this process.

Q: Does SCL incorporate an option review that analyzes financial, social, and environmental benefits, costs, and risks to choose the best value options for customers and communities? If not, on what basis are the specific individual projects and programs chosen for funding?

A: For our review process, we have an options analysis. For projects over one million dollars, many of those elements you called out are included in that intake process. Large projects are required to submit a business case that includes cost/benefit information.

Q: Has the interim General Manager been formally named?

A: Yes, Mike Haynes is the interim General Manager as of July 1.

Adjourn: Meeting adjourned at 10:32 a.m.

Next meeting: September 20, 2023, 9:00 – 11:00 a.m.