



Initiative #7: Clean, renewable-powered city

INITIATIVE INFORMATION

Business Unit/Division	Customer Service/Customer Energy Solutions						
Initiative Executive Sponsor	Craig Smith						
Initiative Project Manager	Lori Moen/Brendan O'Donnell/Edward Smalley/Maura Brueger						
Legally mandated/Required?	No						
(\$000's)	2019	2020	2021	2022	2023	2024	Total
O&M \$ Amount*	9,680	9,680	9,680	9,680	9,680	9,680	58,080
CIP \$ Amount							
Total \$	9,680	9,680	9,680	9,680	9,680	9,680	58,080
FTEs assigned	12	12	12	12	12	12	12

* This assumes an annual cost of \$1m each for C. Component(s) of Initiative c. And d. listed below, \$2m for component b. and \$4m for component a. 12 FTE are budgeted at 140k annually. This will be both regular and deferred O&M from existing budget. It's possible that some of the deferred O&M would be converted to CIP. Note that none of the budget or FTE are incremental asks.

INITIATIVE SUMMARY

- A. Description:** City Light is our customers' most valued and trusted energy management partner, leading our community to a clean energy future. Through the Customer Energy Solutions division, we work with customers and community partners to increase the energy productivity of buildings, equipment and transportation—preserving and extending the benefits of our low cost, carbon neutral electricity system.
- B. Context:** This initiative is a continuation of City Light's 40- year commitment to efficiency and clean energy. The specific components reflect a goal to expand into new markets, while also ensuring that our core energy efficiency business is successful beyond a reliance on lighting projects.
- C. Component(s) of initiative:**
 - a. Create programs and service offerings that target whole building energy savings in commercial buildings and pursue opportunities to work upstream in the product distribution chain.
 - b. Support widespread adoption of electric transportation through increasing access to charging.

- c. Leverage the Lighting Design Lab and industry partnerships to collaboratively demonstrate how efficient buildings, connected technology and distributed resources can work together at community scale.
- d. Bring a more specific equity focus to our portfolio of programs and services.

D. Business Value:

- a. **Whole Building/Upstream EE Programs** - The market for energy efficiency is changing and our programs must change with them to continue offering value to customers. Whole buildings programs, such as the Pay for Performance and Energy Efficiency as a Service (EEaS) are two methods to increase energy savings in commercial buildings and offer more flexibility for how customers participate in our programs. For City Light, these programs avoid the challenge of quantifying energy savings for individual measures using up-front calculations and free service providers to bundle multiple projects and measures. For customers, the EEaS program also is explicitly designed to address issues of the split incentive, where there is little motivation for a building owner or investor to finance deep energy retrofits whose benefits accrue to tenants. The EEaS model lets investors finance projects with a predictable return, owners generate a new revenue stream, and tenants occupy productive and energy efficient spaces. Similarly, as larger commercial buildings saturate with LEDs, upstream programs can focus at the distribution level. This upstream model allows us to reach smaller and harder to reach customers, rather than just larger end users.
- b. **Electric Transportation** - The main benefits of this pilot will be to provide increased access to carbon-neutral electricity and better utilization of City Light's existing infrastructure. Going forward, City Light will continue to install and own charging stations, in addition to partnerships with private providers. In building charging stations, the primary sources of value are increased direct revenue from station operation, better understanding of the timing and location of charging, and increased vehicle adoption (particularly in key demographics like shared transportation and multifamily residents). For the customer, the benefits are access to higher quality charging than the current private market provides, a lower carbon fuel system and a competitive pricing structure. Also, with broader authority, partnership for private charging providers will allow City Light to leverage their customer relationships similar to service providers delivering energy efficiency programs.
- c. **Lighting Design Lab and Technology Partnerships** - Taken individually, solar, energy efficiency, electric transportation and battery storage create value, but in isolation, are incomplete. City Light believes that coordination, operations, and community scale is the answer. City Light's Lighting Design Lab will evolve to provide a broader offering of education, technical support and technology validation services to designers, buildings operators and contractors. We intend to use these skills in partnership with a community organization in an applied demonstration project.
- d. **Equity Focus** - City Light aims to narrow the gap between communities that have benefited from our programs and those who have not. While this is a broader goal, the initial specific efforts are a deeper and more meaningful partnerships with affordable housing providers and increased workforce development provisions in existing programs, such as Pay-for Performance. In addition,

City Light will participate in the Office of Sustainability and Environment's (OSE) 100% Equitable and Renewable Energy Initiative. This is a platform to test new approaches and strategies to center racial and social justice in how we deliver services to our customers while making progress on the Seattle Climate Action Plan.

- E. Opportunity for increased revenues and/or decreased costs: Most of these programs will come from existing CES budget and do not increase revenue or decrease cost. The one notable exception is the EEaS program, where CES will collect revenue, but turn around and return it the customer. Therefore, the EEaS program is revenue neutral, which is a lower cost to the utility than traditional energy efficiency programs.

INITIATIVE MILESTONES AND DELIVERABLES

Milestone	Due Date	Deliverables and Comments
Launch Energy Efficiency as a Service EEaS/P4P expansion	Q1 2019	Public communication on solicitation process and program requirements
Revised business plan for Lighting Design Lab	Q2 2019	Updated by new executive director and business development manager
Issue Transportation Plan	Q3 2019	Public document outlining City's role in the electric transportation market
Sign up at least 5 EEaS buildings	Q4 2019	
Launch upstream lighting program	Q1 2020	Likely in partnership with NEEA
Complete initial solar installations on low income housing facilities	Q2 2020	Event and executed contracts
Report back to City Council on EEaS progress	Q1 2021	Council briefing

SOCIAL EQUITY

An explicit goal of this initiative is to more actively center race and social justice in Customer Energy Solution's programs. To do this, we have called out equity as an explicit program area in our portfolio, rather than just trying to fold it into existing offerings. Examples include a deeper and more meaningful partnership with affordable housing providers and increased workforce development provisions for contractors in program delivery.

METRICS FOR SUCCESS AND METHOD FOR MEASUREMENT

The primary measure of success is that we deliver on a commitment to develop new programs in the areas highlighted above—i.e. is a Pay for Performance program live in 2018?, did we install all charging stations as promised?, does more CES funding go to equity initiatives?

STAKEHOLDER OR CUSTOMER IMPACT

Our programs are heavily tied to the policy goals of the Mayor's Office and the Office of Sustainability and the Environment. Executing in an effectively and timely manner on new programs will be a continuing metric of our success. Similarly, our programs are supported by service providers and community organizations who design, implement and manage relationships with our customers. Continued partnerships with these organizations will be critical to the initiative.