



SEATTLE CITY COUNCIL | POSITION 8

COUNCILMEMBER TERESA MOSQUEDA

March 5, 2019

Seattle City Light Review Panel

Sara Patton (Non-Profit Energy Efficiency Advocate)

Thomas Buchanan (Residential Representative)

David Allen (Commercial Customer Representative)

Patrick Jablonski (Industrial Customer Representative)

Leon Garnett (Low-Income Customer Representative)

John Putz (At-large Customer Representative)

Gail Labanara (Suburban Franchise Representative)

Via email clrpquestions@seattle.gov

Re. Initial Report to Seattle City Council on Rate Design Project

Dear Members of the Seattle City Light Review Panel,

Thank you for your service and work on the Rate Design Project. Given the changing landscape around utilities and the fact that City Light's rates have not undergone a major update in four decades, this is no small undertaking. Transition is coming—it's in fact already upon us—and the Rate Design Project is a chance to develop creative solutions to equitably serve City Light customers and advance the goals of affordability, efficiency, environmental stewardship, and revenue stability.

Thank you for your initial report submitted to my committee on February 21, 2019. As we continue to refine the goals of this project and potential rate design options, I want to reiterate a few broad priorities I have for the final report:

- Ensure incentives are preserved for off-peak use and energy efficiency.
- Provide ideas for transitioning mass transit fleets and work with partners such as the Port to electrify their fleets. (This will also have positive impacts on air pollution and environmental justice impacts experienced by nearby communities.)
- Continue your commitment to serving and supporting low-income households to bring down costs for these customers.

There are a few specific items I would like to see addressed in the final report:

- The Resolution 31819, Section 5, quoted below, identified a range of ideas to consider for updated rate design. I would like to see these items addressed in the Review Board's final report, including recommendations and rationale for whether or not to pursue these strategies:

Section 5. The City Council requests that the Seattle City Light Review Panel and General Manager make recommendations in consultation with community partners on an updated rate



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design, which may include, but not be limited to, the following elements: coincident peak/inclining block rate, voluntary time of use, more progressive rate blocks for residential rates, rate blocks for small and medium general service customers, and/or other options to create greater stability, while promoting conservation, distributed energy resources, and revenue stability for City Light. In considering the various approaches, the Review Panel should recognize that significant increases in fixed or flat charges that reduce the commodity price signal are counter to the City's goals of increasing energy efficiency, as well as have disparate financial impacts on low- and moderate-income households, and will be strongly disfavored by City Council as part of a final updated rate design ordinance.

- I look forward to learning more about potential weatherization pilots serving income-qualifying households and hope to see a strong link between existing successful programs, such as the Utility Discount Program and bill assistance, with potential pilots brought forward to increase the affordability and reliability for low- and moderate-income customers.
- Thank you for your preliminary report on feedback received during stakeholder engagement thus far. I look forward to information in the final report on additional feedback gathered through stakeholder outreach focused on addressing gaps in input from residential ratepayers and small businesses, as well as how the input from various stakeholders informed your recommendations.
- Similarly, the initial report includes Cuthbert Consulting's comparative utility study. I would be interested in information about how this report influenced the Panel's recommendations.

I look forward to your recommendations for policy goals and actions in the final report, and to working with the Review Panel and Seattle City Light on pilot projects that emerge from these recommendations and on implementation of rate design proposals in 2021.

Thank you for volunteering your time to serve Seattle City Light customers through this period of transition and opportunity for how we power Seattle communities. Your work will provide us with a bridge to the future.

Sincerely,

Teresa C. Mosqueda
Seattle City Councilmember – Position 8



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