



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: June 25, 2019 | 11:00AM – 2:00PM | SMT3205

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	John Putz	√	Mikel Hansen	√
Sara Patton	√	Patrick Jablonski	√(Skype)	Leon Garnett	√
Thomas Buchanan	√	Chris Mefford	X	Mikhaila Gonzales	√
Staff and Others:					
Debra Smith	X	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Carsten Croff	√	Leigh Barreca	√
Scott Thomsen	X	Calvin Chow	X	Maura Brueger	X
Gregory Shiring	√	Erin House	X	Kiersten Grove	√
Eric McConaghy	√	Kim Kinney	√	Kathleen Wingers	X
Julie Moore	√	Eyvind Westby	√	Joni Bosh	√
Craig Smith	√	Brendan O'Donnell	√	Emeka Anyanwu	On phone

Welcome: The meeting was called to order at 11:03 A.M. A round of introductions followed. The group welcomed new panel member Mikhaila Gonzales.

Public Comment. There was no public comment.

Review of Agenda. Karen Reed, facilitator, reviewed the agenda.

Approval of Meeting Minutes of May 14, 2019. The meeting minutes were approved as submitted.

Chair's report. Gail Labanara had no report.

Communications to Panel. There were no communications to the Panel. Leigh Barreca received a phone call regarding one individual's attendance at a Panel meeting asking if they could send a letter to the Panel; no further communication was received.

General Manager's Update: Jen Chan presented on behalf of Debra Smith who is attending a conference in Washington D.C. Jen reported that the Denny Substation opening event has been scheduled for July 20 from 11:00 a.m. and 2:00 p.m.; invites will be sent to the Panel.

Roadmap Check-in. Leigh Barreca reviewed. The four rate pilots are launched. The King County Metro pilot involves 125 buses; Metro will not be able to do its testing work until 2021. Leigh is building out detailed roadmaps for the four pilot projects.

Review and Update of Panel Charter. Facilitator Karen Reed reviewed the charter changes for



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the Panel; these clarify the Panel's ability to respond to disruptive behavior by members of the public, based on the City Council's rules for these situations. The City Attorney's office has reviewed the original draft and shortened it. Mikel Hansen asked for clarification of the definition of a quorum. *The Panel Charter was unanimously approved as submitted.* **Staff will provide clean final versions of the document for Panel member binders.**

The Panel took a break at this point.

Improving Customer Service: Project Status reports on Automated Metering Infrastructure (AMI) and the Customer Portal. Kelly Enright presented. There have been 437,675 new meters installed. 1,725 customers have opted out of AMI. All remaining meters will be installed by the end of the year. There are approximately 15,000 meters that have problems with install—either location or technology problems; of these, approximately 3,000 customers have not provided access to SCL for installation. There are also some account validation issues. The meters will collect data every five minutes for commercial customers and every 15 minutes for residential customers. Seven permanent senior meter reader positions are needed to read the remaining traditional meters. Discussion points and questions included:

- Do the new meters collect voltage data? A: Yes
- Will usage data be used for rate pilot projects? A: Yes.
- Lifespan of the new meters? A: 20 years.
- How do the meters interface with current net-metering customers, with solar panels? A: The meters do interface; we are working on that now.
- Are we done with estimated bills? A: Yes. There is still some remaining clean-up.
- Are there customer billing issues? A: Different now than before; the new bills are more precise and more accurate. Overall, customer complaints are down by one-third.

The Customer Portal project kicked off in March 2019. The goal is to expand options to provide 24/7 customer service, in addition to phone access. Customers should have account and usage view access available by year-end. The tool works for both SPU and SCL. Final implementation is scheduled for September 2020. The project will add online chat capability. SPU is thinking about the possibility of moving to AMI. Staff can do a demonstration of the Portal in a few months for the Panel. The Portal will have text notification capability, and can use that to alert customers to outages. A customer education program about how to use the Portal is being planned.

Transportation Electrification Report. Emeka Anyanwu introduced Brendan O'Donnell, who presented. Transportation electrification is a key strategy in the City's goal of being carbon neutral by 2050 and builds on SCL's clean electricity strategic priority. Sixty-five percent of carbon emissions in the City limits are attributable to transportation; about half of that from passenger vehicles. Brendan spoke to the three pilot projects underway in this area.

- Installation of 20 public fast-charging stations. The City sees its role here as providing universal coverage for those with electric vehicles. The fast-charging stations charge in 30-minutes to 1 hour. The target users are street parkers, Uber/Lyft drivers, and residents of



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multifamily buildings. The City is charging \$0.43/kw, slightly above market. This will fully repay the investment in these stations in 10-12 years. They are being used about 3 times a day; the goal is 6 times a day. Installation costs about \$100K/unit; \$20K of that is the cost of equipment. The City is doing the installation; some parts of the project are contracted out.

- Full-service program for equipment & installation. The City is doing 200 installations for residents of electric vehicle charging infrastructure; the cost to the resident is \$30/month for 3 years, after which the resident will own the equipment. SCL will maintain the equipment for the first three years. These are slower overnight chargers.
- King County Metro and Kenworth/UPS: Heavy Duty Vehicles Pilots. Seattle is paying about \$250K towards this project which has a total cost of about \$900K.

The passenger electric vehicle (EV) market has evolved substantially in the last 2 years; sales of EVs have grown 400% in the last 2 years in Seattle; they now constitute about 8% of total car sales in the City. By far the largest share of the market is going to Tesla Model 3 vehicles. There has also been a major commitment to transit fleet electrification by the County in the last two years. The heavy-duty vehicle market is also evolving very quickly.

The City estimates the current distribution grid has capacity to add charging for 100s of thousands of vehicles. However, if many buses are charged in the same location, there will be local grid problems. Each vehicle that becomes an SCL customer adds incremental revenue for the utility. The major impact here is several years out—2040 and beyond.

Recent change in state law (2019) clarifies the ability of SCL to use rate payer money to construct facilities for customers that will promote electrification. The net rate impact cannot be more than 0.25% but this is loosely defined in the legislation.

The City recently completed a transportation electrification strategy, engaging a broad team of staff across the City and the Rocky Mountain Institute. The major goals of the strategy are to promote equity; optimize asset (grid) utilization and improve air quality and health while not increasing use of single occupancy vehicles.

The cost of batteries and availability of vehicles is an issue in all sectors of the EV market. Other drivers include total cost of ownership, charging availability and the cost of charging operations. The three core recommendations from the strategic plan are for SCL to:

- Invest in charging infrastructure with emphasis on universal access and expanding coverage
- Develop new rates and improve customer service for the transportation market
- Prepare for heavy duty electrification

Finance and Debt Management. Carsten Croff and Eyvind Westby presented. Carsten described the current financial policies for SCL around debt: debt coverage of 1.8X principal and interest on



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debt must be maintained, and 40% of the 6-year CIP is intended to be financed with cash. SCL has had difficulty meeting the cash funding target over the last 15 years but is on a more stable path to do so now. The target CIP spend in the out-years is \$300M/year by 2024.

The outstanding debt burden of SCL will double between 2008 and 2024. The debt to capital ratio is dropping from a high of 70% towards a 60% level, which is supported by rating agencies. Debt management involves balancing capital spending needs, debt funding and retail rates. The Mayor's office is very focused on controlling retail rates.

Eyvind Westby outlined some of the major projects that comprise the CIP between 2007 and 2024. Carsten outlined several action items underway at City Light as it seeks to improve capital project development, management and oversight.

SCL needs to assess whether maintaining the 60-40 spend target is a good plan for the long term if we want to control the growth in the CIP.

- Q: Could we see more working examples of real numbers to demonstrate how if the debt keeps compounding how different variables affect it? A: Yes
- The panel requested that SCL bring back more detail on how the debt to capital ratio is calculated. **Staff will bring this information back.**

Greg Shiring noted that due to the Mayor's feedback, as well as Council, City Light cut out \$240 million out of the 6-year capital program last year.

Karen Reed asked about the growth in cost of undergrounding and whether the utility is going to identify a rate increment to fund these or are they rolling it into the rate base? A: Carsten Croff advised that this is an ongoing discussion.

Jen Chan noted that the next report on capital project management will be later than September as many of the efforts underway will not have results to report until later.

Adjourn. The meeting was adjourned at 2:17 PM.