



**City Light Review Panel Meeting  
Draft Meeting Minutes**

**Date of Meeting: July 28, 2016**

<b>MEETING ATTENDANCE</b>					
<b>Panel Members:</b>					
Name		Name		Name	
David Allen	✓	Julie Ryan	✓	Eugene Wasserman	x
Tom Lienesch	✓	Sue Selman	x	Sara Patton	✓
Chris Roe	✓	Eric Thomas	x	Gail Labanara	x
<b>Staff and Others:</b>					
Larry Weis	✓	Greg Shiring	✓	Mike Jones	✓
Paula Laschober	x	Kirsty Grainger	✓	Karen Reed	✓
Jim Baggs	x	Tony Kilduff	✓	Sephir Hamilton	✓
Mike Haynes	x	Calvin Chow	x	DaVonna Johnson	✓

Call to Order: The meeting was convened at 11:00 a.m. Karen Reed reviewed the agenda.

Meeting Minutes from 5/17/16: Meeting minutes were approved.

Public Comment: There were no public comments.

Communications to Panel: Larry Weis noted that longtime SCL staffer Gerry Garmin passed away last week. He indicated that he wants to pursue rate design issues within the next two years. Karen noted that Eugene Wasserman has resigned from panel. We now are down 3 council appointees and 1 mayoral appointee. Sue is willing to stay on until her replacement is identified by the Mayor; she has suggested some names. *Tony will follow up with CM Sawant.*

**Action Item:** Karen will draft a letter asking for the Council’s action to appoint replacement members and circulate it for review before finalized and sent under Tom’s signature.

Strategic Plan Update: Tony indicated no major push on the rate path but high level of interest from Council on the Utility’s apprenticeship program—size and diversity. Larry reiterated his concern that current rate structures are not generating sufficient revenue for the Utility, given slowing demand on retail side and lower wholesale revenues. He wants to fast track review of the issue, looking at energy charges and start discussing this with the panel this winter. He wants to include looking at issues of a single rate class and unbundling of services.



## City Light Review Panel Meeting Draft Meeting Minutes

2016 Q1 Strategic Plan Update: Paula presented. She noted that retail revenues are below budget due in part to above normal temp due to warmer winter, as well as more efficient appliances. Wholesale revenue is also lower than budget. Debt service coverage slipped below 1.8 in Q1. In response to a question, she confirmed that the new billing system will go live Sept 6. Rate ordinance consistent with approved Strategic Plan will go to Mayor and Council mid-September. Council imposed a 1.5% surcharge on August 1 under the RSA policy. Expected to take until mid-2018 to replenish the RSA at current 1.5% surcharge rate. Utility expects to hit \$10.5M in efficiencies by June of 2016.

The group broke for lunch and watched a video of the presentation to the Energy and Environment Committee from earlier in the summer on the Utility's Climate Adaptation Plan.

Review Panel Work Plan 2017: Karen presented the draft work plan which has been developed by the Steering Committee. Discussion included:

We went through five different categories.

- Sara would like to be part of developing the Snake River dam removal briefing
- Add briefings on the status of the Integrated Resource Plan and Wholesale Market
- Add state and federal updates.
- Add rate design/cost allocation late in 2016.
- Longer review of baseline is a major part of this work plan.
- Need to have full slate of Panel members as we tackle this plan.
- Rate design should be separated from the strategic plan. Review Panel's focus should be first on the policy, then to actual rate design recommendations. Any change to rate design for 2018 needs to be proposed to Council by mid-2017.

*Karen will update plan per comments. Target is for Panel to approve it in September.*

SCL Diversity, Inclusion and Outreach: Availability is not geographic. DaVonna presented on the issue. The availability rate is based on the King County area, not the City Light service territory. DaVonna feels the Utility is doing well with its hiring of women and Hispanics. Human Resources at the Utility has seen a rise in number of employees not identifying their race due to personal preferences. Internship program getting highly favorable responses from participants. Most interns are in the engineering unit. A relatively strong percentage are women given the small percentage of potential candidates. We cannot guarantee them jobs upon graduation, so often they go work elsewhere.



## City Light Review Panel Meeting Draft Meeting Minutes

A new program is being developed for women entering non-traditional jobs. City provides basic electricity & applied math classes to improve diversity.

- **Action:** In work plan, add RJSI presentation in October on promotions data and employee survey results. *Karen will put in plan and on October agenda.*

Integrated Resource Plan – portfolio adjustments under consideration. Mike Jones presented. He noted that the Utility does integrated resource planning because it is required by state law. Energy efficiency is currently outpacing load growth. Given reduced energy need, SCL will be allowing the state-line wind contract to expire in 2021. BPA may not be cost competitive at the point of contract renewal in several years which is a concern. BPA provides most of our transmission service. Unknown whether SCL would be able to sell its hydropower at a premium in the future. BPA is going through some financial challenges; Jorge Carasco has been hired to help them.

Western Markets—Introduction of Topic, Benefits to Utility/Ratepayers. Mike Jones presented. An attempt to create a northwest U.S. based power market recently failed. These markets are helpful to SCL because our power supply is flexible so we can help integrate renewables we own into the regional power market and get paid for them when we don't need them. The Utility is considering whether to join the California energy imbalance market (EIM). The business case for this identifies \$8M expected revenue annually with a \$2.5M annual cost, plus an \$11M cost for necessary infrastructure. Mike will continue this discussion with Panel in the coming months; a decision needs to be made this year in order for work to join the California EIM to begin next spring. In response to a question, Mike noted that the California ISO (SPELL THIS OUT) is running the California EIM.

Next Meeting Agenda Items: Karen noted there will be no August meeting. The September agenda will include a further update of the Strategic Plan—2016 Q2, and probably an update on AMI, as well as adopting the Panel Work Plan. Mike will also introduce the new Strategic Plan analyst he will be hiring to assist him in overseeing this work.

Adjournment: There being no further business, the meeting was adjourned at 2:00 p.m.