



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: February 18, 2021 | 1:00 – 3:00PM | Meeting held via Microsoft Teams “Final”

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	John Putz	√	Mikel Hansen	√
Sara Patton	√	Anne Ayre	√	Leon Garnett	√
Scott Haskins	√				
Staff and Others:					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes		Tom DeBoer	√
Jim Baggs		DaVonna Johnson		Craig Smith	
Kalyana Kakani	√	Emeka Anyanwu	√	Maura Brueger	√
Julie Moore	√	Chris Ruffini	√	Leigh Barreca	√
Greg Shiring	√	Carsten Croff	√	Kathryn Aisenberg	
Eric McConaghy	√	Alex Pedersen		Angela Bertrand	√
Hillary Winchester	√	Toby Thaler	√	Aliza Seelig	√
Zana Jones	√	Chris Tantoco	√	Joni Bosch (NVEC)	√

Welcome\Introductions. Karen Reed called the meeting to order at 1:02 PM. Kalyana Kakani, City Light’s newly hired Director of Utility Technology was introduced. In his role, Kalyana is a member of SCL’s Executive Team. Panel members introduced themselves.

Public Comment.

No comment.

Standing Items:

Review Agenda. Karen reviewed the agenda.

Approval of January 28, 2021 Meeting Minutes. Approved as submitted.

Chair’s Report. No report.

Communications to Panel. There were no communications to the Panel.

Panel Member Recruitment. Maura Brueger discussed the recruitment efforts for three current (or upcoming) vacancies: Suburban Franchise City (Gail will be retiring in April), Economist, and an At-Large Residential representative. SCL has received one nominee for the Economist position and is preparing the paperwork to submit this candidate to the Mayor’s Office.

IRP Progress Report. Emeka Anyanwu and Aliza Seelig presented. Presentation materials are in member packets.



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- Comments: Great job and thank you for emphasizing outreach alongside the other aspects. One thing that may be useful is to say who the outreach is to. Perhaps describe and include the process.
- Q: I didn't see anything in reference to scenario planning or high/low supply/demand curves or confidence levels. That may be something to consider. What is the impact of the IRP on potential pricing and rate structure issues? Are you considering pricing changes? Finally, can you describe what technology has been applied and what is coming in this analysis? There are many technologies highlighted in the report – maybe innovation and technology warrant a further call out in the next IRP report.
 - A: This was a progress report on the IRP framework, so we did not include demand scenarios. That will be included in our upcoming work with the Electric Power Research Institute (EPRI.) Your tip on highlighting the technologies is a good one. We do not typically include rate impacts in the IRP as our approach is to present the lowest cost resource portfolios.
 - A: You will hear more about rate path coming soon. One thing we are looking at is how we make sure our IRP process is consistent with our business strategy. Finally, the distinction between IT and OT is important. The reason we call it Utility Technology is purposeful. IT and OT lines are blurring so we are looking at the entire architecture of tools that will help us be dynamic about balancing supply and demand.
- Q: I think of the IRP process of looking at our 90% and 10% demand scenarios. But I am wondering about what is happening in Texas now and what happened in California this summer. Is that a part of the IRP process? What are the lessons from Texas right now?
 - A: The resource adequacy assessment considers different demand and supply scenarios. The progress report considered 30 years of different weather and water conditions and looked at climate change data we had from Skagit. These are all important aspects of the resource adequacy planning.
- Q: It would be good to see the specific scenarios you are running. Will you also do a related look at resiliency strategies?
 - A: There is some really good information coming from the Union of Concerned Scientists. The Texas and California situations are very different. We have our work cut out for us around water and adaptation. We will continue to look at extreme heat and other environmental impacts.
- Comment: The public wants to know SCL has it under control.
 - A: the American Public Power Association (APPA) helps its members to understand how to communicate with customers around these risk and resiliency issues.
- Q: How is SCL handling the 'new' aspect of electrification and energy efficiency? Can you tell more about that? Does the IRP include the impacts of the latest energy codes?
 - A: Yes, energy code impacts are considered. We are working on this with EPRI to determine impacts to our planning needs.
- Q: You mention that you are working on Dept. Of Health on equity indicators. Can you say more?
 - A: We provided them data and they are developing those indicators.
- Q: Is the concept of system reliability in the IRP or in the Strategic Plan?
 - A: The resource adequacy work looks at generation and transmission at the grid level. Our



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resource strategy needs to target resources that will fit our emerging needs.

- A: As Seattle decarbonizes, we are looking at what those impacts will be also.
- Q: Page 6 talks about how BPA provides 40% of your resources through 2028 – will you keep us in the loop about the new contract? We are very interested.
 - A: Yes, we are working on putting together our thoughts on what products and services we want Bonneville to offer to us in the years of the new contact.

General Manager's Update:

- Storm - We fared well during this weekend's storm. The snow was light and fluffy with a clean transition to rain without ice. We were able to send crews to provide support in Portland.
- Labor strategy - We are working on the IBEW labor strategy. Snohomish Public Utility District raised their Journey level wages, so now our rate is 12.5% below them. Other local utilities are working through similar issues. We are working on this, but we do not have clear parameters from the Labor Relations Policy Committee (LRPC) yet. The contract we negotiate will be a shorter than usual 2-year contract to get us to a point where we have a better idea about future power loads. Our outside workers are really struggling. They have been working these last 11 months despite lack of COVID leave. We will share more with the Panel when we can.
- Road to Recovery - Road to Recovery is short for resuming the full collection cycle. We have not shut off customers due to non-payment since 2006. A moratorium preventing us from doing so is still in place. We can talk to you more about this process as it evolves, including the many equity impacts.
- Skagit Dam relicensing – SCL submitted to FERC our proposed list of 24 studies we would complete as part of the relicensing process. The license participants (tribes, non-governmental organizations, regulators) also ask for studies. We are all using a new FERC licensing process that we have never used so the process has been challenging. We are expecting upcoming media (King 5 TV, newspaper) that will likely cast the relicense effort in a negative light. We have done strategic communications study and are keeping the Mayor's Office in the loop.
- Utility branding - We are walking away from the Nation's Greenest Utility brand. With the Clean Energy Transformation Act (CETA), all Washington utilities will be completely green and carbon free. The Communications team has done a great job refreshing documents and templates to display our new brand, *We Power*.
- Q: Is the basic Skagit issue about more spill over the dam?
 - A: Currently that is not clear. The big issue is that SCL has taken the position that we are following the agreements we made in the prior license. These agreements were made in alignment with science. We are in a bit of a dispute around the science.
 - A: We are in the study phase. Fish passage is another big issue.
- Q: The last time SCL relicensed the Skagit, that became a model because of the intensive involvement of stakeholders before going to FERC for the license. Are you messaging this positive history?



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- A: I think the environment has changed as have stakeholder expectations. We met with Tribal leaders and their new leadership is younger and more emboldened in terms of their expectations of us. There is a feeling that the benefit from these projects has been to Seattle and the Tribes and environment have been harmed as a result.

RSA/2022 Rate Strategy Kirsty Grainger presented. Presentation is in member meeting packets.

- Q: I know Goldman Sachs came out with their growth estimate with a fairly robust recovery. Have you looked at that?
 - A: Yes. We have looked at that. The interesting thing will be what happens in the Seattle downtown core. Will people go back to high rises even if economy picks back up?
 - A: We assumed 350,000 people were working downtown prior to the pandemic. This number is now approximately 15,000. The Mayor is very focused on downtown recovery. They believe they will be able to get back to 30% (or 105,000) of where they were. There is a lot of uncertainty about what will actually happen, but we try to stay in alignment with the City's economic forecast.
 - A: If the downtown economy does come back faster it will decrease future rate increases OR will allow us to refill programs that we have cut.
- Q: If the actuals fall short, will you deal with it this year or the next?
 - A: We would do both. We have practice in making short-term budget reductions. If this does turn out to be long-term, we will need to do something differently there as well.
- Q: On the reduction of the surcharge, you are swapping the surcharge for a permanent increase. What is the trigger to put the surcharge back in place?
 - A: The surcharge would not come back on until the RSA fall below \$90M. We do not anticipate that happening. We are hopeful the surcharge will not come back for some time.
 - A: Our goal would be to 'rightsize' the surcharge mechanism itself. It was developed in 2010 when power prices were higher. We may find we do not need to hold as much cash as we used to. Hopefully, we will do this work before another surcharge is needed.
- Q: The rate increases looked residential. Is the increase uniform across all rate classes?
 - A: Yes.

Adjourn: The meeting adjourned at 2:55 PM.

Next meeting: Feb 25, 2021. (next Thursday – focus on draft strategic plan components)