



**City Light Review Panel Meeting  
Meeting Minutes**

**Date of Meeting: November 16, 2020 | 10:00AM – 12:00PM | Meeting held via Microsoft Teams “Final”**

<b>MEETING ATTENDANCE</b>					
<b>Panel Members:</b>					
<b>Names</b>		<b>Name</b>		<b>Name</b>	
Gail Labanara	√	John Putz	√	Mikel Hansen	
Sara Patton		Chris Mefford		Leon Garnett	√
Thomas Buchanan		Scott Haskins	√		
<b>Staff and Others:</b>					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes	√	Emeka Anyanwu	
Jim Baggs		DaVonna Johnson		Tom DeBoer	√
Julie Moore	√	Chris Ruffini	√	Maura Brueger	
Greg Shiring	√	Carsten Croff	√	Leigh Barreca	√
Eric McConaghy	√	Alex Pedersen		Kathryn Aisenberg	√
Craig Smith		Toby Thaler	√	Angela Bertrand	√
David Logsdon		Scott Cooper	√	Chris Tantoco	√
Joni Bosch (NVEC)	√				

**Welcome\Introductions.** Leon Garnett kicked off the meeting at 10:07am.

**Public Comment.** None present.

**Standing Items:**

**Review Agenda.** Karen Reed reviewed the agenda.

**Approval of October 14<sup>th</sup> Meeting Minutes.** Item postponed due to lack of quorum.

**Chair’s Report.** No report.

**Communications to Panel.** There were no communications to the Panel, except an email from someone interested in attending Panel meetings; Leigh Barreca sent an email in response.

**General Manager’s Update:**

Debra Smith shared an update about work SCL is doing to develop a calendar detailing timing for the update to the strategic plan as well as the concurrent budget process. Key activities happening now are:

1. 2021 Budget – SCL’s submittal is being reviewed by the City Council. Debra does not anticipate major changes but noted that the utility has work to do internally around budget accountability for all Divisions in SCL.
2. PeopleSoft – SCL is reviewing how best to use PeopleSoft. This work will have us doing our



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financial tracking the program/project level rather than the Organizational Unit focus. Debra believes this change will give SCL a better view of what it is accomplishing.

3. 2022 Calendar – SCL is preparing a calendar that incorporates the 2022 budget process and the update to the strategic plan that was largely completed in 2019/20 but needs a refresh. SCL is also in the midst of a number of complex customer technology projects including the Portal, Meter Data Management (MDM), and Customer Care and Billing (CCB). These are needed to support rate design. Debra anticipates sharing this calendar with the Panel at the next meeting.
- **Comment:** It is very impressive what you mentioned on the budget to organize budget costs and work as opposed to organizational. That is a very progressive approach. What you are doing with the portal and CCB is complex and it's worth it to take the time to do the upfront work to make sure you get it right instead of just pressing ahead to meet a milestone. **Response:** Thank you. It is something we know we needed to do.
  - **Q:** Having experience with big technology projects, sometimes they just die. Whatever you try to fix becomes obsolete. Do you have confidence that your plan will get you to where you want to be? **A:** We have a plan and while complex, we are confident that we are making the right incremental decisions. For example, for the portal project we selected a current, contemporary product in the past two years. This is a joint effort with SPU. The software package did not have things like solid waste, so they had to build that out for us. For Automated Metering Infrastructure (AMI), our system is current and will be updated every year.
  - **Q:** I get nervous about these big systems that you throw money at then you still need to junk it. Debra, this is your job to make sure it is going to work and does not go south. The huge bundle of technology scares me. **A: (Debra)** We are not having trouble with the new "shiny toys". Seattle IT has had tremendous success with the many shiny new toys they rolled out for the pandemic. Our legacy systems, the dinosaurs, are what we struggle with keeping updated. **Chris Ruffini:** We have unique needs, but the changes City Light and the City are making will give us better visibility. **Kirsty:** My guess is that sometimes we implement new things using the processes for how we used to do the old things. We have 100 years of tradition, and sometimes to move forward you cannot do things the way you have always done them.
  - **Q:** Change management is so important when you create new business process that represent a change to how things have been done. You need to "project-ize" that concept and build it into your efforts. **A:** You are right, and it was not done that way in the past. We contracted the function out to vendors. For the Energy Imbalance Market, we approached it differently and had change management embedded in the project. This was very successful. We are standing up a small team under the direction of Jen Chan for this. **Jen:** I love the comment. Prior to coming to SCL, I worked on implementing change management for Summit Reimplementation Project (SRI), the PeopleSoft implementation so I am excited to be working on this now.



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### Rate Pilot Update (Carsten Croff):

SCL was planning to launch rate pilots last April, but implementation was pushed out due to the pandemic. SCL launched two pilots in September, the residential Time of Day (ToD) and the commercial charging pilots. The residential program is capped at 200 customers, with some quotas and caps for eligible customers. SCL received over 800 applicants to participate; they conducted a lottery system and now have 50 renters, 50 Electric Vehicle (EV) owners, and 65 participants with incomes under \$75k. The pilot is testing an approach with three time periods: off peak, peak, and load-shifting (5-9) with associated cost changes. Staff are working on getting participants access to a dashboard so they can track their energy usage.

The commercial charging station pilot is also launched. Currently, there are two customers and three City Light EV chargers involved. This is an on-going enrollment.

For the energy equity pilot, the pandemic really halted outreach. There are about 75 customers in that program. We had to halt the home energy assessments that are part of this program.

- **Q:** What is the timeline for the residential pilot? I can see EV owners as being on top of it, but I do not know about everyone else. **A:** The pilot, as it is written, goes through the year 2022. The idea was that, after the pilot, we would have a ToD rate open to all customers. It is really important to get customers tools and information so they can make good decisions. We are learning what their concerns are and where there are data gaps with our small sample.
- **Q:** Are the rates that you have for the ToD pilot what you think you will roll out if this goes to everyone? How were these calculated? **A:** The tier rates are basically cost-based. If you look at our mid-base rate, you are seeing the peak rate being an 40% premium. If you look at off-peak, it is a 40% discount. There is a small amount of distribution costs allocated, but it makes up very little of the differential just because of the way our system peaks. The probability of peak is a little spread out. Most of the differential is on the supply side.
- **Q:** Is there a seasonal change? **A:** No. Our price signals are relatively small. **Debra:** Our program is cost-based to respond to our price signals. As we start to negotiate a Bonneville Contract by 2025. If Bonneville does something different there is the chance it will change our price signals.

### Mike Haynes Update:

October is the beginning of the new water year. October load was relatively strong for us. We hit 14/15 MW Load Peak a couple times in October.

If you look at precipitation at our two basins (Boundary & Skagit) we are at 155% of average at Boundary and 139% above average in Skagit going into the winter. We are looking strong in terms of water supply at this time. The forecast through the end of May is 96% of average, so right now we are calling it a normal water year.



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- **Q:** Isn't this a La Nina year, and what is the range of certainty? **A:** There is a fairly high certainty it will be cold as we move nearer February. We focus on the rolling 90 days as opposed to the 6-month estimate.

### **Bundled Renewable Tariff Program Design:**

Held until next meeting due to lack of quorum.

### **Q3 2020 Reports:**

**Financial:** Kirsty Grainger presented.

- **Q:** It looks like it the non-collectibles rate has been stable since May. The stability seems positive. **A:** Yes. It stabilized. This trend may go up as we get closer to winter. **Debra:** The government is scrambling to try to find funds for those on unemployment and get money into people's pockets. **Kirsty:** From a liquidity standpoint, we will be okay.
- **Q:** Everyone like SPU will be in the same boat. In Tukwila we forecast a horrible situation, but money is still coming in. Holding off on shut offs is expensive for a utility. **A:** We have a lot more customers than SPU since tenants pay electric, but landlords pay water/garbage. Our customer base is very different. **Chris Ruffini:** We are going into heating season but are also in a lock-down. I anticipate that un-collectibles will go up at a pretty good clip.
- **Q:** Could you interpret the data to suggest that people missed a couple payments, and they are in arrears? Can you do some outreach to customers to get them to pay back 20% or 40% or something? **A:** We do have a lot of outreach happening on the customer side. We are encouraging customers to set up payment plans. We have been talking a lot about residential customers, but commercial customers are having trouble too; A lot of hotels and businesses and very large businesses are carrying balances. **Chris Ruffini:** We are exploring many options. We are looking at all the things we can do to minimize impacts to customers.

**Strategic Plan:** Angela presented, noting highlights of recent accomplishments.

**Meeting Adjourn at 11:20 AM.**