

September 20, 2019

## MEMORANDUM

**To:** Housing, Health, Energy and Workers' Rights Committee  
**From:** Eric McConaghy, Analyst  
**Subject:** Authorization for City Light to enter into agreements and contribute funding to NorthernGrid – C.B. 119631

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On September 24, 2019, the Housing, Health, Energy and Workers' Rights Committee (Committee) will receive a briefing, discuss and consider voting on [Council Bill \(C.B.\) 119631](#) that would authorize Seattle City Light (City Light) to enter a two-year funding and planning agreement with the regional electrical transmission planning organization known as NorthernGrid, and two-year extensions of the agreement without further Council review or approval. C.B. 119631 does not authorize City Light to enter into agreements to implement such planning without approval by a future, separate ordinance.

### Description

Planning for the transmission of electricity is essential and necessary for long-term operation of the electrical grid. Utilities such as City Light are obligated by the North American Electrical Reliability Corporation to perform transmission planning for areas under their operational control and beyond to ensure reliability of the grid in the near and long-term.

City Light has been participating in regional transmission planning as a member of ColumbiaGrid since 2009. The Council and Mayor authorized City Light to enter into agreements with ColumbiaGrid and pay a portion of the organization's related costs in 2006 via [Ordinance 122203](#). Other members of ColumbiaGrid include Puget Sound Energy, Avista, Bonneville Power Administration, Tacoma Power, Chelan County Public Utility District (PUD), Grant County PUD, and Snohomish County PUD.

Northern Tier Transmission Group (NTTG) is a second transmission planning organization that also operates in the Pacific Northwest. The members include Deseret Power Electric Cooperative, Idaho Power, MATL, NorthWestern Energy, PacifiCorp, and Utah Associated Municipal Power Systems.

Members of both ColumbiaGrid and NTTG are working together to form NorthernGrid as the new regional transmission planning organization. Beginning in 2020, the role of ColumbiaGrid will be taken over by NorthernGrid. This new organization is intended to benefit the entire region by having a single process for enhanced regional planning with an expanded planning footprint.

As in 2006 for ColumbiaGrid, City Light is seeking authorization to enter into agreements and contribute City Light's funding share to NorthernGrid. Participation in regional transmission planning is already included in the City Light budget. For the first two-year funding cycle, City Light's total contribution to NorthernGrid for transmission planning would be about \$140,000. The agreement provides that City Light's funding share to NorthernGrid will not to be increased by budget amendments during the first two-year funding cycle to more than \$165,000 total. The agreement specifies Idaho Power Company as the Finance Administrator for the organization.

### **Issues and/or Considerations**

I have not identified issues regarding this bill for the consideration of the Committee.

### **Next Steps**

If the Committee recommends approval of CB 119631 on September 24, then Council could take final action on the legislation as soon as September 30.

cc: Kirstan Arestad, Exec Director  
Dan Eder, Deputy Director