

March 15, 2019

MEMORANDUM

To: Housing, Health, Energy and Workers' Rights Committee
From: Eric McConaghy, Legislative Analyst
Subject: City Light Review Panel Mayor Appointments: Economist and Commercial Customer Positions

Decision

On March 21, 2019, the Housing, Health, Energy and Workers' Rights Committee (Committee) is scheduled to consider the Mayor's appointments of two people to serve as members of the Seattle City Light Review Panel (Panel). The decision before the Committee is whether to recommend that the City Council confirm the Mayor's Panel appointees. The Mayor has appointed Chris Mefford for the Economist position (Position #1) and Mikel Hansen for the Commercial Customer position (Position #5).

Mr. Mefford is President and Chief Executive Officer for Community Attributes Inc. and has more than 25 years of experience in financial analysis. Mr. Hansen is the Chief Operating Officer for Sabey Corporation and has been involved with strategic planning sessions and rate meetings with Seattle City Light for the last 15 years. The Mayor's appointment packets are attached to the Committee agenda.

Background

The Panel was created in 2010 through [Ordinance 123256](#); and the role, funding and administrative support for the Panel was clarified in 2015 through [Ordinance 124740](#). As established in Ordinance 123256, the role of the Panel is to:

- Review and assess City Light's strategic plan and provide an opinion on the merits of the plan and future revisions to it to the Mayor and the Council;
- Assist the Mayor and the Council in engaging rate payers in discussions of the merits and implications of the strategic plan and revisions thereto;
- Review changes to City Light's rates not already authorized by the Seattle Municipal Code and provide an opinion to the Mayor and Council on the adequacy and prudence of rate changes;
- Work with City staff to propose a biennial work program for the Panel to the Mayor and Council; and
- Analyze and make recommendations to the Mayor and Council on significant elements of the City Light strategic plan.

In 2018, Council requested that the "Panel and (the City Light) General Manager make recommendations in consultation with community partners on an updated rate design..." as part of [Resolution 31819](#) adopting City Light's 2019-2024 Strategic Plan and endorsing annual rate increases for 2019-2024 (the six-year rate path). The Panel and City Light presented the

initial report to the Committee. This work is ongoing, and Council expects the final recommendations in April 2019.

The Panel is comprised of nine members drawn from among City Light's customers, occupying nine positions with the following characteristics:

- An economist or similar profession (Position #1);
- A financial analyst or similar profession (Position #2);
- A representative of a non-profit or non-governmental organization whose mission is to advocate for the efficient use of energy (Position #3);
- A representative from among City Light's residential customers (Position #4);
- A representative from among City Light's commercial customers (Position #5);
- A representative from among City Light's industrial customers (Position #6);
- A representative from among the advocates for City Light's low income customers (Position #7);
- At large (Position #8); and
- A representative from among City Light's suburban franchise areas (Position #9).

The Mayor appoints the odd-numbered positions and the Council appoints the even-numbered positions. Practically, this means that the Chair of the HHEWR Committee appoints the Council-appointed positions. All appointed Panel members must be confirmed by the City Council. The term for each position is three years. The beginning and end date for terms are fixed and tied to the position (not tied to the appointment date).

The term for the Economist position runs from April 12, 2017 to April 11, 2020. The term for Commercial Customer position runs from April 13, 2018 to April 12, 2021. The Economist position is currently vacant; the Commercial Customer position is occupied by outgoing Panel member David Allen, Executive Vice President of Corporate Communications for McKinstry, who has served in this position since the inception of the Panel in 2010.

Next Steps

If the Committee recommends confirmation of the appointments to the Council, the Council would take action on the appointments as soon as March 25, 2019.

In addition to the Mayor's appointments, the Council-appointed Financial Analyst position (Position #2) is currently vacant. The Committee will likely consider this appointment in the second quarter of 2019.

cc: Kirstan Arestad, Central Staff Director
Dan Eder, Deputy Director