



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 119571

Record No.: CB 119571

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125904

In Control: City Clerk

File Created: 06/03/2019

Final Action: 09/06/2019

**Title:** AN ORDINANCE relating to the City Light Department; authorizing the Department to enter and participate in the Western Energy Imbalance Market, including the ability to execute additional agreements necessary or convenient to participating in the Western Energy Imbalance Market.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Mosqueda

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: Alan.Matthews@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	07/02/2019	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	07/02/2019	sent for review	Council President's Office			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Council President's Office						
1	Council President's Office	07/02/2019	sent for review	Housing, Health, Energy, and Workers' Rights Committee			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Housing, Health, Energy, and Workers' Rights Committee						
1	City Council	07/15/2019	referred	Housing, Health, Energy, and Workers' Rights Committee			

Action Text: The Council Bill (CB) was referred. to the Housing, Health, Energy, and Workers' Rights Committee

1 Housing, Health, Energy, 08/15/2019 pass 09/03/2019 Pass  
and Workers' Rights  
Committee

Action Text: The Committee recommends that City Council pass the Council Bill (CB).

In Favor: 2 Chair Mosqueda, Member Bagshaw

Opposed: 0

1 City Council 09/03/2019 passed Pass

Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:

Notes: *Councilmember Sawant left the Council Chamber at 3:31 p.m.*

In Favor: 8 Councilmember Bagshaw, Councilmember González , Council  
President Harrell, Councilmember Herbold, Councilmember Juarez,  
Councilmember Mosqueda, Councilmember O'Brien, Councilmember  
Pacheco

Opposed: 0

Absent(NV): 1 Councilmember Sawant

1 City Clerk 09/06/2019 submitted for Mayor  
Mayor's signature

1 Mayor 09/06/2019 Signed

1 Mayor 09/06/2019 returned City Clerk

1 City Clerk 09/06/2019 attested by City Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.

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CITY OF SEATTLE

ORDINANCE 125904

COUNCIL BILL 119571

AN ORDINANCE relating to the City Light Department; authorizing the Department to enter and participate in the Western Energy Imbalance Market, including the ability to execute additional agreements necessary or convenient to participating in the Western Energy Imbalance Market.

WHEREAS, The City of Seattle (the “City”) recognizes that the City Light Department (“City Light”) experiences imbalances between its customers’ demand and power supply portfolio and must therefore transact in wholesale energy markets for energy and transmission services and products to effectively manage its resources and achieve balance between supply and demand on both a short-term and a long-term basis; and

WHEREAS, Seattle Municipal Code subsection 21.49.130.B provides specific authority for City Light to enter into contracts for the acquisition, exchange, or sale of short-term capacity or energy, or integration, transmission, or ancillary services; and

WHEREAS, the California Independent System Operator (CAISO) manages and operates an Energy Imbalance Market (EIM) that allows entities like City Light to participate in short-term energy transactions on a 15- and a five-minute basis; and

WHEREAS, the western United States has seen an increase in the development of variable energy resources such as wind and solar generators that in turn create higher probabilities of energy imbalances in regional Balancing Authority Areas; and

WHEREAS, City Light’s participation in such a market is in line with and would further its commitment to be an environmental leader in the region and enable the broader integration of renewable resources across the western United States; and

1 WHEREAS, on October 31, 2016, the Seattle City Council (the “Council”) passed Ordinance  
2 125176 authorizing City Light to take all steps necessary to prepare to participate in the  
3 CAISO’s EIM including the authorization to execute agreements necessary for preparing  
4 to participate; and

5 WHEREAS, City Light provided the Council’s Energy and Environment Committee an  
6 informational briefing on the progress of its implementation and a showing of costs,  
7 benefits, and potential risks of EIM participation to City Light customers on March 28,  
8 2017; and

9 WHEREAS, the Council approved a budget of approximately \$14.0 million for the 2019-20  
10 Adopted Budget and 2019-24 Capital Improvement Project plan for the EIM  
11 implementation project; and

12 WHEREAS, after City Light determined that its existing Energy Trading and Risk Management  
13 software vendor would be unable to support its participation in EIM, City Light initiated  
14 a request for proposal process for a new software vendor and updated its timeline for  
15 joining EIM to April 2020; and

16 WHEREAS, City Light has solicited and issued vendor and consultant contracts to perform work  
17 to prepare the utility to enter and participate in the EIM, including hiring a System  
18 Integrator to assist with implementation into EIM and a software vendor to provide new  
19 energy trading and risk management software and interfaces required for transacting in  
20 the market; and

21 WHEREAS, City Light has installed and programmed generation revenue quality meters at City  
22 Light generators that meet CAISO generation metering requirements for participation in  
23 EIM; and

1 WHEREAS, as required by CAISO, City Light's EIM project structure includes seven tracks of  
2 work and six implementation milestones and City Light completed Milestone 1, Federal  
3 Energy Regulatory Commission (FERC) Approval of City Light's EIM Implementation  
4 agreement on July 3, 2017 and is on track to complete all other milestones and project  
5 tracks according to the project schedule; and

6 WHEREAS, City Light's Wholesale Energy Risk Management policies and procedures have  
7 been adopted by City Resolution and approved by CAISO and City Light will continue to  
8 adhere to its existing risk oversight procedures and reporting, consistent with the  
9 authority granted by Seattle Municipal Code Section 21.49.130; and

10 WHEREAS, City Light has and will continue, using prudent utility practices, to take the  
11 necessary steps to be ready to join the EIM; NOW, THEREFORE,

12 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

13 Section 1. The City Light Department ("City Light") is authorized to enter and participate  
14 in the Western Energy Imbalance Market (EIM) to the extent and for as long as the General  
15 Manager and Chief Executive Officer of City Light (the "General Manager") believes  
16 participation falls within the range of prudent utility practices for City Light.

17 Section 2. The General Manager, or the General Manager's designee, is further  
18 authorized to execute, for and on behalf of The City of Seattle, additional agreement(s) necessary  
19 or convenient for the purpose of participation in the CAISO's EIM, including the ability to enter  
20 and make amendments and extensions of these additional agreements associated with EIM  
21 participation, provided that such agreements, amendments, and extensions will not cause City  
22 Light to exceed its then current budget authority.

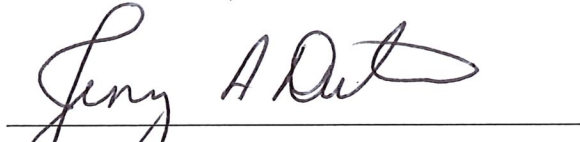
1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 31<sup>st</sup> day of September, 2019,  
5 and signed by me in open session in authentication of its passage this 31<sup>st</sup> day of  
6 September, 2019.

7 

8 President \_\_\_\_\_ of the City Council

9 Approved by me this 6<sup>th</sup> day of September, 2019.

10 

11 Jenny A. Durkan, Mayor

12 Filed by me this 6<sup>th</sup> day of September, 2019.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)

