

SCL Transportation & Utility Committee Presentation

Committee Briefing

June 16, 2021



Seattle City Light



**RECOVER
REFOCUS
RESTART**

2022-2026 Strategic Plan

2022-2026 Strategic Plan Proposed Council Review

+ June 16th: T&U Committee Presentation

- 2022-2026 Strategic Plan (SCL Presentation)
 - Guiding our path
 - Customer and stakeholder outreach
 - City Light successes
 - Business strategies, objectives, projects/initiatives/actions
 - Rate path
- Q&A*

+ July 7th: T&U Committee follow up

- City Light Review Panel comments (Review Panel Chair and Co-Chair)
- Review Response to Council Questions (Council Staff/SCL)
- T&U Committee Vote

+ July 12th or July 19th : Final Action @ Full Council

- 2022-2026 Strategic Plan Adoption

**SCL is available between T&U Committee meetings to address Council questions/concerns*

What is the City Light Strategic Plan?

+ Strategic Plan

- Process established by Ordinance 123256 in 2010
- Six-year view of priorities, initiatives, and measures*
- Six-year rate path, foundation for biennial budget and retail rates*

+ City Light Review Panel

- Provides input on Strategic Plan & Rate Design
- Represent various customer groups and areas of expertise
- Nine volunteer panel members
 - Five members appointed by the Mayor
 - Four members nominated by City Council
 - Staggered three-year terms

* *Due to pandemic 2022-2026 SP is a five-year plan*



Guiding our Path – City Light Mission, Vision & Values

Mission

Seattle City Light provides our customers with affordable, reliable and environmentally responsible energy services.

Vision

Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

Values



Customers First



Environmental Stewardship



Equitable Community Connections



Operational and Financial Excellence



Safe and Engaged Employees

Focusing on our community's values

+ 10 Stakeholder group presentations

- Large commercial customers, low-income service providers, environmental advocacy organizations, residential customers, and franchise cities
- Total 150+ attendees

+ 22 strategy planning meetings with the City Light Review Panel

+ Community and employee outreach

- Materials shared through City Light communication channels, including website
- Virtual town hall open to the public
- Employee meetings

From Pandemic to Progress: City Light Success

- + Made customer service more personal and convenient with our on-line portal and Business Customer Service Center.
- + Increased enrollment in the Utility Discount Program by >23%.
- + Invested in the utility's critical infrastructure.
- + Joined the Western Energy Imbalance Market.
- + Earned the highest reliable power provider rating from the American Public Power Association.



2022-2026 Strategic Plan



Seattle City Light



Strategic Plan Business Strategies



Improve the Customer Experience



Create our Energy Future



Develop Workforce and Organizational Agility



Ensure Financial Stewardship and Affordability



We Power

Improve the Customer Experience



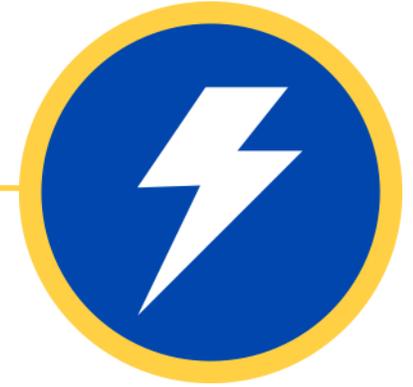
Objective:

Consistently meet customers' needs by providing employees with opportunities and training required to deliver targeted and responsive solutions.

Projects, Initiatives and Activities:

1. **Integrate the "Voice of the Customer" into our organizational culture** - Equip our employees with the tools, skills, and support they need to prioritize customer needs and make "Customers First" a reality.
2. **Strengthen and fix our core customer services** – Redesign old processes to improve service delivery.
3. **Expand customer service options** – Develop programs and services to meet our customers' individual needs.

Create our Energy Future



Objective:

Build and maintain smart, resilient, flexible, dynamic and reliable grid infrastructure; prepare for increased integration of distributed energy resources and increased customer options and; work to reverse historical inequity and avoid collateral harm to underserved populations by intentionally prioritizing their needs as we create our energy future.

Projects, Initiatives and Activities:

1. [Implement grid modernization roadmap](#) – Invest in our grid as needed to handle the increased consumption.
2. [Implement electrification plans](#) – Develop, offer and implement programs authorized in the Transportation Electrification Strategic Investment Plan.
3. [Fund and implement the “Utility Next” Portfolio](#) – Deliver new projects needed to achieve Seattle’s vision of creating a clean energy vision.
4. [Integrate distribution system and resource planning](#) – Integrate and align the Integrated Resource Plan with other complementary planning efforts.

Develop Workforce and Organizational Agility



Objective:

Foster an organization that is nimble, adaptive, and responsive and cultivate a workforce with the skills and knowledge to advance social justice.

Projects, Initiatives and Activities:

1. **Build an agile workforce** – Anticipate new strategic staffing needs, providing training and development opportunities that prepare employees for the future, supporting the culture change needed for future success, and building a workforce that reflects our community's diversity.
2. **Institutionalize organizational change management** – Establish a new change management to provide consistent structure, standards, training, coaching, and resources.

Ensure Financial Stewardship and Affordability



Objective:

Support long-term affordability in Seattle by offering rates that are transparent, understandable, reasonable, equitable, and consistent for all customers, including vulnerable populations. This commitment includes developing a sustainable and predictable approach to setting rates over time.

Projects, Initiatives and Activities:

1. **Control rate increases** – Hold rate increases to a trajectory that resembles inflation by improving budget accountability, lowering labor costs and right-sizing the capital program.
2. **Price services for the future** – Building on new technology from advanced meters and billing system upgrades, continue to deliver new pricing options that encourage decarbonization and grid flexibility, while also helping residents and businesses manage their energy costs.
3. **Road to Recovery** – Stable revenues are essential to sustain our financial health and deliver affordable electricity. As City Light prepares to restart credit and collections after a five-year hiatus, we need to review and update our policies, services, and practices.

We Power



Objective:

Even as we prepare for the future, City Light will continue to advance our mission to provide customers with affordable, reliable, and environmentally responsible energy services. We will prioritize diversity, equity, and inclusion in all that we do and will actively manage and mitigate the constraints, risks, and uncertainty of operating in a COVID-adjusted environment.

Rate Path



Compare Strategic Plan Rate Increases

	2019	2020	2021	2022	2023	2024	2025	2026	AVG
2019-2024 Strategic Plan	5.8%	5.4%	3.6%	3.9%	4.0%	4.2%			4.5%
2022-2026 Strategic Plan			3.0%	3.9%	3.8%	3.8%	3.0%	3.0%	3.5%



Approved by Seattle City Council in March 2021

*A 3.0% increase effective April 1, 2021, was approved to offset RSA surcharges which were lifted concurrently. **The net impact for customers is rates for 2021 that are unchanged from 2020 levels.***

*A 3.9% increase was also approved for implementation on January 1, 2022. Note, an upcoming BPA rate adjustment is expected to offset a portion of this increase –staff estimate **the net rate impact for customers will be 2% or less.***

Sample Customer Bill Impacts

Bill Example	2021	2022	2023	2024	2025	2026
Percentage		3.9%	3.8%	3.8%	3.0%	3.0%
Residential*	\$76.77	+\$3.00	+\$3.04	+\$3.18	+\$2.61	+\$2.68
Residential - UDP (60% Discount)	\$30.71	+\$1.20	+\$1.22	+\$1.27	+\$1.04	+\$1.07
Small Commercial - Car Wash	\$465	+\$18	+\$18	+\$19	+\$16	+\$16
Medium Commercial - Retail Store	\$7,436	+\$290	+\$294	+\$308	+\$252	+\$259



Same as 2020 bills

**Based on the average residential consumption of 634 kWh per month.*

Note: City Light bills residential customers every two months, so these amounts are approximately half of what a customer would see on their bill.

Commitment to Affordability

+ Utility Discount Program

- 60% discount for qualified customers
- Self-certification process increased enrollment

+ Low Income Home Energy Assistance Program (LIHEAP)

- Increased program flexibility and additional funds thru federal COVID relief - administered by outside non-profits

+ Emergency Bill Assistance Program

- Expanded for 2021
- \$1M by allocated by Mayor/Council from federal COVID relief funds

+ Project Share – Employee and SCL customer donation program

+ Increased awareness & flexibility of Payment Plan options

Questions and Comments



Seattle City Light



THANK YOU



Seattle City Light

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