



Seattle City Light



# CITY LIGHT RATE DESIGN

Council Committee Briefing  
February 21, 2019

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# CITY LIGHT RATE DESIGN PROJECT

City Council request:

Recommend an updated City Light rate design that progressively responds to industry changes and challenges

# WORKPLAN

2018

Jul - Scoping, draft goals and objectives

Sep Outreach planning

Oct Conduct initial stakeholder outreach

Nov Aggregate outreach notes and comparative utility survey results, identify themes

Dec Options for advancing rate design objectives

2019

Jan Complete Initial Report, due January 31  
Refine rate design options

Feb Additional outreach  
Finalize rate design preferred approaches

Mar Assemble Final Report for Council, due April 1

# INITIAL JANUARY REPORT

Report describes work completed so far:

1. Public outreach results
2. Comparative study of rate design at other utilities
3. Rate design policy goals (“ends”)
4. Potential options for achieving goals (“means”)

# 1. STAKEHOLDER ENGAGEMENT

- Participants reflect a range of groups and interests
- Feedback on policy objectives
- Suggestions for rate changes and new programs
  - Some conflicting requests



## 2. COMPARATIVE UTILITY STUDY

- Conducted by third-party rate design professional
- Surveyed a selection of similar utilities
- Many themes consistent with feedback from stakeholders

More sophisticated rate designs

Solar rates

Unbundled services

Choice of pricing plans

Rates that vary by time of day and season

Electric vehicle rates

Innovative rate pilots

### 3. RATE DESIGN POLICY GOALS (“ENDS”)

- **Cost-Based:** reflect actual cost of service
- **Revenue Sufficiency:** collect the right amount of revenue
- **Decarbonization:** promote clean power, transportation electrification and reduced greenhouse gas emissions
- **Efficiency:** conserve finite natural resources and minimize shared system costs
- **Stable & Predictable:** help customers manage the financial impacts of their electricity bill
- **Affordability:** electric service is accessible for all
- **Transparency:** customers understand what they are paying for
- **Customer Choice:** offer pricing options that reflect the diversity of our customers’ energy needs and interests

## 4. RATE DESIGN OPTIONS (“MEANS”)

- Time-of-use (TOU) rates
  - Simplify and standardize rate design to ease transition
    - Adjust residential blocks to align with cost of service
    - Basic charge for all customers that covers service essentials
- Rates to support electrification
  - Electric vehicle charging pilot
  - Bus charging pilot
- Pilot programs
  - Interruptible rate
  - Subscription/flat bill rate
- Bill re-design
  - Show rate components

### **Supplementary Efforts:**

Update UDP and expand assistance programs

Potential automatic rate mechanism to stabilize revenues



# NEXT STEPS

- Additional outreach underway
  - 3 rate design focus groups targeting residential customers
  - Initial Report feedback session February 26
- Final report due April 1 will build on Initial Report
- Rate design strategic initiative will pick up where this project leaves off
  - Refine/implement policy recommendations
  - No changes anticipated for 2020, aside from pilot programs
  - Inform rates for 2021-2022 biennium and beyond

# DISCUSSION QUESTIONS

- Feedback on Initial Report?
- Rate design policy goals (“ends”) a reasonable basis for a new\* rate policy resolution?
  - Any clarification needed or missing concepts?
- Is scope of study for rate design options (“means”) sufficient?
  - Areas of particular interest?
  - Ideas for additional pilots or areas of study?

*\*Policies would supersede existing rate policy resolution 31351*

# CITY LIGHT

## OUR MISSION

Seattle City Light is dedicated to delivering customers affordable, reliable and environmentally responsible electricity services.

## OUR VISION

We resolve to provide a positive, fulfilling and engaging experience for our employees. We will expect and reinforce leadership behaviors that contribute to that culture. Our workforce is the foundation upon which we achieve our public service goals and will reflect the diversity of the community we serve.

We strive to improve quality of life by understanding and answering the needs of our customers. We aim to provide more opportunities to those with fewer resources and will protect the well-being and safety of the public.

We aspire to be the nation's greenest utility by fulfilling our mission in an environmentally and socially responsible manner.

## OUR VALUES

Safety, Environmental Stewardship, Innovation, Excellence, Customer Care



Seattle City Light