



March 24, 2017

Councilmembers Sawant, Juarez, Gonzalez, Bagshaw  
Energy and Environment Committee  
Seattle City Council  
PO Box 34025  
Seattle, WA 98124

Dear Councilmembers,

Our organizations have long supported and promoted the advent of the western Energy Imbalance Market (EIM), and we strongly encourage the City of Seattle to approve the participation of City Light in the EIM.

For many years, we have noted three main benefits from EIM participation westwide:

- Expanding the integration of substantial amounts of renewable energy.
- Improving grid reliability by improving the monitoring and management of supply and demand within each hour.
- Reduction of west-wide carbon emissions by increasing the utilization of hydro, solar and wind resources and reducing the need to run high-emission fossil fuel power plants currently providing system reserves.

We are confident that EIM participation will result in more efficient and reliable operation of the local and western regional grid, while providing substantial net revenues and cost savings for City Light and its customers. In addition, we highlight these key points:

1. City Light participation in the EIM is consistently and clearly supported by a number of internal and external studies that have looked in detail at the potential benefits and addressed potential risks.
2. Also, the utilities now participating in the EIM have achieved and exceeded their projected benefits, providing further confidence in the study results.
3. And there are less quantifiable benefits. The system and IT modernization effort required for EIM participation will provide spillover benefits for general utility operations including situational awareness, system resilience, and linkage to other initiatives being pursued by the city including vehicle and transit electrification and microgrids.
4. The EIM is unique in offering a completely voluntary approach, both in formal participation and in hourly market bids and offers.
5. From a public policy perspective, the EIM has rapidly evolved toward a robust governance approach, with a separate EIM Governing Body, an independent board including former Northwest public power executive John Prescott, and an active stakeholder body, the EIM Regional Issues Forum.

In a broader sense, the purpose of the EIM is to make better use of the existing electric power grid, maximize the deployment of clean energy resources and insure they are fully compensated for the value they offer. In fact, many surmise that the estimated benefits of the EIM are conservative and that they will only increase as more renewables are added in the region, thermal is retired, and additional utilities join the EIM.

With its long and successful commitment to a clean energy electric system, City Light is in a very advantageous position to participate in the EIM, securing benefits for Seattle while taking an important leadership position among utilities across the western region as the first publicly owned utility to join the EIM.

We would be happy to answer any questions or provide more details on the data from other utilities participating in the EIM.

Sincerely,



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cc Mayor Murray  
Councilmembers O'Brien, Harrell, Johnson, Herbold, Burgess  
City Light CEO Larry Weis  
Office of Sustainability and the Environment Director Jessica Finn Coven