

CITY OF SEATTLE
ORDINANCE 126194
COUNCIL BILL 119898

AN ORDINANCE relating to the City Light Department; amending subsection 21.49.086.D of the Seattle Municipal Code to define the Net Wholesale Revenue target used in Rate Stabilization Account operations for 2021-2024.

WHEREAS, the City established the City Light Rate Stabilization Account (RSA) within the Light Fund in part to buffer the City Light Department and its ratepayers from shortfalls in the amount of Net Wholesale Revenue actually earned relative to that specified in budgets and assumed in electricity rates; and

WHEREAS, Ordinance 123260 established a funding mechanism for the RSA and rules for its operation; and

WHEREAS, the City Light 2019-2024 Strategic Plan, adopted by Resolution 31819, identified targets for Net Wholesale Revenue of \$50 million in 2021 and \$40 million in 2022 through 2024; and

WHEREAS, the outlook for 2021 Net Wholesale Revenue assumes a higher volume of surplus electricity sales resulting from an anticipated reduction in 2021 retail consumption due to the COVID-19 pandemic and associated economic downturn; and

WHEREAS, Net Wholesale Revenue values of \$60 million in 2021 and \$40 million in 2022 are consistent with assumptions used to develop City Light's Proposed Budget for 2021-2022; and

WHEREAS, it is expected that in 2021, the City Council may reconsider spending plans, the targets for Net Wholesale Revenue, and the retail electricity rates to support them for future years as part of an update of City Light's Strategic Plan; NOW, THEREFORE,

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

2 Section 1. Subsection 21.49.086.D of the Seattle Municipal Code, last amended by
3 Ordinance 125710, is amended as follows:

4 **21.49.086 Rate Stabilization Account**

5 * * *

6 D. Baseline for the Net Wholesale Revenue forecast: The Net Wholesale Revenue
7 forecast shall be (~~(\$55 million for 2019 and \$50 million for 2020)~~) \$60 million in 2021 and \$40
8 million in 2022 through 2024.

9 The forecast shall be the amount of Net Wholesale Revenue assumed by the City Council
10 for the purpose of establishing Department rates and budgets. (~~The City Council will determine~~
11 ~~Net Wholesale Revenue forecasts for subsequent years prior to adopting Department rates for~~
12 ~~those years.))~~

13 The annual forecast for each year will be distributed over the quarters of the year as
14 follows:

- 15 1. (~~35~~) Thirty-five percent for January 1 to March 31;
- 16 2. (~~20~~) Twenty percent for April 1 to June 30;
- 17 3. (~~15~~) Fifteen percent for July 1 to September 30; and
- 18 4. (~~30~~) Thirty percent for October 1 to December 31.

19 The amounts determined in this way will be the quarterly Net Wholesale Revenue
20 forecasts for the purpose of subsection 21.49.086.E and will be reported by the Department in its
21 annual budget proposals.

22 * * *

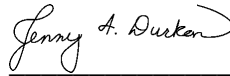
1 Section 2. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 5th day of October, 2020,
5 and signed by me in open session in authentication of its passage this 5th day of
6 October, 2020.



7 _____
8 President _____ of the City Council

9 Approved by me this 8th day of October, 2020.



10 _____
11 Jenny A. Durkan, Mayor

12 Filed by me this 8th day of October, 2020.



13 _____
14 Monica Martinez Simmons, City Clerk

15 (Seal)