

buys and sells wholesale energy products; and

WHEREAS, the City Light Department's participation in wholesale energy markets necessarily exposes the City Light Department to risk, including market and credit risk; and

WHEREAS, electric utility industry Best Practices require that the City Light Department have a clear and binding statement of policy to govern the management of those risks; and

WHEREAS, electric utility industry Best Practices further require that such policies be endorsed by the City Light Department's governing body; and

WHEREAS, periodic review and amendment to risk management policies are necessary and a product of good governance and oversight; and

WHEREAS, the Wholesale Energy Risk Management Policy was initially adopted by the City Council on September 8, 2008 by Resolution 31053; and

WHEREAS, the Environmental Attributes Management Policy was initially adopted by the City Council on May 24, 2010 by Resolution 31216; and

WHEREAS, the Wholesale Energy Risk Management Policy was updated by the City Council on August 9, 2010 with the adoption of Resolution 31230; and

WHEREAS, the Wholesale Energy Risk Management Policy was updated by the City Council on May 14, 2012 with the adoption of Resolution 31365; and

WHEREAS, the Wholesale Energy Risk Management Policy was updated by the City Council on September 3, 2013 with the adoption of Resolution 31467; and

WHEREAS, the attached Wholesale Energy Risk Management Policy, dated September 23, 2015, contains updates, including clarification on segregation of duties for front-middle-back office, addressing gaps identified by Internal Audit Group during 2014 review, inclusion of description and responsibilities of Environmental Affairs and Real Estate Division, and changes to external compliance assessment frequency; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR
CONCURRING, THAT:**

Section 1. The Wholesale Energy Risk Management Policy (Policy) as developed by the City Light Department's (City Light) management and attached to this resolution as Attachment 1 is endorsed by the City Council and is established as City Light's policy governing the conduct of wholesale energy risk management. The Policy attached as Attachment 1 supersedes the policies endorsed by Resolution 31467, which contained the last update to relevant City Light policies, and Resolution 31216, which established City Light's Environmental Attributes Management Policy governing wholesale transactions with respect to Renewable Energy Credits and greenhouse gas offsets within the utility in order to facilitate compliance with City and state, and potentially federal, requirements.

Adopted by the City Council the ____ day of _____, 2015, and signed by me in open session in authentication of its adoption this _____ day of _____, 2015.

President _____ of the City Council

The Mayor concurred the ____ day of _____, 2015.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

Attachment 1: Seattle City Light Wholesale Energy Risk Management Policy dated September 23, 2015