



Legislation Text

---

File #: CB 119571, Version: 1

---

**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

AN ORDINANCE relating to the City Light Department; authorizing the Department to enter and participate in the Western Energy Imbalance Market, including the ability to execute additional agreements necessary or convenient to participating in the Western Energy Imbalance Market.

WHEREAS, The City of Seattle (the “City”) recognizes that the City Light Department (“City Light”)

experiences imbalances between its customers’ demand and power supply portfolio and must therefore transact in wholesale energy markets for energy and transmission services and products to effectively manage its resources and achieve balance between supply and demand on both a short-term and a long-term basis; and

WHEREAS, Seattle Municipal Code subsection 21.49.130.B provides specific authority for City Light to enter into contracts for the acquisition, exchange, or sale of short-term capacity or energy, or integration, transmission, or ancillary services; and

WHEREAS, the California Independent System Operator (CAISO) manages and operates an Energy Imbalance Market (EIM) that allows entities like City Light to participate in short-term energy transactions on a 15 - and a five-minute basis; and

WHEREAS, the western United States has seen an increase in the development of variable energy resources such as wind and solar generators that in turn create higher probabilities of energy imbalances in regional Balancing Authority Areas; and

WHEREAS, City Light’s participation in such a market is in line with and would further its commitment to be an environmental leader in the region and enable the broader integration of renewable resources across

the western United States; and

WHEREAS, on October 31, 2016, the Seattle City Council (the “Council”) passed Ordinance 125176

authorizing City Light to take all steps necessary to prepare to participate in the CAISO’s EIM including the authorization to execute agreements necessary for preparing to participate; and

WHEREAS, City Light provided the Council’s Energy and Environment Committee an informational briefing

on the progress of its implementation and a showing of costs, benefits, and potential risks of EIM participation to City Light customers on March 28, 2017; and

WHEREAS, the Council approved a budget of approximately \$14.0 million for the 2019-20 Adopted Budget and 2019-24 Capital Improvement Project plan for the EIM implementation project; and

WHEREAS, after City Light determined that its existing Energy Trading and Risk Management software vendor would be unable to support its participation in EIM, City Light initiated a request for proposal process for a new software vendor and updated its timeline for joining EIM to April 2020; and

WHEREAS, City Light has solicited and issued vendor and consultant contracts to perform work to prepare the utility to enter and participate in the EIM, including hiring a System Integrator to assist with implementation into EIM and a software vendor to provide new energy trading and risk management software and interfaces required for transacting in the market; and

WHEREAS, City Light has installed and programmed generation revenue quality meters at City Light generators that meet CAISO generation metering requirements for participation in EIM; and

WHEREAS, as required by CAISO, City Light’s EIM project structure includes seven tracks of work and six implementation milestones and City Light completed Milestone 1, Federal Energy Regulatory Commission (FERC) Approval of City Light’s EIM Implementation agreement on July 3, 2017 and is on track to complete all other milestones and project tracks according to the project schedule; and

WHEREAS, City Light’s Wholesale Energy Risk Management policies and procedures have been adopted by City Resolution and approved by CAISO and City Light will continue to adhere to its existing risk

oversight procedures and reporting, consistent with the authority granted by Seattle Municipal Code Section 21.49.130; and

WHEREAS, City Light has and will continue, using prudent utility practices, to take the necessary steps to be ready to join the EIM; NOW, THEREFORE,

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

Section 1. The City Light Department (“City Light”) is authorized to enter and participate in the Western Energy Imbalance Market (EIM) to the extent and for as long as the General Manager and Chief Executive Officer of City Light (the “General Manager”) believes participation falls within the range of prudent utility practices for City Light.

Section 2. The General Manager, or the General Manager’s designee, is further authorized to execute, for and on behalf of The City of Seattle, additional agreement(s) necessary or convenient for the purpose of participation in the CAISO’s EIM, including the ability to enter and make amendments and extensions of these additional agreements associated with EIM participation, provided that such agreements, amendments, and extensions will not cause City Light to exceed its then current budget authority.

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

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2019, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

---

Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

---

Monica Martinez Simmons, City Clerk

(Seal)