



Legislation Text

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File #: CB 118798, Version: 3

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**CITY OF SEATTLE**

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

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

AN ORDINANCE relating to the City Light Department; authorizing the Department to participate in the California Independent System Operator’s Energy Imbalance Market, including authorizing the execution of any necessary agreements with the California Independent System Operator, as well as any additional agreements necessary or convenient for implementation and participation in the California Independent System Operator’s 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 an Energy Imbalance Market (“EIM”) that allows entities like City Light to participate in short-term energy transactions on a fifteen- and 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 generating resources, particularly its owned hydroelectric facilities, are uniquely able

to respond to energy imbalance in short time increments similar to CAISO's EIM fifteen- and five-minute market dispatches; 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, City Light can end its participation in the CAISO EIM on 30 days' notice without penalty; and

WHEREAS, City Light has conducted a cost/benefit analysis showing positive customer benefits from City Light's participation in the CAISO's EIM, but participation will require new operations technology products and upgrades to existing infrastructure as well as new business practices and processes; NOW, THEREFORE,

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

Section 1. The City Light Department ("City Light") is authorized to take all steps necessary or convenient to prepare for participation in the California Independent System Operator's ("CAISO") 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 hereby authorized to execute, for and on behalf of The City of Seattle, any agreement with the CAISO that is necessary or convenient to the purpose of preparing to participate in the CAISO's EIM, including extensions of such agreements.

Section 3. The General Manager, or the General Manager's designee, is further authorized to execute, for and on behalf of The City of Seattle, any additional agreement(s) necessary or convenient for the purpose of preparing to participate in the CAISO's EIM, including the ability to enter and make amendments and extensions of these additional agreements associated with the CAISO's EIM implementation.

Section 4. By April 10, 2017, City Light will provide the Council's Energy and Environment Committee

with a detailed analysis of costs, benefits, and potential risks of participation in the CAISO EIM to support the Council's decision about its participation in the market.

Section 5. 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 \_\_\_\_\_, 2016, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Edward B. Murray, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)