



SEATTLE CITY COUNCIL

Economic Development, Technology, and City Light Committee

Agenda

Wednesday, August 10, 2022

9:30 AM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Sara Nelson, Chair
Debora Juarez, Vice-Chair
Lisa Herbold, Member
Kshama Sawant, Member
Dan Strauss, Member

Chair Info: 206-684-8809; Sara.Nelson@seattle.gov

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Economic Development, Technology, and City
Light Committee
Agenda
August 10, 2022 - 9:30 AM

Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

<https://www.seattle.gov/council/committees/economic-development-technology-and-city-light>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <http://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin two hours before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Nelson at Sara.Nelson@seattle.gov

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1 Establishment of the Seattle Film Commission

Supporting Documents: [DRAFT Council Bill Presentation](#)

Briefing and Discussion (15 minutes)

Presenter: Brian Goodnight, Council Central Staff

2 Intergovernmental Briefing on Film Industry Strategies

Supporting Documents: [Presentation](#)

Briefing and Discussion (45 minutes)

Presenters: Markham McIntyre, Director, and Chris Swenson, Office of Economic Development (OED); Julie Daman, Washington Filmworks; Kate Becker, Office of the King County Executive

- 3 [Res 32061](#) **A RESOLUTION relating to the City Light Department; acknowledging and approving the 2022 Integrated Resource Plan as conforming with the public policy objectives of The City of Seattle and the requirements of the State of Washington; and approving the Integrated Resource Plan for the biennium September 2022 through August 2024.**

Attachments: [Att 1 - Seattle City Light 2022 Integrated Resource Plan](#)

Supporting

Documents: [Summary and Fiscal Note](#)
[Presentation](#)

Briefing, Discussion, and Possible Vote (10 minutes)

Presenters: Debra Smith, General Manager and CEO, Saul Villareal, and Paul Nissley, Seattle City Light (SCL); Eric McConaghy, Council Central Staff

- 4 **Seattle City Light 2023-2024 Rate Ordinance**

Supporting

Documents: [Presentation](#)

Briefing and Discussion (45 minutes)

Presenters: Debra Smith, General Manager and CEO, Kirsty Grainger, Chris Ruffini, and Carsten Croff, Seattle City Light (SCL); Eric McConaghy, Council Central Staff

E. Adjournment



Legislation Text

File #: Inf 2102, **Version:** 2

Establishment of the Seattle Film Commission

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to the establishment of the Seattle Film Commission; adding a new Chapter 3.71 to the Seattle Municipal Code; and amending Section 3.14.600 of the Seattle Municipal Code.

..body

WHEREAS, Seattle is one of the most scenically diverse filming locations in the world, having been home to numerous major film productions in a rich history of over 75 years; and

WHEREAS, The City of Seattle (“City”) has supported the growth of the film industry, small businesses, and film cast and crew for 30 years, since opening the Mayor’s Film Office; and

WHEREAS, Seattle’s film industry creates high-wage jobs, positive economic development, benefitting small businesses both directly and indirectly related to film production; and

WHEREAS, Seattle’s film industry can support economic recovery by attracting new business that generates jobs, supports Seattle’s small businesses, and brings positive economic growth; and

WHEREAS, Seattle’s film industry contributes to a healthy community and economy by directly creating jobs, and by supporting a wide variety of businesses, and a strong film industry is in the economic, cultural, and educational interest of the region; and

WHEREAS, there is an untapped potential to further enhance the film industry as an economic force in meeting residents’ and visitors’ creative needs; and

WHEREAS, the film industry must continue to evolve and do the unending work of anti-racism by embracing diversity and inclusion as core values; and

This draft Council Bill reflects the sponsor's policy intent. Changes may be made prior to the bill's introduction.

1 WHEREAS, as the film industry cross-collaborates with all other creative industries through
2 workforce and content creation, strategic interventions in the film industry support the
3 advancement of Seattle’s creative industries and ecosystem as a whole; and

4 WHEREAS, in 2020, King County invested in developing Harbor Island Studios, a publicly-
5 accessible, large-scale film production facility that includes two soundstages; and

6 WHEREAS, in 2022, the Washington State Legislature passed and the Governor signed into law
7 House Bill 1914 that increased the State’s annual Business and Occupation Tax credit
8 limit for the Motion Picture Competitiveness Program from \$3.5 million to \$15 million;
9 and

10 WHEREAS, the film industry has brought urgency for the City to work closely with industry and
11 community stakeholders to develop pathways forward for the industry to thrive; and

12 WHEREAS, the City convened a Film Task Force in 2020 to provide recommendations for how
13 best to support and grow the local film industry and community, and the Task Force and
14 community stakeholders identified the creation of a film commission as a priority; and

15 WHEREAS, a film commission will help Seattle to support the work of and align with other
16 jurisdictions so that the region is well-positioned to maximize the benefit of the State’s
17 increased tax credit for the film industry; and

18 WHEREAS, the City Council and Mayor believe it appropriate to have a film commission to
19 advance economic development opportunities related to the film industry and strengthen
20 the value and impact of film production in our city as a dynamic force that generates
21 prosperity – both economically and culturally; NOW, THEREFORE,

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

1 Section 1. Section 3.14.600 of the Seattle Municipal Code, enacted by Ordinance 116457,
2 is amended as follows:

3 **3.14.600 Office established—Functions((s))**

4 There is established within the Executive Department((s)) an Office of Economic Development,
5 under the direction of the Mayor. The functions of the Office shall be as follows:

6 A. To coordinate City policies and programs to support:

- 7 1. A healthy, diversified economy,
- 8 2. Employers, both large and small,
- 9 3. Small business creation and expansion,
- 10 4. The creation and retention of livable-wage jobs in Seattle and the region,
- 11 5. Expanded employment and training opportunities, especially for low-income

12 individuals, and

13 6. The development and expansion of community-based organizations capable of
14 implementing locally supported development initiatives;

15 B. To administer the City's business loan programs, ~~((including the Neighborhood
16 Business Development Loan Program (Ordinance 116245), Seattle Small Business Lenders
17 Association program (Ordinances 116245 and 116341), Community Development Block Grant
18 float loans (Ordinance 116402), Urban Development Action Grant loans, Washington State
19 Development Loan Fund loans, Southeast Revolving Fund loans (Ordinances 109267 and
20 113991), any other business loan programs not allocated by ordinance))~~ both those assigned to
21 the Office and those not assigned to another department((s)) or office((s, and any other programs
22 or projects allocated to such office by ordinance));

1 C. To provide staff support to the Board of Directors of The City of Seattle Industrial
2 Development Corporation, the Seattle Music Commission, and the Seattle Film Commission;

3 D. To negotiate and administer contracts with, and City funding of, organizations
4 engaged in business assistance, trade development, economic research, tourism, international
5 trade and the provision of services funded through the Neighborhood Matching Fund; and

6 E. To administer terms and conditions of contracts for transfer of commercial real estate
7 as designated by the Mayor or by ordinance.

8 Section 2. A new Chapter 3.71 is added to the Seattle Municipal Code as follows:

9 **Chapter 3.71 SEATTLE FILM COMMISSION**

10 **3.71.010 Establishment**

11 There is established a Seattle Film Commission (Commission) to advise and make
12 recommendations to The City of Seattle (City) on the development of policies and programs that
13 enhance the economic development of Seattle’s film industry, including promoting the
14 sustainable growth of family-wage jobs for workers who have been historically underrepresented
15 in the industry. The goals of the Commission are to:

16 A. Inform and influence the regional film industry and community, in partnership with
17 the City, to address disparities caused by systemic racism, so that Seattle is at the forefront of
18 driving equity, inclusion, and economic prosperity; and

19 B. Serve as a conduit between the City and the film industry and community to: attract
20 and retain regional, national, and global business; build inclusive pathways into the film
21 industry; and advise on the development of efforts that reinforce the role of film in the region’s
22 content and creative industries to advance the City’s economic development priorities in the
23 creative economy.

1 **3.71.020 Membership**

2 The Commission shall consist of 11 members representing the myriad interests of Seattle’s film
3 industry and community to offer a diverse cross-section of viewpoints that can effectively
4 address a broad array of concerns.

5 A. In making appointments, the following subgroups shall be represented:

- 6 1. On-screen talent or their representatives (Position 1);
- 7 2. Film industry labor unions (Position 2);
- 8 3. Advertising and creative agencies (Position 3);
- 9 4. Commercial producers or production companies (Position 4);
- 10 5. Film schools, film programs, or film educators (Position 5);
- 11 6. Post-production companies and personnel, such as editors, composers, and
12 post-supervisors (Position 6);
- 13 7. Film production crew, including but not limited to props, sets, wardrobe, make-
14 up, hair, camera, grip, and electric (Position 7);
- 15 8. Film festivals or film content distribution companies (Position 8);
- 16 9. Film location managers (Position 9);
- 17 10. Film organizations belonging to and advocating for communities
18 underrepresented in the film industry (Position 10); and
- 19 11. Immersive technology (such as augmented, extended, mixed, and virtual
20 reality) and emerging technology businesses (Position 11).

21 B. Positions shall be numbered 1 through 11. Members in positions 1 through 5 shall be
22 appointed by the Mayor, members in positions 6 through 10 shall be appointed by the City
23 Council, and the member in position 11 shall be appointed by the Commission after members

1 have been appointed to positions 1 through 10. All members appointed by the Mayor shall be
2 confirmed by the City Council.

3 **3.71.030 Term**

4 A. The initial terms for positions 1, 4, 7, and 10 shall be for one year; initial terms for
5 positions 2, 5, 8, and 11 shall be for two years; and initial terms for positions 3, 6, and 9 shall be
6 for three years. All subsequent terms shall be for three years. No member shall serve more than
7 two consecutive terms.

8 B. Any vacancy in an unexpired term shall be filled in the same manner as the original
9 appointment. If a person is appointed to fill the duration of an unexpired term, then the term shall
10 count as one of the consecutive terms only if the portion of the unexpired term actually served is
11 at least one year. A member whose term is ending may continue on an interim basis as a member
12 with voting rights until such time as a successor for that position has been appointed.

13 **3.71.040 Compensation**

14 Members shall serve without pay, but members may request compensation if participating on the
15 Commission presents a financial hardship. Upon such request, the Director of the Office of
16 Economic Development is authorized to expend funds for this purpose. The compensation shall
17 be based on compensation rates commensurate with other City reimbursement processes.

18 **3.71.050 Duties**

19 The Commission shall act in an advisory capacity and have the following duties:

20 A. Meet monthly, at a minimum. In addition, it shall meet once per year with the Seattle
21 Music Commission.

22 B. Engage with film industry professionals to prioritize industry needs and inform the
23 development of City policies, programs, and initiatives;

1 C. Advise and assist the City in the development of efforts that support and strengthen the
2 film industry, including but not limited to:

3 1. Equity and inclusion strategies to increase access, resources, and
4 opportunities within the film industry for underrepresented groups, such as youth, people of
5 color, people with disabilities, and businesses owned by people of color;

6 2. Education, training, and workforce development strategies to grow the
7 economic and social impact of film production and exhibition in Seattle;

8 3. Strategies to promote Seattle as a premier location for film, television,
9 commercial, video game, animation, visual effects, emerging technology, and immersive
10 technology;

11 4. Improvements to permitting processes and regulations to facilitate film
12 production on public property;

13 5. Incentives to attract and retain film production, businesses, and jobs in
14 Seattle as a premier location for film, television, commercial, video game, animation, visual
15 effects, emerging technology, and immersive technology; and

16 6. Business support strategies to help promote growth, innovation, and wealth-
17 creation opportunities, especially for people who have historically been excluded from such
18 opportunities.

19 D. Collaborate with regional stakeholders and partners to foster alignment with King
20 County and Washington State on policies and initiatives related to the film industry.

21 **3.71.060 Organization**

1 A. Each year, by a majority vote of the Commission, at least one Commission member
2 shall be elected chairperson for a one-year term, and at least one shall be elected vice-
3 chairperson for a one-year term, who shall serve as chair in the absence of a chairperson.

4 B. The Commission shall adopt bylaws, and may establish further rules, for its own
5 procedures. Commissioners are expected to adhere to any bylaws or rules.

6 C. The Commission shall have the power to organize itself, establish committees and
7 subcommittees, and delegate duties for the performance of its work.

DRAFT

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

4 Passed by the City Council the _____ day of _____, 2022,
5 and signed by me in open session in authentication of its passage this _____ day of
6 _____, 2022.

7 _____
8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this _____ day of _____, 2022.

10 _____
11 Bruce A. Harrell, Mayor

12 Filed by me this _____ day of _____, 2022.

13 _____
14 _____, City Clerk

15 (Seal)



SEATTLE CITY COUNCIL
CENTRAL STAFF

Film Commission (Pre-Introduction Draft)

BRIAN GOODNIGHT, ANALYST

ECONOMIC DEVELOPMENT, TECHNOLOGY & CITY LIGHT (EDTCL) COMMITTEE

AUGUST 10, 2022

Presentation Overview

- Background
- Summary of Draft Legislation
- Next Steps

Background

- City convened film industry roundtable discussions in 2019 and the Film Task Force in 2020 to provide recommendations for how best to support and grow the local film industry and community
 - Top priorities: creating a Film Commission, and strengthening the Office of Film and Music (OFM)
- 2020 Proposed Budget repurposed OFM resources to advance the Office of Economic Development's (OED's) new Creative Industry strategy
- As part of the 2020 Adopted Budget, Council included SLI OED-10-A-2, requesting that OED provide recommendations regarding the creation of a film commission

Background (cont'd)

- In early 2022, EDTCL Chair Nelson engaged film industry stakeholders and advanced the creation of a film commission
- OED provided high-level guidance for the commission's purpose and membership

Summary of Draft Legislation

- Establishes a Seattle Film Commission to:
 - Advise and make recommendations to the City on the development of policies and programs that enhance the economic development of Seattle's film industry,
 - Including promoting the sustainable growth of family-wage jobs for workers who have been historically underrepresented in the industry.

Summary of Draft Legislation (cont'd)

- The goals of the Commission are to:
 - Inform and influence the regional film industry and community, in partnership with the City, to address disparities caused by systemic racism, so that Seattle is at the forefront of driving equity, inclusion, and economic prosperity; and
 - Serve as a conduit between the City and the film industry and community to: attract and retain regional, national, and global business; build inclusive pathways into the film industry; and advise on the development of efforts that reinforce the role of film in the region's content and creative industries to advance the City's economic development priorities in the creative economy.

Summary of Draft Legislation (cont'd)

- Eleven members shall represent the following industry stakeholders:
 - On-screen talent or their representatives;
 - Film industry labor unions;
 - Advertising and creative agencies;
 - Commercial producers or production companies;
 - Film schools, film programs, or film educators;
 - Post-production companies and personnel;
 - Film production crew;
 - Film festivals or other film content distribution companies;
 - Film location managers;
 - Film organizations representing communities underrepresented in the film industry; and
 - Immersive technology and emerging technology businesses.

Summary of Draft Legislation (cont'd)

- Assigns the following purposes to the Commission:
 - Engage with film industry professionals to prioritize industry needs and inform the development of City efforts;
 - Advise and assist the City in the development of efforts to support and strengthen the film industry; and
 - Collaborate with regional stakeholders and partners to foster alignment on industry-related efforts with King County and Washington State.

Summary of Draft Legislation (cont'd)

- Additionally:
 - Requires the Commission to meet at least monthly and annually with the Seattle Music Commission, elect a chair and vice-chair annually, and adopt bylaws;
 - Establishes a term of three years, with a maximum of serving two consecutive terms; and
 - Authorizes OED to provide compensation to members if serving on the Commission presents a financial hardship.

Next Steps

- Continuing to engage with stakeholders
- September 13 – introduction and referral
- September 14 – briefing, discussion and possible vote
- September 20 – City Council vote

Questions?



Legislation Text

File #: Inf 2101, **Version:** 2

Intergovernmental Briefing on Film Industry Strategies

Supporting Seattle's Film Industry

Markham McIntyre, Director, Office of Economic Development

Kate Becker, Creative Economy & Recovery Director, Office of King County
Executive Dow Constantine

Julie Daman, Director of Operations & Finance, Washington Filmworks



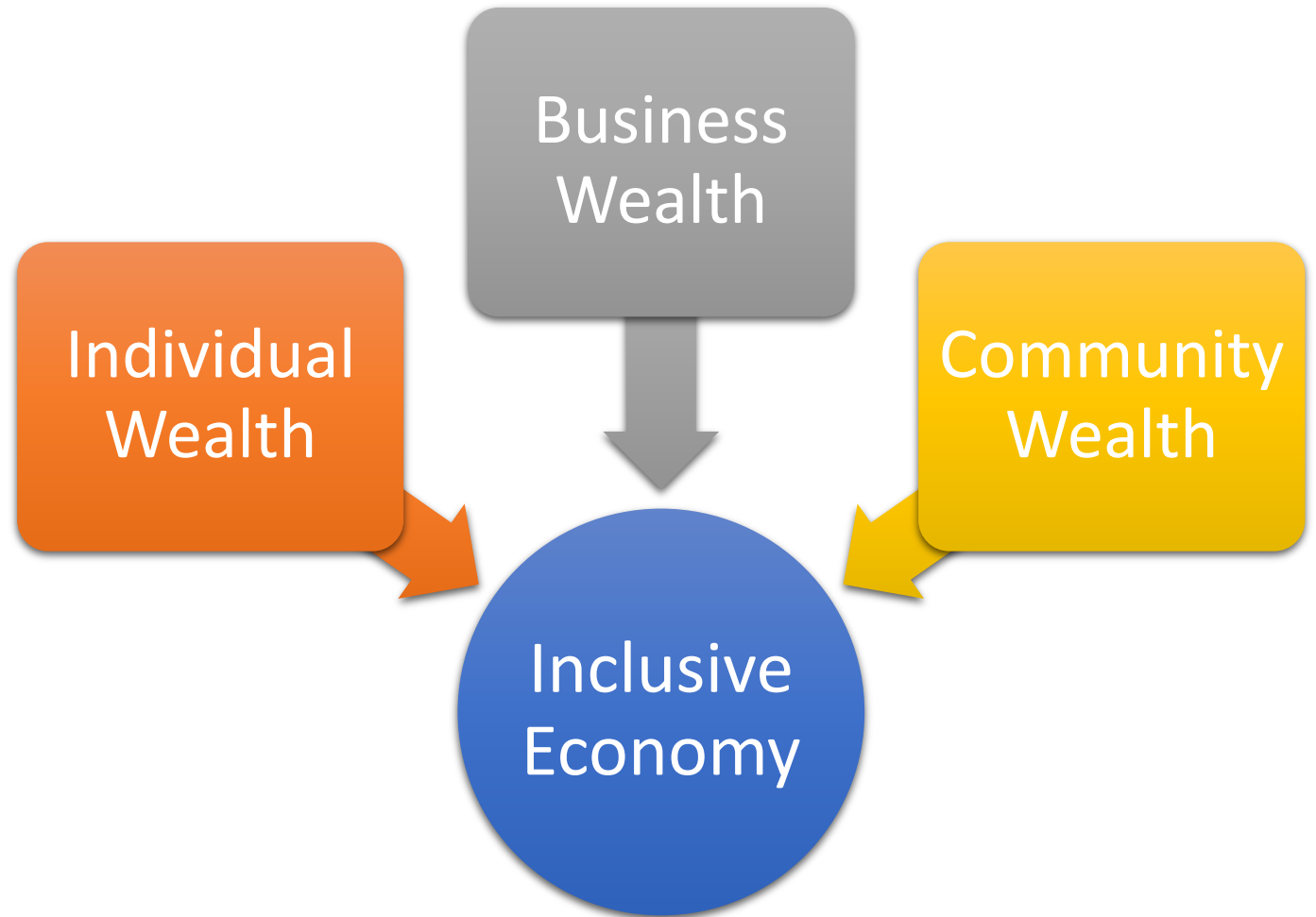


Agenda

1. **Overview of current OED support**
2. **Discuss new economic opportunities**
3. **Discuss government alignment opportunities**
4. **Overview of OED near- and long-term priorities**

Building an Inclusive Economy

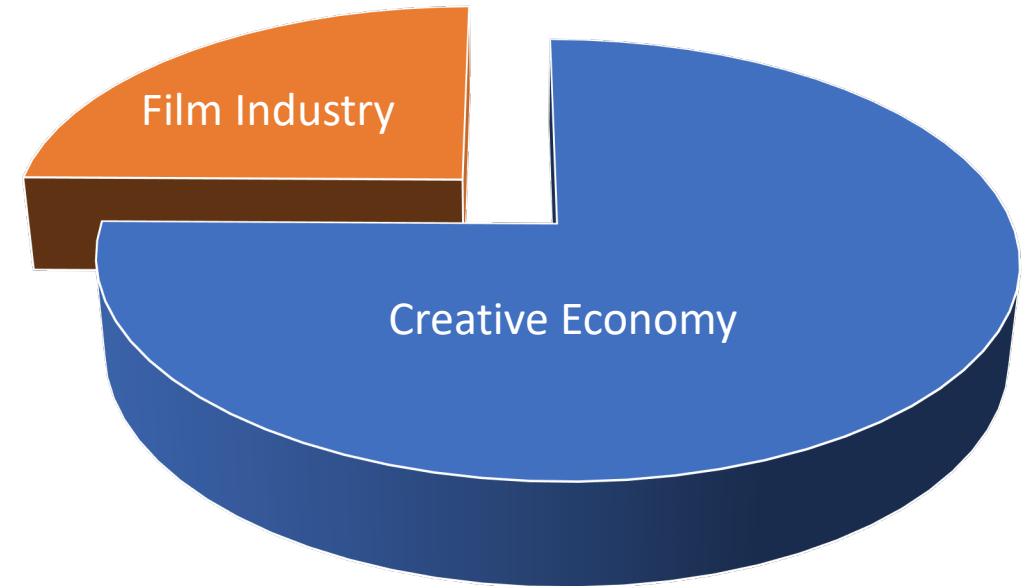
Our **role** is to drive economic growth through strategies and investments that open doors and remove barriers to wealth-building opportunities – **especially for communities that have systemically been excluded from such opportunities.**



Context for the Creative Economy

Definition: Jobs and businesses that use creative skills and produce creative results across all industries.

- The Creative Economy includes 61 different occupations that represent roughly 250,000 jobs in the Seattle metro area.
- **Washington State's Motion Picture Competitiveness Program increase, and King County's Harbor Island Studios** create **new opportunities** for the city to partner with the state, county, and industry stakeholders on economic development priorities for the local film industry



Economic Development Value of Increased Washington State Film Incentive Program

About Washington Filmworks

Legislatively
Commissioned
Nonprofit
Launched in 2006

Production
Incentive Program

State Film Office



Washington
Filmworks

Photos by Daniel Schaefer and Regan MacStravic.

Washington Filmworks: Building a Film Ecosystem Statewide



Career
Connected
Learning

Workforce
Development

Business
Development



Funding Assistance: Guidelines and Goals



\$15M

Annual Allocation



10%

Enhancement

Filming in Rural Communities &
Stories from Historically
Underrepresented Groups



20%

Funding Goals

Filming in Rural Communities &
Stories from Historically
Underrepresented Groups

2030
Program
Extension

Funding Assistance: Small Budget Productions



**Up to \$3M
Annually**



**Budgets Less
than \$1M**



**Creatively
Driven by WA
Residents**



First Money In

Film Industry: Workforce Development

Workforce Development
Training and Job Placement

Focused on Historically
Underrepresented Groups

\$500,000
Next Two Years

\$750,000
Until Program Sunsets



What's Possible with \$15M?

\$3.5M = 3-4 Projects Annually
\$15M = Possibly 10 Projects a Year

3 Episodic
Series



4 Feature Films



3 Small Budget
Productions

Support from City of Seattle



Subject matter expertise in OED to help with strategy, policy, programs, and marketing

A well-resourced and appropriately staffed film permitting team to handle increased number of productions

Streamlined permitting – position of authority to speak with other departments to get permits processed

Partnership on workforce development to better serve people from historically underrepresented groups

King County Film Industry Investments



Investments in film production since 2019

- Executive Order re: film production September 2019
- Executive Film Advisory Board established 2020
- Seattle/King County Film Ecosystem Study conducted in 2019 & 2020
- Harbor Island Studios:
 - \$3M invested in activating film studio space for industry pandemic recovery
 - Two pilot projects so far: *Three Busy Debras* Season 2 and *Love Is Blind* Season 4



King County Film Industry Investments



King County film permitting

- Permitting fees are reduced and permits are expedited
- Production location needs are accommodated regularly, and whenever feasible



King County Film Industry Investments



County needs from Seattle

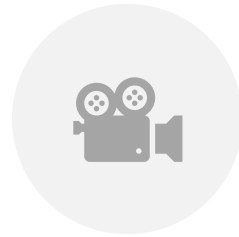
- Continued collaboration
- Updates to 2019/2020 Seattle/King County Film Ecosystem Study
- Continued access to parking near Harbor Island Studios



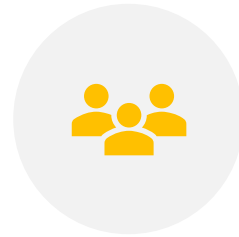
Film in Seattle - What we can do now



CONTINUE ONE-STOP-
SHOP MASTER FILM
PERMIT COORDINATION



ALIGN WITH STATE AND
COUNTY FILM PRIORITIES



ESTABLISH A SEATTLE FILM
COMMISSION



IMPROVE FILM
PERMITTING



LAUNCH
FILMSEATTLE BRAND

Questions?





Legislation Text

File #: Res 32061, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION relating to the City Light Department; acknowledging and approving the 2022 Integrated Resource Plan as conforming with the public policy objectives of The City of Seattle and the requirements of the State of Washington; and approving the Integrated Resource Plan for the biennium September 2022 through August 2024.

WHEREAS, The City of Seattle (the “City”) recognizes the desire of its citizens to have adequate, reliable, affordable, equitable, low risk, and environmentally responsible electric power resources; and

WHEREAS, the City recognizes the need for clean and reliable electric power resources to assure the economic well-being, health, comfort, and safety of its citizens; and

WHEREAS, the 2022 Integrated Resource Plan continues to emphasize conservation, and also emphasizes engagement in regional energy programs and markets, resource diversity, reasonable cost, the addition of clean renewable resources, and customer participation in new programs such as demand response and customer-owned solar installation; and

WHEREAS, the 2022 Integrated Resource Plan paves the way for transportation and building electrification efforts that will reduce reliance on fossil fuels, and is consistent with Seattle City Council Resolution 30144 for meeting as much load growth as possible with conservation and renewable or non-emitting resources; and

WHEREAS, the 2022 Integrated Resource Plan recognizes that City Light has been a leader in reducing its greenhouse gas emissions and plans to maintain greenhouse neutrality; and

WHEREAS, the 2022 Integrated Resource Plan describes that City Light has a role to serve to further advance regional greenhouse gas reductions and support leadership in the region as a model for energy

conservation, renewable or non-emitting energy and electrification; and

WHEREAS, the 2022 Integrated Resource Plan includes a ten-year Clean Energy Action Plan describing the steps that City Light will take to maintain greenhouse gas neutrality, provide equitable access to clean and affordable energy, and make progress towards being greenhouse gas-free by 2045 to conform with the 2019 Washington Clean Energy Transformation Act; and

WHEREAS, the 2022 Integrated Resource Plan is intended to conform with State of Washington requirements under the Revised Code of Washington (RCW) Chapter 19.280 for development of integrated resource plans or progress reports by consumer-owned utilities and approval of such plans or reports by the consumer-owned utilities' governing boards each biennium; and

WHEREAS, City Light expects to prepare an Integrated Resource Plan Progress Report in 2024 which reflects changes to the region's and City Light's circumstances; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR

CONCURRING, THAT:

Section 1. The City Council acknowledges the 2022 Integrated Resource Plan, as developed by the City Light Department, and attached to this resolution as Attachment 1, and hereby approves the 2022 Integrated Resource Plan for the biennium effective January 1, 2023, through December 31, 2025. The Plan complies with the public policy objectives of the City and the requirements of the State of Washington.

Section 2. Consistent with the findings of the 2022 Integrated Resource Plan, the City Council expects City Light to continue to emphasize environmental leadership and compliance with the Washington Energy Independence Act and the Washington Clean Energy Transformation Act through its conservation programs and renewable or non-emitting resources, between now and the completion of the 2024 Integrated Resource Plan Progress Report.

Adopted by the City Council the _____ day of _____, 2022, and signed by me in open session in authentication of its adoption this _____ day of _____, 2022.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2022.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2022.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

Attachments:
Attachment 1 - Seattle City Light 2022 Integrated Resource Plan



2022 INTEGRATED RESOURCE PLAN



Seattle City Light

EXECUTIVE SUMMARY

Seattle City Light and partner City of Seattle departments are at an important crossroads along the path to create Seattle's energy future on behalf of the customers and communities we serve. The 2022 Integrated Resource Plan (IRP) is a long-term strategy to meet anticipated customer energy needs over the next 20 years. The IRP also outlines a 10-year clean energy action plan that allows City Light to meet its goals around reliability, affordability, and environmental responsiveness, while also complying with regulatory requirements and ensuring service equity.

The IRP is not meant to prescribe or implement resource-related decisions, but directionally it represents City Light's current view of resource adequacy, Washington state policy requirements, transmission constraints, and available resource technology. As such, it recommends a portfolio composition that would be best positioned to meet those needs.

The recommended 2022 IRP portfolio was selected due to its resource diversity, high customer optionality, low transmission reliance, and reasonable cost. This portfolio of energy resources includes more wind and solar energy serving customer load as well as new customer participation in demand response and energy efficiency. It also paves the way for transportation and building electrification efforts that will shift our communities away from fossil fuels. It recommends that over the next 10 years (2022-2031), City Light will look to add approximately 175 megawatts (MW) of solar and 225 MW of wind to its energy portfolio. In addition, the utility will work with customers to identify around 85 MW of energy efficiency and tailor a demand

response shift of up to 47 MW during the summer and around 79 MW for winter. Finally, City Light anticipates around 24 MW of customer-owned solar installations positively impacting our portfolio in the same time frame. The following decade (2032-2041) has similar goals, which are reflected in the Portfolio Analysis discussed later in this document.

The recommendations for the next two years within this biennial IRP update include:

- Continued customer engagement and education about energy efficiency and demand response programs.
- Participation in regional energy programs and markets to reduce load peaks and resource generation fluctuations from localized weather.
- Work with regional partners and planning organizations to identify and start transmission project development processes that expand access to affordable clean power supplies, engaging all stakeholders early in the process.
- Implementation of clean energy supply procurement processes with operational dates as early as the start of 2026 and 2027 for delivery to Seattle.
- Continued climate change and electrification research that will help us refine our resource strategies and timelines.



INTRODUCTION

City Light has provided its customers with reliable, affordable, and environmentally responsive clean energy since 1910. As the utility continues this tradition and plans for the future, it must account for growing power supply demands from its customers, while prioritizing emission reductions. This will ensure an equitable clean energy transition for all customers served.

With shared environmental values, City Light and the residents of Seattle continue to promote balancing power supply demands with environmentally friendly power supply resources required to meet those needs. City Light is a consistent voice for generating electricity with renewable or non-emitting resources and promoting energy efficiency with its customers. It strives to limit negative impacts on the environment and reduce the need for costly new power generation. Since 2005, City Light has operated as greenhouse gas neutral – the first electric utility in the nation to achieve that distinction.

City Light’s 2022 Integrated Resource Plan (IRP) outlines how the utility will meet anticipated customer needs under changing market dynamics, evolving policies, and future uncertainties over the

next 20 years. The IRP requires a constant review of conditions that affect its power supply needs, costs, and risks. These considerations range from the evaluation of energy efficiency potential and new resource opportunities to ensure reliability, environmental stewardship and compliance with Washington state-mandated clean and renewable resource requirements.

The IRP is created as part of good utility practice and is developed with guidance from the Mayor, City Council, and Washington state law, including the Energy Independence Act (I-937) and the Clean Energy Transformation Act.

The primary goals in developing an integrated resource plan are to:

- Forecast the energy and capacity needed to meet customer demand.
- Determine the utility’s capability to supply those needs and ensure flexibility during fluctuation.
- Define the capability and cost of current and prospective resources.
- Evaluate potential future City Light portfolios based on reliability, cost, risk, and environmental impact.
- Recommend a plan of action.

PUBLIC INVOLVEMENT

Over the next 20 years, City Light will track its power supply needs from both new and traditional resources. These power supply choices require investing hundreds of millions of dollars of customer funds and affect future operating costs, reliability, and the City's environmental footprint for decades to come. As a publicly owned utility, customer input on the IRP is essential.

Since fall 2021, City Light has conducted eight external IRP advisory panel meetings that included customers, environmental organizations, regional energy-related governmental organizations, and academic specialists. Presentations included topics such as energy conservation, climate change, load forecasts, resource adequacy, IRP modeling assumptions, and many other energy-related issues. Advisory panel feedback helped to shape the IRP process, findings, and recommendations.

In summarizing the views of the IRP advisory panel and public participants, their commitment to the environment is clear:

- There is broad support for immediate actions to address greenhouse gas emissions that contribute to climate change.
- The focus of a clean energy transformation needs to be equitable, with a priority on helping communities that have been historically impacted by fossil fuel use.
- Planning for more electrification of buildings and transportation in our communities, in conjunction with a changing climate and uncertainty in future transmission availability, remains a top priority.

INTEGRATED RESOURCE PLAN PROCESS

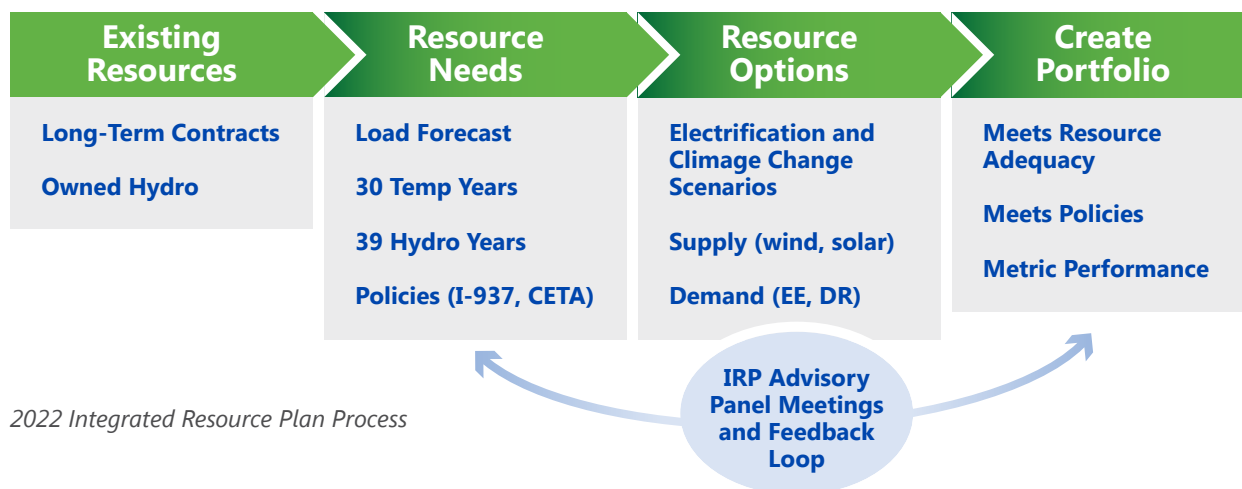
The IRP is a long-term decision support tool designed to educate and support stakeholder participation in achieving City Light’s energy future. It is also a Washington Utilities and Transportation Commission requirement to develop and update integrated resource plans, make them available to the public every two years, and provide a summary of estimated future resource needs at least 10 years into the future. Consistent with City Light values, the IRP recommendations are balanced to consider how our choices support a healthy environment, stop and reverse inequity, and create a vibrant future for our customers and community. The IRP is one of many important planning processes synchronized into City Light’s Strategic Plan.

City Light’s IRP process evaluates how robust our choices are at meeting the utility’s goals and the range of conditions we expect to experience over the next 20 years. We must consider many different subject areas such as electricity demand forecasting, regional transmission outlooks, supply

side renewable resource options and their costs, customer side energy options and their costs, and clean energy policies that City Light must comply with. The utility relies on input from an informed IRP advisory panel composed of external industry experts, individuals advancing equitable and clean energy policies, and City Light experts and leaders from across the utility, as well as City Light’s customer outreach processes conducted to support our Strategic Plan and Transportation Electrification Strategic Investment Plan. Guided by this information and Seattle City Council and Mayoral directives, an IRP plan is developed.

As shown below, the 2022 IRP process starts with City Light’s current portfolio of energy contracts and generation and finishes with recommendations needed to meet electricity demands over the next 20 years.

The first stage of the framework, and the IRP starting point, considers City Light’s base load forecast, existing resource mix of contracts, and owned generation. The second stage of the framework determines if our existing resource-mix of contracts and generation is on track to meet not only our resource adequacy metric, but also our I-937 and Clean Energy Transformation Act compliance needs. The resource adequacy metric is tested using 39 different water supply conditions, as well as 30 different temperature conditions affecting electricity demand.



After resource needs have been identified, we must analyze all the resource options available for consideration to meet those resource needs.

Important attributes we consider include the cost of supply resources, types (e.g., wind, solar), geographic locations, transmission corridors, and seasonal generation profiles. The same types of attributes are also part of the demand resource options, such as energy efficiency, demand response, and customer solar. In the end, the IRP portfolio selection framework will feature a mix of supply and demand resources that best fit City Light's resource needs.

The City Light IRP portfolio modeling framework develops a mathematically optimized (i.e., minimum cost) portfolio of resources, as shown below.

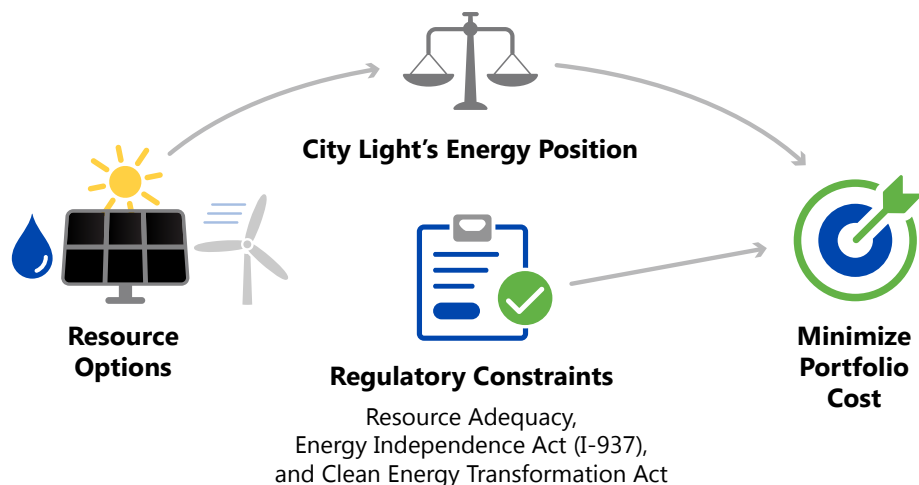
City Light and its stakeholders recognize there are other metrics to consider besides cost when determining the best mix of resources. For the 2022 IRP, City Light ranked and evaluated more than 20 resource strategies to develop a robust plan against six performance metrics:

- Cost
- Greenhouse gas emissions
- Expanded customer programs opportunity
- Transmission risk
- Climate change preparedness
- Electrification preparedness

Each proposed portfolio receives a score and a ranking based on the measured performance, and by process of elimination, a recommended portfolio emerges. The IRP is not meant to prescribe or implement resource-related decisions but is designed to inform long-term and directional plans to best meet City Light's resource needs. City Light will continue to evaluate its IRP resource recommendations at least every two years.

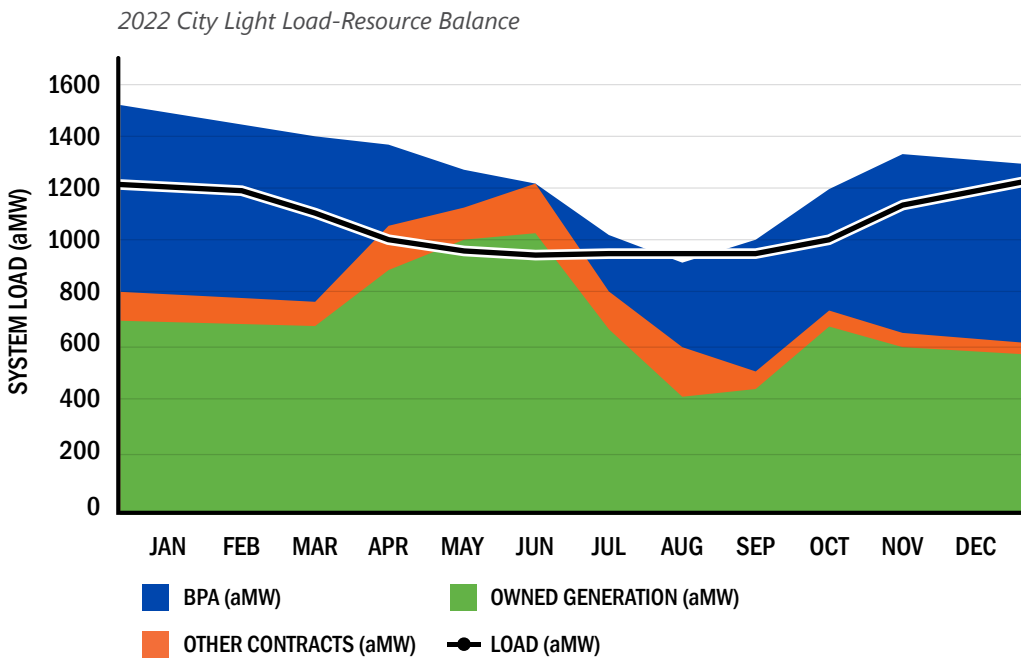
IRP Portfolio Modeling Framework

Goal: Design best mix of resources to meet City Light's needs over next 20 years



CURRENT RESOURCE PORTFOLIO

City Light’s power resources are typically 90 percent hydropower, approximately half of which is supplied by five hydroelectric projects owned and operated by City Light. Most of the remaining hydropower is purchased from the Bonneville Power Administration (BPA), a nonprofit federal power marketing agency. Beyond generating hydropower, City Light is charged with the responsibility to operate its hydroelectric projects for flood control, fish management, and recreation. City Light’s load-resource balance during the calendar year 2022 is shown below.



Three impactful processes shaping the composition of our future energy portfolio are underway:

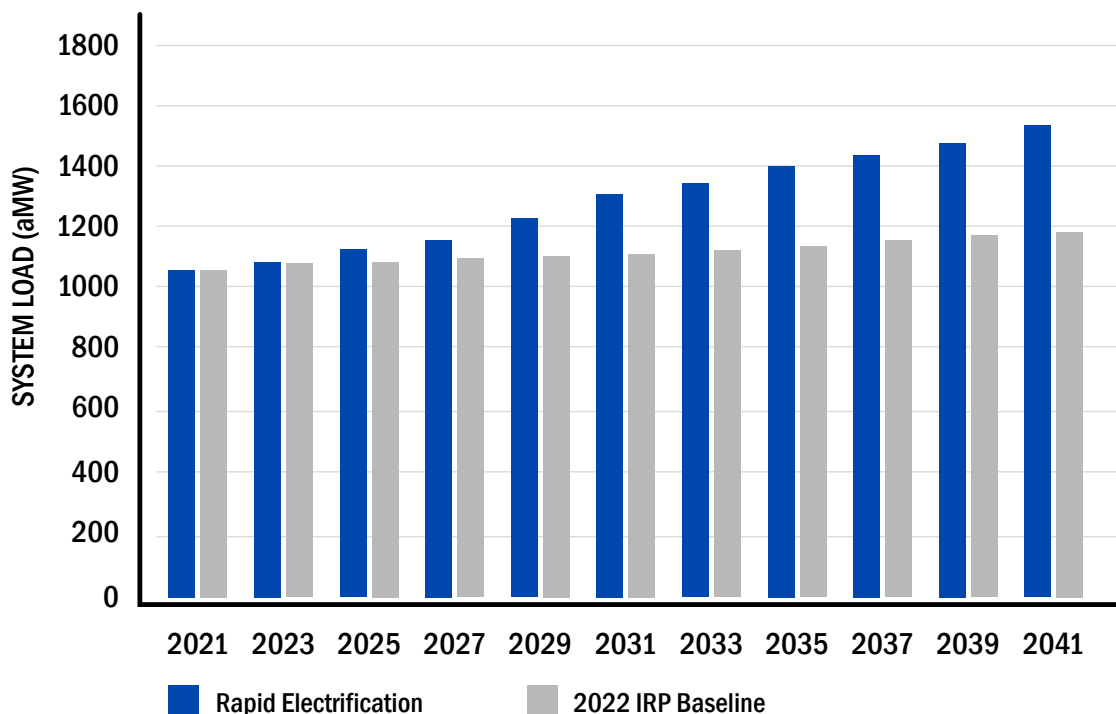
- By 2026, three power purchase contracts/exchanges are set to expire.
- In 2026, City Light hopes to begin operating under a new long-term license for the three dams on the Skagit River.
- In 2028, City Light will begin a new long-term contract with BPA to purchase energy from the federal hydroelectric system. As part of the new contract negotiations, City Light will seek opportunities to improve the timing and magnitude of power deliveries from BPA to best fit our load and resource balance.

LOAD FORECAST

The 2022 IRP baseline scenario anticipated modest load growth of 0.5% per year over the next 10 years. Under the baseline scenario, economic growth and electrification of transportation and buildings contribute to load growth, while market driven energy efficiency and distributed solar generation help mitigate load growth. The baseline load scenario also included variability from a range of different weather conditions to simulate extreme peaking requirements.

In addition to the baseline scenario, the 2022 IRP process also considered separate scenarios that addressed potential load impacts of climate change and more rapid electrification. The rapid electrification scenario was based on City Light and the Electric Power Research Institute’s (EPRI) January 2022 Electrification Assessment and served as a “book end” scenario for higher levels of load growth. Under the rapid electrification scenario, City Light’s load would increase by 32% compared to the baseline scenario shown below. Impacts to load from climate change were less pronounced. They generally pointed to lower loads in the winter and higher loads in the summer; however, more research is still needed to better model extreme weather conditions and peaking requirements under climate change. Importantly, 2021 featured a new all-time high peak load for June of 1,533 MW, and a near record December peak load of 1,896 MW.

2022 IRP Baseline Load Forecast vs EPRI's Rapid Market Electrification scenarios



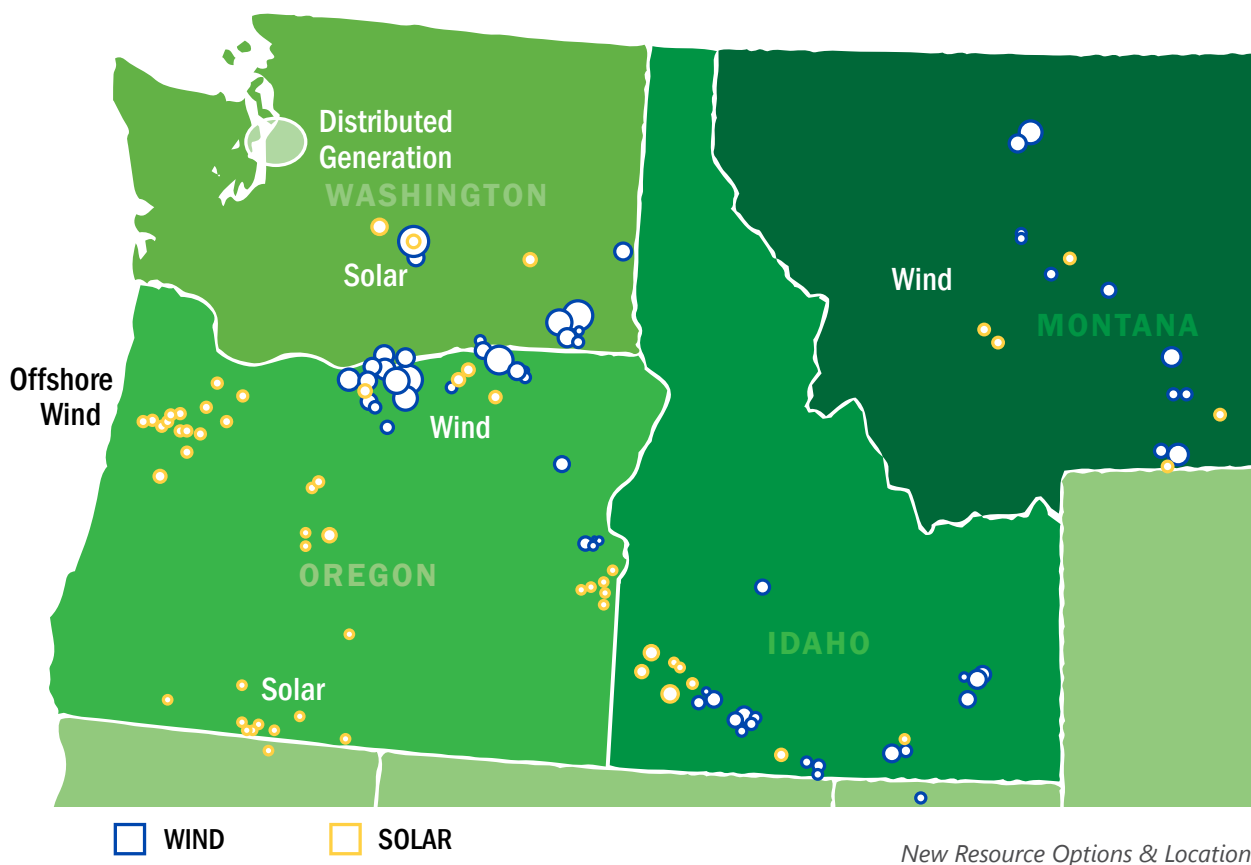
RESOURCE NEEDS

The 2022 IRP features two key conclusions compared to the 2020 IRP Progress Report in terms of City Light’s resource needs:

- There are no significant changes in base-scenario summer resource needs compared to the 2020 Progress Report. But the 2022 IRP climate change scenario, which incorporates climate change impacts to weather and local hydrology, clearly shows increasing summer energy shortfalls going forward.
- Winter needs, especially December, are higher than the 2020 IRP progress report indicated, due to the updated load forecast that now features new building electrification codes and additional electric vehicle growth. The Rapid Market Electrification Scenario demonstrates additional significant growth in winter electricity demand.

The 2022 IRP features many of the same utility-scale resource options as the 2020 IRP Progress Report: eastern Washington solar, southeast Oregon solar, and Columbia River Gorge wind. However, the additional electrification and climate change studies informing the 2022 IRP indicate City Light will likely need to pursue acquisition of additional resources, such as:

- Local commercial or community solar projects that will diversify sources of weather-dependent generation and transmission uncertainty, and therefore help mitigate associated risks.
- Offshore and Montana wind in the 2030s with winter peaking generation profiles to help meet expected increases in seasonal demand.
- Demand response programs, which will help the utility manage short-term peaks in electricity demand.



REGULATORY REQUIREMENTS

The Clean Energy Transformation (CETA) Act of 2019 recognizes existing hydroelectric projects and nuclear plants as non-emitting greenhouse gas energy generation resources. The three major milestones of CETA are:

- 1.** Utilities must remove coal-fired generation from Washington's allocation of electricity by 2026.
- 2.** Washington retail sales must be greenhouse gas neutral, with at least 80% renewable or non-emitting by 2030.
- 3.** Washington retail sales must be 100% renewable or non-emitting by 2045.

With an existing energy portfolio typically more than 90% renewable or non-emitting, City Light is well positioned for meeting the second CETA milestone listed above.

City Light must comply with the Climate Commitment Act (CCA) of 2021 that requires reductions in greenhouse gas emissions from most sectors of the economy, including the electric utility sector, with milestones beginning in 2023. Entities impacted by these legislative requirements will receive allowances based on their individual emissions from 2015 to 2019; allowances specify the percentage of load that can be served by generation resources that are not provably greenhouse gas free. As of May 2022, the allowance amount is unknown.



The first compliance period is 2023 to 2026. The CCA requires reductions in greenhouse gas emissions to 45% below 1990 levels by 2030 and further reductions to 95% below 1990 levels by 2050. City Light will continue to track rulemaking activities to understand potential impacts to the utility's business and understand how it can manage its future reporting and compliance obligations and the associated costs.

The Energy Independence Act, also known as I-937, requires electric utilities serving at least 25,000 retail customers to use renewable energy and energy conservation. I-937 annual compliance can be met in three ways:

- If a utility has "load growth," each utility shall use eligible renewable resources and/or renewable energy credits (RECs) to meet 15% of its load.
- If a utility has "no load growth," each utility shall use eligible renewable resources and/or RECs to meet 1% of its retail revenue requirement.
- If a utility spends at least 4% of its retail revenue requirement on the incremental cost of renewable energy and/or RECs.

To comply with I-937 requirements, City Light has been using the “no load growth” compliance option since 2019. If City Light has increasing load over four consecutive years, it must meet 15% of sales with eligible resources, RECs, or a combination. Load increased in 2021 compared to 2020, and if load growth continues, City Light will need to take additional actions to ensure compliance with I-937 as early as 2024. With new wind and solar additions potentially starting in 2026, as well as the RECs already committed, City Light is well positioned for meeting I-937 requirements for renewable energy well into the future. After 2030, if City Light has a greenhouse gas free energy portfolio for four years in a row for CETA, then City Light does not have to take any additional actions for I-937.

In 2018, the Mayor and Seattle City Council updated the Seattle Climate Action Plan unveiling the goal to make Seattle carbon neutral (zero net emissions of greenhouse gases) by 2050. Most of the strategic initiatives of this plan involved transportation electrification, building electrification, and energy efficiency.



PORTFOLIO ANALYSIS

As part of the 2022 IRP analysis, three scenarios were considered:

1. Base load (i.e., 2020 corporate load forecast) with historical hydro and historical temperature.
2. Climate change with simulated future hydro and simulated temperature-affected load.
3. EPRI's Rapid Market Electrification with historical hydro and simulated electrification loads.

For planning purposes, the base load and historical hydro scenario were used as the baseline to plan energy portfolios in the 2022 IRP. However, climate change and electrification scenarios were used to better understand if different portfolios had attributes that could help manage uncertain climate change or electrification futures.

City Light developed more than 20 different portfolios of potential additional energy resources and narrowed that to a top seven. These top portfolios aligned with the latest regional transmission assumptions, state and local clean energy policies, resource options, and City Light's resource adequacy metrics.

The 2022 IRP portfolios were evaluated according to six different metrics. These metrics were developed as part of the 2022 IRP process to account for costs (Net Present Value), the climate change scenarios studied (Climate Change impacts), portfolio unspecified purchases (Greenhouse gas emissions), diversity of customer options (Expanded customer programs opportunity), the Rapid Market Electrification scenario studied (Electrification preparedness), and transmission cost and uncertainty (Transmission risk). All these metrics were equally weighted. The top-performing portfolio had the following attributes:

NEW RESOURCE ADDITIONS BY TIME PERIOD	2022–2031	2032–2041	TOTAL
Solar (MW)	175	0	175
Wind (MW)	225	50	275
Energy Efficiency (aMW)	85	31	116
Customer Solar Programs (MW)	24	28	52
Summer Demand Response (MW)	47	31	78
Winter Demand Response (MW)	79	43	122

2022 IRP Recommended Top Portfolio Plan



Columbia River Gorge

While each successive City Light IRP has its own set of assumptions such as load forecasts, contracted energy, price of new resources, and state policies influencing resource decisions, the 2022 IRP top portfolio contains the largest proportion of solar compared to previous IRPs. Decreasing materials costs and improvements in hardware efficiencies has led to significant decreases in the cost of solar energy over the last several years. However, during spring 2022, prices jumped upward due to supply chain troubles, as well as the U.S. Department of Commerce's review of alleged circumvention of solar panel tariffs in some countries. This investigation could pause manufacturing and shipping of solar panels, and hence delay development of new solar energy projects. Long term, solar energy from eastern Washington or Oregon can provide City Light affordable summer power when the hydroelectric resources run low. Local customer solar can provide non-wired energy solutions with the additional benefit of being strategically deployed to areas of greatest need.

The risk of summer forest fires and heavy smoke in the PNW as our climate changes make wind resources, a continuous theme in City Light's IRP recommended portfolios since 2016, a valuable energy hedge with solar. Wind has also seen price decreases and efficiency increases the last several years. Like solar, wind resources in the Columbia River Gorge also tend to experience peak production during the summer months. Montana wind and offshore wind, both of which can see up to 50% capacity factors, are winter peaking, which will benefit City Light particularly as electrification is expected to increase winter demand. The 2022 IRP recommended portfolio mix (page 13) anticipates all of City Light's wind resources prior to 2030 will be from the Columbia River Gorge area, while after 2030 it is possible that new transmission infrastructure would allow for City Light to benefit from a Montana wind resource. Development of offshore wind technology, such as floating turbines, may also make offshore wind resources off the coast of Washington or Oregon feasible for inclusion in future portfolios.

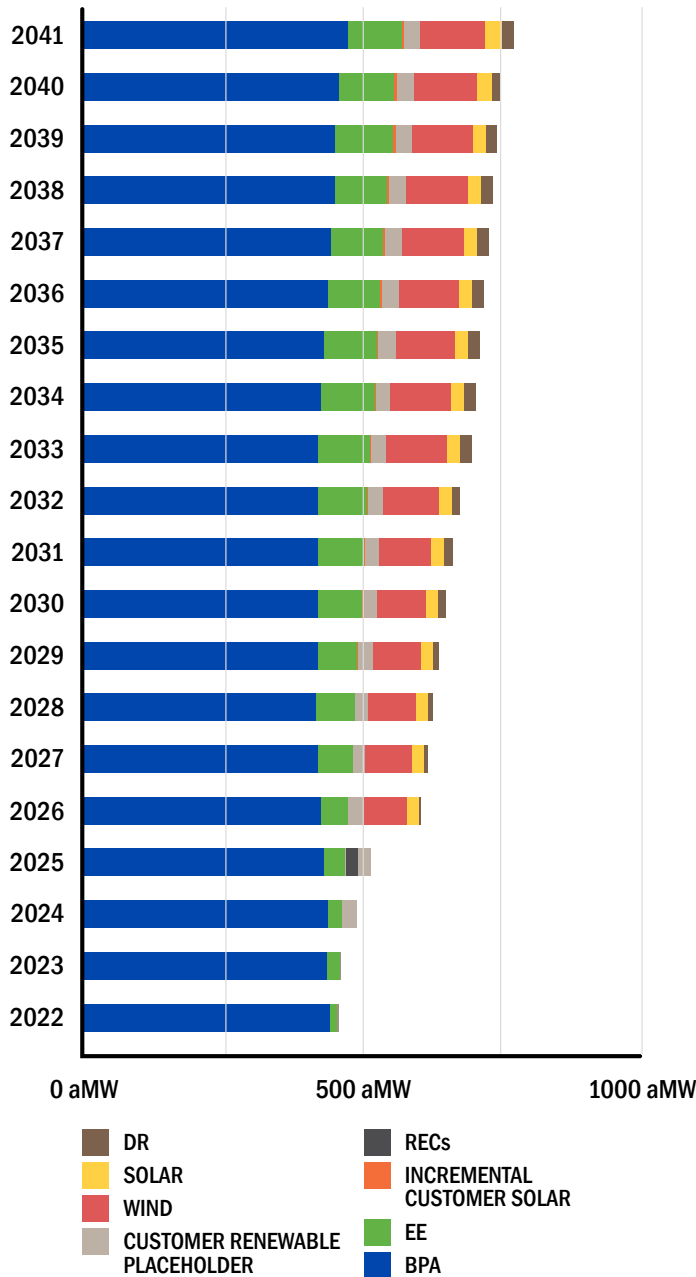
“ ”

Decreasing materials costs and improvements in hardware efficiencies has led to significant decreases in the cost of solar energy over the last several years.

Comparing energy efficiency forecasts between the past few IRPs is much more difficult due to quantifying voluntary technology adoption rates over time, outside of the programmatic adoption rates. The 2022 IRP recommended portfolio includes about 40 average MW (aMW) of energy conservation measures by 2026, which is about

4 aMW higher than the 2022 Conservation Potential Assessment (CPA). The 2022 IRP is the first to recommend a portfolio that endorses demand response programs, as they not only manage climate- or electrification-related extremes, but also generally reduce customers' energy burden. The 2022 IRP top portfolio's resource mix is shown below.

2022 IRP Recommend Top Portfolio Resource Mix



In summary, the new resources outlined in the 2022 integrated resource plan are due to:

- Certain power purchase contracts and exchanges gradually expiring by 2026.
 - o Stateline Wind, Columbia Basin Hydro, Lucky Peak Exchange.
- Clean energy policies forcing coal plant retirements.
 - o 2,150MW coal retirements by 2027 in the Northwest.
 - o Increases regional resource adequacy concerns.
 - o Results in less certainty that City Light can buy affordable and reliable energy in markets.
- Pace of climate change and electrification.
- Increasing customer push for greenhouse gas free portfolio.

There is always the risk of the wind not blowing, the sun not shining, and energy conservation or demand response reaching its limits on helping with resource adequacy. As City Light's electrification loads begin to materialize and we see an increasing frequency of weather extremes associated with climate change, other base load dispatchable resources such as batteries, hydrogen, geothermal, small modular/advanced nuclear, etc., should be part of the discussion to maintain current levels of grid reliability. Given these uncertainties, it is crucial to develop plans in partnership with our customers, community groups and other stakeholders that have the right degree of flexibility to be consistent with their needs and expectations.

CONCLUSIONS

The 2022 IRP helps City Light develop a plan for providing customers with reliable, safe, and affordable clean energy for decades to come. Its core findings are:

- City Light expects modest load growth due to continued electrification of transportation and certain heating and cooling applications in buildings.
- City Light should continue to engage and educate customers about energy efficiency and demand response programs.
- City Light should continue to participate in regional energy programs and markets to increase our ability to meet peaks and ensure uninterrupted service.
- Improvements in the transmission system will be critical to meet clean energy requirements established by city and state legislation. Together with its stakeholders, City Light should continue working with regional partners and planning organizations to identify transmission need and implement transmission development projects. City Light should initiate clean energy supply procurement processes with operational dates as early as 2026 and 2027 for delivery to Seattle.
- City Light should continue climate change and electrification research to refine its resource strategies and timelines.



Over the next 10 years, City Light will look to bring many new resources into its portfolio, as well as new licenses and power contracts.

Over the next 10 years, City Light will look to bring many new resources into its portfolio, as well as new licenses and power contracts. In general, resources will be added proportionally, according to the 2022 IRP Recommended Top Portfolio Plan. Some key milestones over the next 10 years are shown below.

2022 IRP Ten Year Important Milestones

2022	2024	2026	2028	2030	2032
Demand Response Pilot Programs Start (2023) Time of Use Rates Pilot CEIP*	Climate Commitment Act 2023 Opt-in Time of Use Rates Begin New ~100 MW Resource for Customer R+ IRP Progress Report, CPA** and Strategic Plan Update CEIP Update	~400 MW New Supply Resources Online ~50 aMW Energy Efficiency New Skagit License Start ~10 MW Demand Response Full IRP, CPA, Full Strategic Plan and CEIP	New BPA Contract Start IRP Progress Report, CPA and Strategic Plan Update CEIP Update	CETA Greenhouse Gas Neutral Full IRP, CPA, Strategic Plan Update and CEIP	Long-Lead Resource Additions MT and Offshore Wind ~90 aMW Energy Efficiency IRP Progress Report, CPA and Full Strategic Plan Update ~90 MW Demand Response CEIP Update

*CEIP – Clean Energy Implementation Plan a requirement of the Clean Energy Transformation Act.

**CPA – Conservation Potential Assessment.



FUTURE WORK

As negotiations with BPA for the Western Resource Adequacy Program are ongoing, City Light will explore whether its contract could allow for different energy allocation. In other words, the utility should try to structure more energy in December and/or August even as other utilities reach for the same resources. These months will be important as electrification and climate change begin to influence City Light's load and resource balance. Also, the next BPA contract might have options for 100% clean block products. The increasing calls from City Light's customers, as well as the Climate Commitment Act requirements taking effect in 2023, put reductions in resource emissions at a higher priority.

City Light will further study energy efficiency, distributed resources, storage, and customer solar potential under climate change and electrification loads. This will help inform program design to account for future IRP modeling. Future resource options should also consider new, potentially large 24/7 loads such as hydrogen production facilities (200MW-500MW), existing steam plant to electric conversions, or other large base loads. Additional resources and flexibility resulting from grid modernization programs will be important to incorporate into future IRPs as well.

City Light will continue to develop relevant social equity metrics and include these metrics in future IRP analyses and decision processes. Baseline levels for social equity metrics can be established from City Light's current energy portfolio to help identify and prioritize areas for improvement, such as developing energy efficiency, demand response, and community solar programs to ease the energy burden for environmental justice communities and vulnerable populations. Social equity metrics could also be incorporated into IRP portfolios to quantify improvement or detriment to these customers to better inform IRP recommendations.

Incorporation of additional climate change scenarios in IRP analyses will also help to create a more thorough understanding of climate change-induced resource need. BPA recently proposed changes to its regional analysis that now aim to incorporate current and anticipated impacts of climate change on the region. City Light should continue to stay engaged and actively participate in BPA planning activities to help ensure robust and equitable regional energy policy.



Seattle City Light

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P.O. Box 34023
Seattle, WA 98124-4023

seattle.gov/city-light



SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle City Light	Paul Nissley / 727-8720 Cameron Keyes / 445-4399	Greg Shiring / 386-4085

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: A RESOLUTION relating to the City Light Department; acknowledging and approving the 2022 Integrated Resource Plan as conforming with the public policy objectives of The City of Seattle and the requirements of the State of Washington; and approving the Integrated Resource Plan for the biennium effective January 1, 2023, through December 31, 2025

Summary and Background of the Legislation:

Seattle City Light’s 2022 Integrated Resource Plan (IRP) is a long-term strategy to meet anticipated customer energy needs over the next 20 years. The IRP outlines the steps the utility will take to maintain greenhouse gas neutrality, maintain equitable access to clean and affordable energy, and make progress towards being greenhouse gas free by 2045 to conform with the 2019 Washington Clean Energy Transformation Act. As such, the IRP includes a 10-year Clean Energy Action Plan that allows City Light to meet its goals around reliability, affordability and environmental responsiveness, while also complying with regulatory requirements and ensuring service equity. The proposed Resolution approves the 2022 IRP for the biennium September 2022 through August 2024.

The 2022 IRP was developed under the Code of Washington (RCW), Chapter 19.280 which mandates Integrated Resource Planning every two years, and was informed by the participation of internal and external stakeholders.

Utilities within the state of Washington must develop comprehensive resource plans that meet their customers’ electricity needs in the short and long term. Seattle City Light is required to file a full Integrated Resource Plan due every four years, with a Progress Report due every two years in the interim in between full IRP updates. Integrated Resource Plans are comprehensive resource plans that explain the mix of generation and demand-side resources that the utility plans to use to meet their customers' electricity needs over the period covered in the plan, whereas Progress Reports reflect changing conditions and developments in those interim periods.

In accordance with RCW 19.280, the 2022 IRP requires the approval by the consumer-owned utilities’ governing board after public notice and hearing and subsequent filing with the State of Washington Department of Commerce by September 1, 2022. Resolution 31986 to approve the 2020 Integrated Resource Plan Progress Report was adopted by the Seattle City Council in February 2021.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No.

Are there financial costs or other impacts of *not* implementing the legislation?

The adoption of this resolution ensures that City Light meets the requirements of RCW 19.280.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
No.
- b. Is a public hearing required for this legislation?
Yes. RCW 19.280.050 requires the utility's governing body to approve the IRP after it has provided public notice and hearing.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No.
- d. Does this legislation affect a piece of property?
No.
- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?
This Resolution outlines a path for how City Light plans to meet its future power generation needs over the next 20 years. In implementing this Resolution, City Light will continue its efforts to ensure service equity and to offer services to vulnerable or historically disadvantaged communities consistent with City policy.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

This Resolution does not materially change Seattle's carbon emissions. The Resolution outlines a path for how City Light will continue to serve customers with greenhouse gas neutral power and make continued progress towards providing greenhouse gas free power by 2045.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

This Resolution does not materially change Seattle's ability to adapt to climate change.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?

This is not a new initiative or major programmatic expansion; this effort is consistent with Seattle City Light's commitment to serve our customers with safe, reliable, affordable, and environmentally responsible electric service.

Summary Attachments: None.



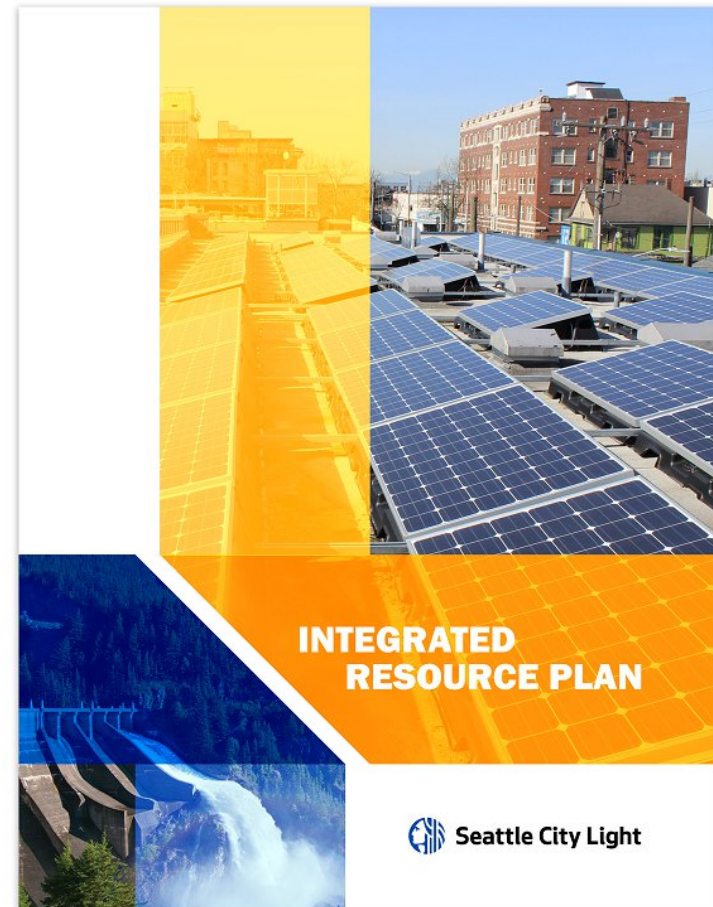
2022 Integrated Resource Plan

Building the Long-Term Plan: July 27, 2022

SCL IRP Team – Paul Nissley & Saul Villarreal

AGENDA

- What is an IRP?
- Why we do IRPs?
- IRP Process
- 2022 IRP Conclusions



What is an Integrated Resource Plan?

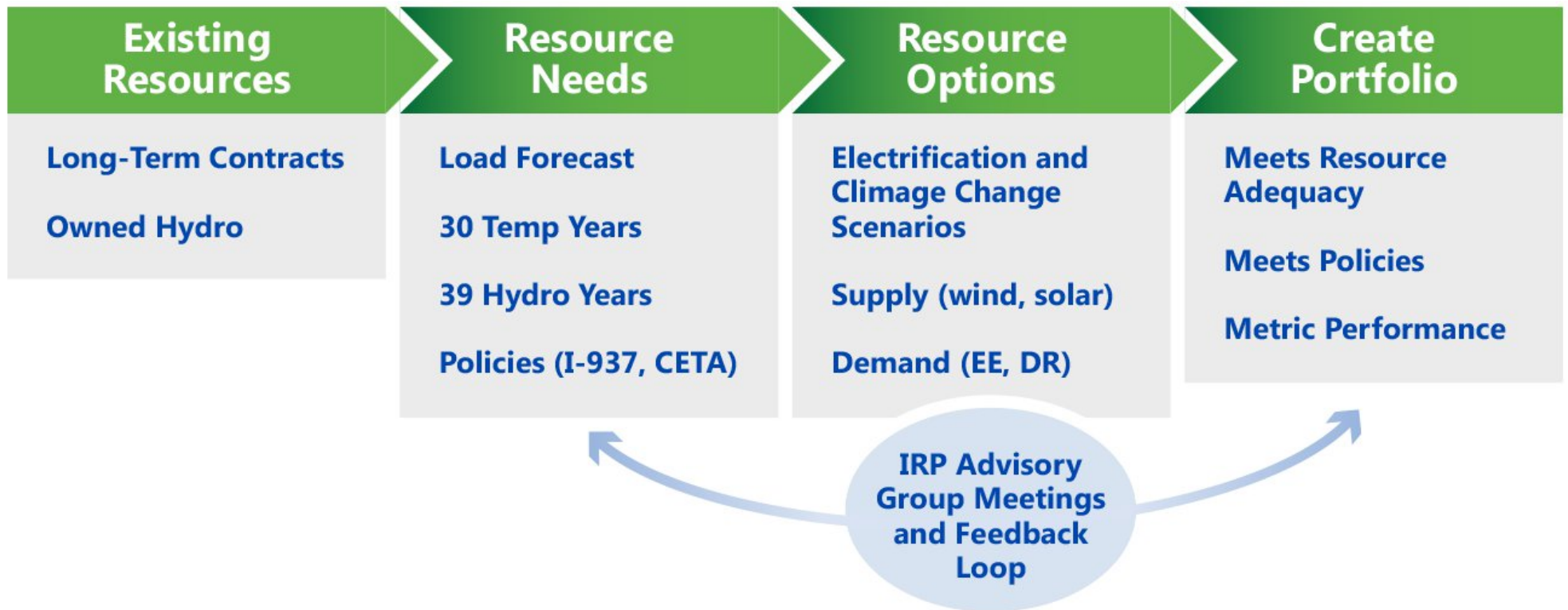
- Biennial plan describing a path to meet the SCL service area's electric power needs for next 20 years
- An opportunity for customers and stakeholders to share their vision for our future power supply mix
- Reviewed and updated every two years
- Must be approved by Seattle City Council
- Not intended to represent specific resource actions to be taken



Why create an Integrated Resource Plan?

1. Vital feedback loop and communication plan between customers, stakeholders, governing bodies and City Light
 - ✓ Need to meet projected load and clean energy policies
2. Revised Code of Washington (RCW) 19.280
 - ✓ Introduced formal Integrated Resource Planning process in 2006 for all utilities in the state with over 25,000 customers
 - ✓ Recognizes the significance of considering opportunities for customers to reduce power use and new power generation as sources to meet electric demand
 - ✓ Recognizes importance of sharing utility plans with customers and stakeholders because decisions could be long-term

2022 IRP Process



2022 IRP Advisory Panel

- Steve Gelb, Emerald Cities Collaborative
- Paul Munz, Bonneville Power Administration (BPA)
- Jeremy Park, P.E. University of Washington
- Yuri Rodrigues, Seattle Pacific University
- Mike Ruby, Ph.D., P.E., Envirometrics, Inc.
- Joni Bosh, NW Energy Coalition
- Amy Wheelless, NW Energy Coalition
- John Fazio, NW Power & Conservation Council
- Elizabeth Osborne, WA Department of Commerce
- Kelly Hall, Climate Solutions
- Joanne Ho, Consultant

Nine meetings from March 2021 to May 2022

**THANK
YOU TO OUR
PANEL!**

2022 IRP Existing Resources



2020 POWER MIX

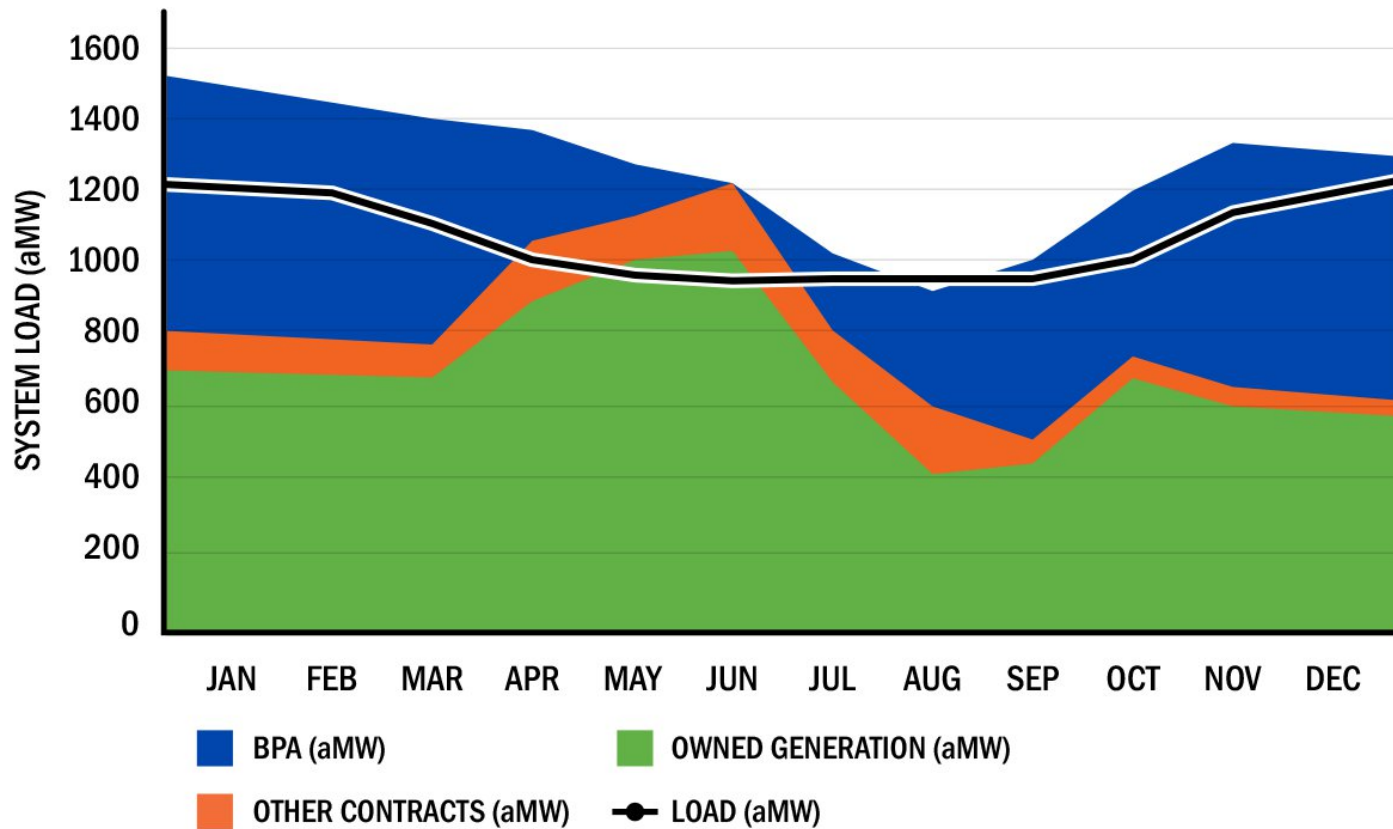
● HYDRO	86%
● WIND	5%
● NUCLEAR**	5%
● UNSPECIFIED*	3%
● BIOGAS.....	1%
<hr/>	
TOTAL	100%

**City Light does not have coal or natural gas resources in its power supply portfolio. It does make market purchases to balance or match its loads and resources. These purchases, along with market purchases made by Bonneville Power Administration (BPA), may incidentally include coal or natural gas resources, which are assigned to the utility. Any emissions associated with unspecified market purchases are offset through our greenhouse gas (GHG) neutrality policy.*

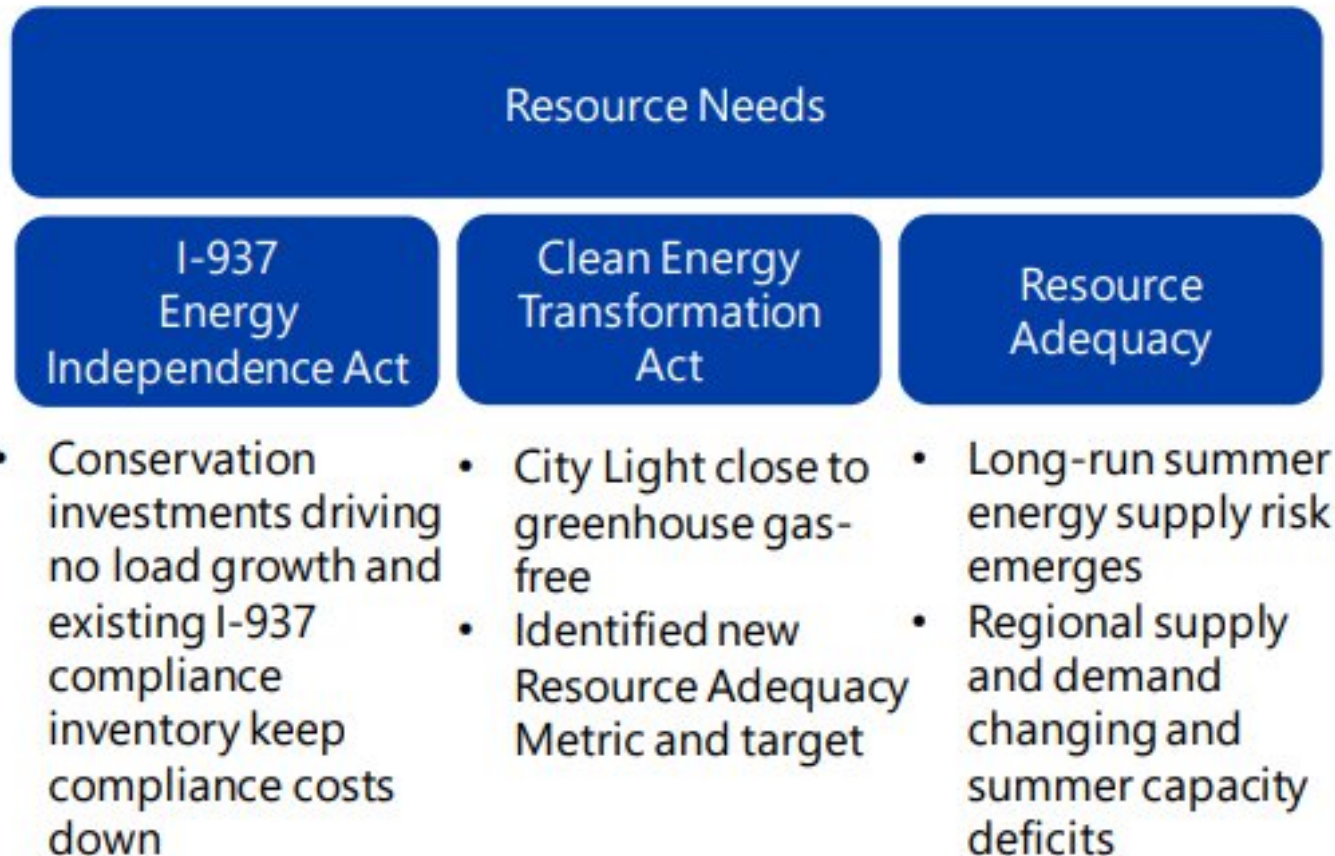
***This fuel represents a portion of the power purchased from BPA.*



2022 IRP Existing Resources



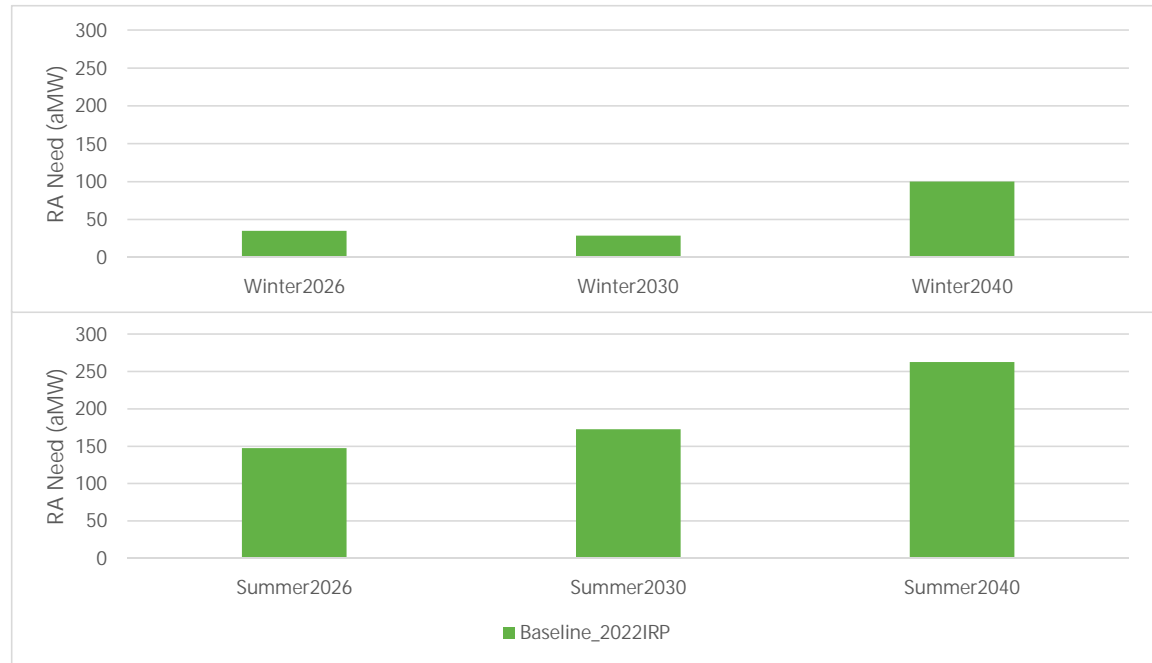
2022 IRP Portfolio Resource Needs



2022 IRP Portfolio Needs: Resource Adequacy

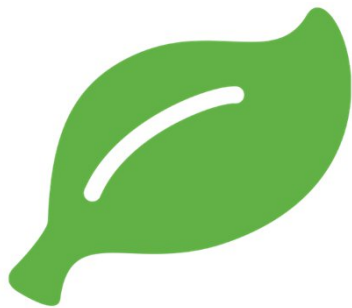
Key Conclusions Compared to 2020 IRP...

- Summer needs still a concern
- Winter needs increasing due to developing electrification of buildings and transportation
- Electrification scenario presented additional energy shortfalls and transmission concerns, especially in winter

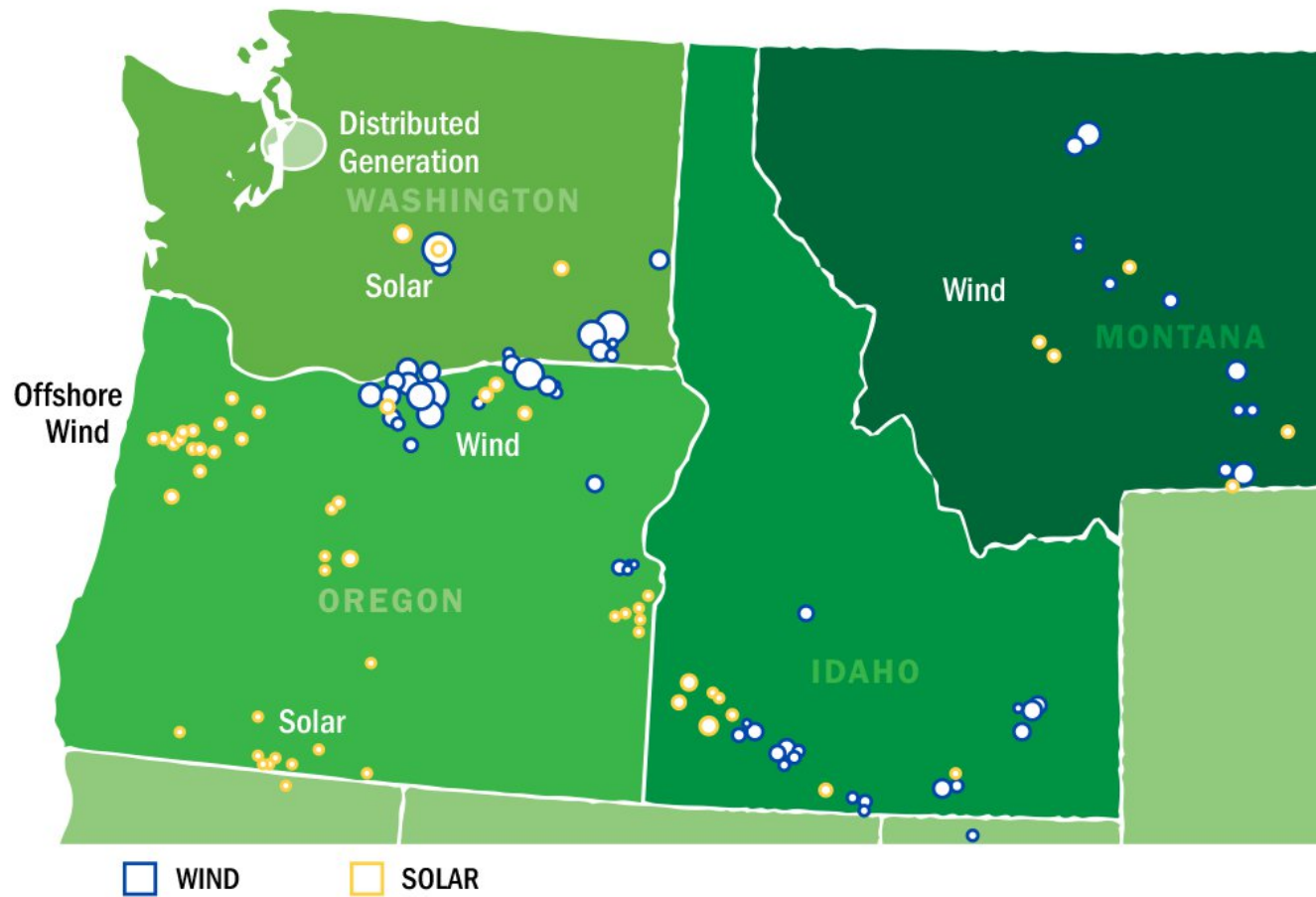


2022 IRP Portfolio Needs: Clean Energy Policies

- I-937 Energy Independence Act
 - Short-term needs likely in 2024 and 2025 due to Covid-19 loads
 - No significant needs until early 2030s
- Clean Energy Transformation Act
 - Eliminate coal-fired electricity in state by 2026
 - 100% greenhouse gas neutral by 2030
 - 100% greenhouse gas free by 2045

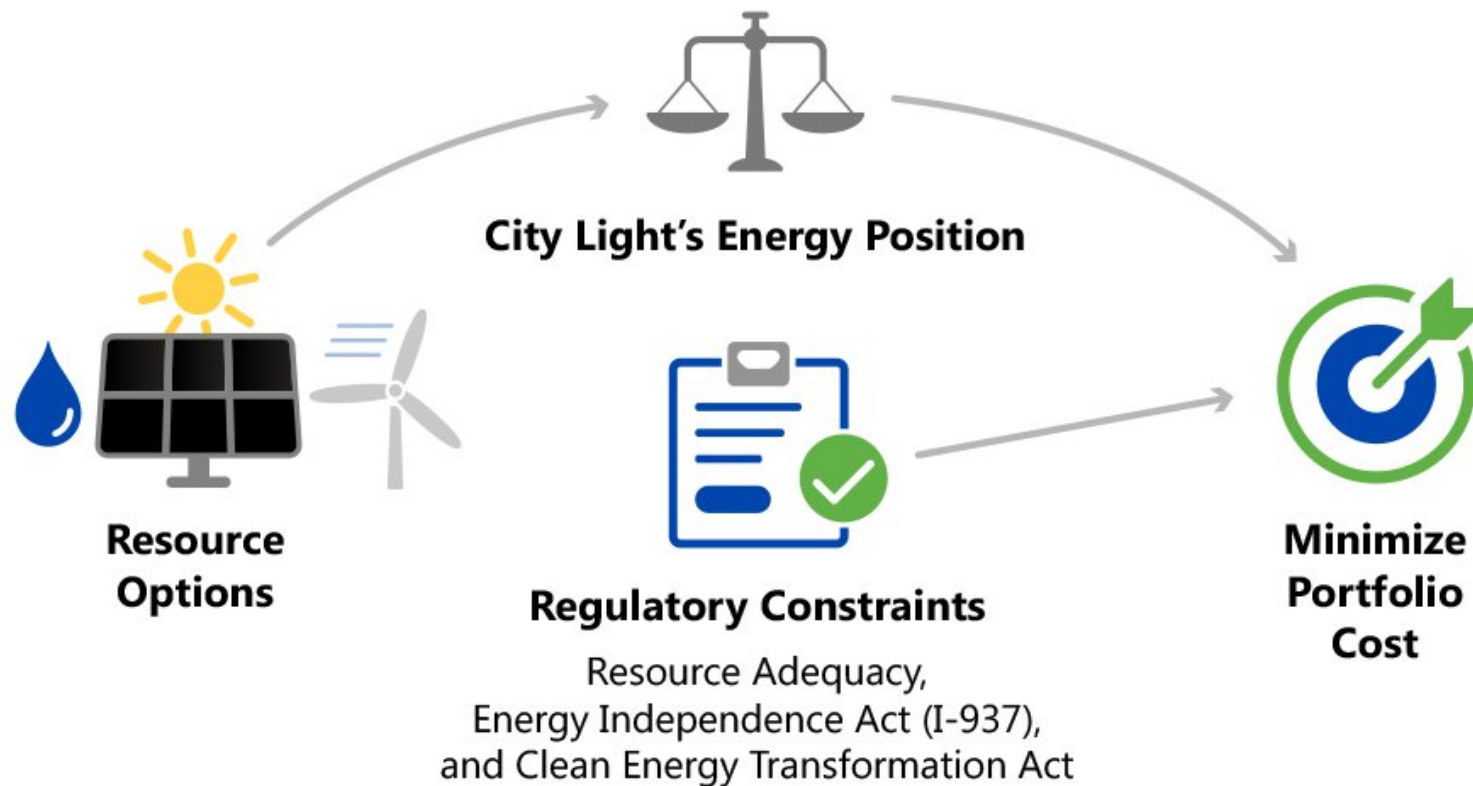


2022 IRP Resource Options Considered






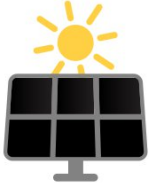





2022 IRP Framework

Goal: Design best mix of resources to meet City Light's needs over next 20 years



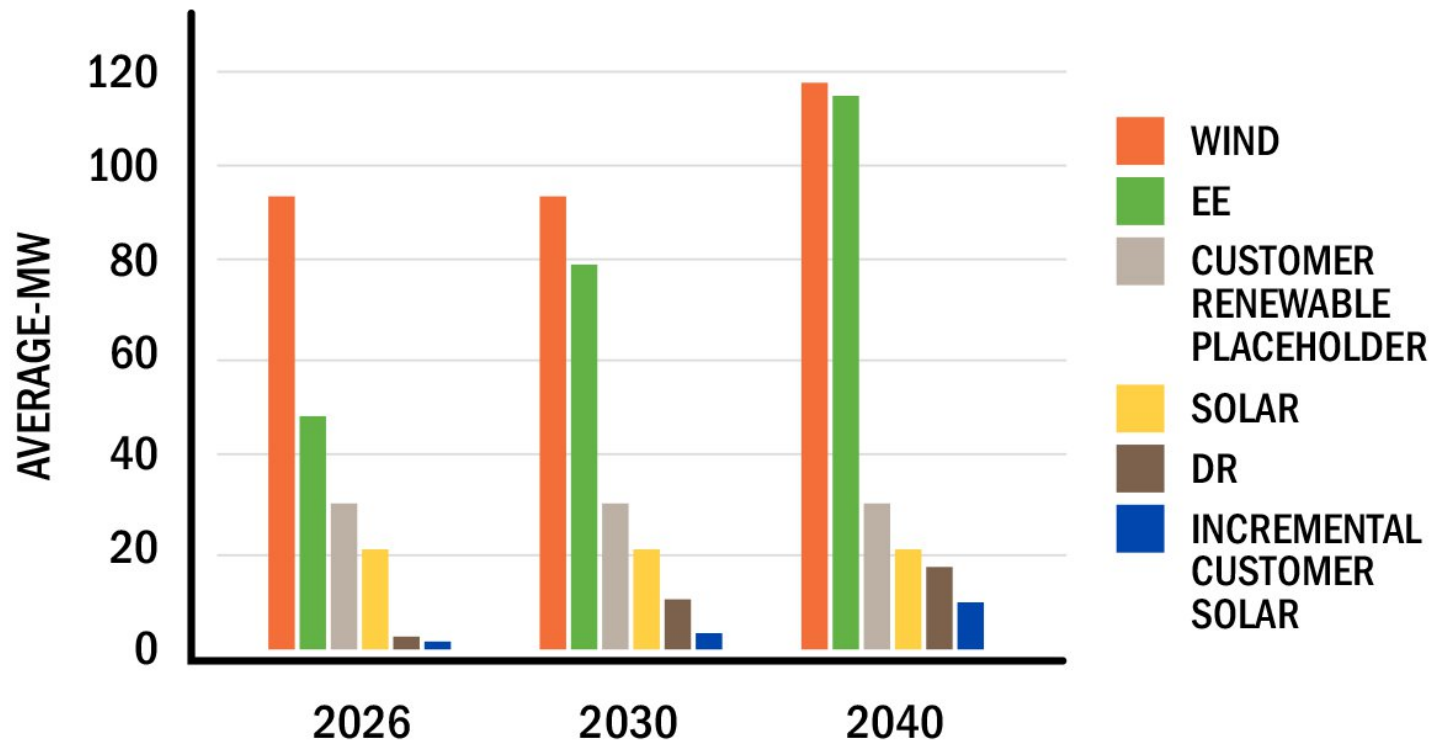
2022 IRP Portfolio Strategies Matrix

 <p>Lowest Cost Portfolio</p>	 <p>Transmission Availability</p>	<p>Resource Adequacy Risk Reduction</p> 
 <p>100% Clean by 2030</p>	 <p>Balanced Resource Portfolio</p>	<p>Maximize Energy Efficiency and Demand Response Programs</p> 
 <p>Higher Market Reliance</p>	 <p>Maximize Customer Owned Resources</p>	<p>Other Strategies</p> 

2022 IRP Create Portfolio

- Best combination of supply and demand resources to meet needs
- Based on:
 - Cost
 - Greenhouse gas emissions
 - Customer program opportunities
 - Transmission risk
 - Climate change preparedness
 - Electrification preparedness

2022 IRP Top Portfolio



*most new 2022 IRP resources are brought in before 2030

2022 IRP Summary: Why do we need more resources?

- Long-term contracts and exchanges gradually expiring by 2026
 - Stateline Wind
 - Columbia Basin Hydro
 - Lucky Peak Exchange
- Clean energy policies forcing coal plant retirements
 - Increases regional resource adequacy concerns
 - Results in less certainty that City Light can buy affordable and reliable energy in markets
- Pace of climate change and electrification
- Increasing customer push for greenhouse gas free portfolio

2022 IRP Conclusions

Key conclusions compared to 2020 IRP Progress Report

- Summer needs still a concern
- Winter needs are higher due to new load forecast and additional electrification from new codes and buildings, and faster EV growth
- First full IRP calling for new resources in the strategic planning period window
 - 400 MW renewables online by 2026
- Risk Uncertainties
 - Pace of electrification
 - Transmission availability
 - Climate change
 - Intermittent resource reliance as electrification loads increase
 - Development of renewable energy projects (inflation, tariff investigations, supply chain of components, etc.)

2022 IRP Advisory Feedback

- Risk of supply/demand resource development
- Ensure equity outcomes in demand options program design
- Consider development of new energy technologies
- The City of Seattle should transition to electrification strategically

**THANK
YOU TO OUR
PANEL!**

2022 IRP 10-Year Important Milestones



Q & A

Feel free to reach out to us at
SCL.IRP@seattle.gov.



2022 IRP Top Portfolio

NEW RESOURCE ADDITIONS BY TIME PERIOD	2022–2031	2032–2041	TOTAL
Solar (MW)	175	0	175
Wind (MW)	225	50	275
Energy Efficiency (aMW)	85	31	116
Customer Solar Programs (MW)	24	28	52
Summer Demand Response (MW)	47	31	78
Winter Demand Response (MW)	79	43	122

*new resources in the 2022 IRP

THANK YOU



Seattle City Light



Legislation Text

File #: Inf 2103, **Version:** 2

Seattle City Light 2023-2024 Rate Ordinance

2023/2024 Retail Rate Ordinance

Economic Development, Technology & City Light Committee
August 10, 2022



Seattle City Light

City Light Rate Ordinance

- Implements rate increases for 2023 and 2024 per Strategic Plan
 - Produces the level of revenue needed to deliver reliable, clean, and socially-responsible electric service for the next 2 years
 - Reflects impacts of significantly higher inflation
 - No increase customer bills in 2021 as part of COVID response
 - 2022 rate increase was 2.1%, less than the 3.9% increase approved by the previous Strategic Plan
- Implements rate design changes recommended by the 2019 Rate Study
- Implements most recent Cost of Service Study

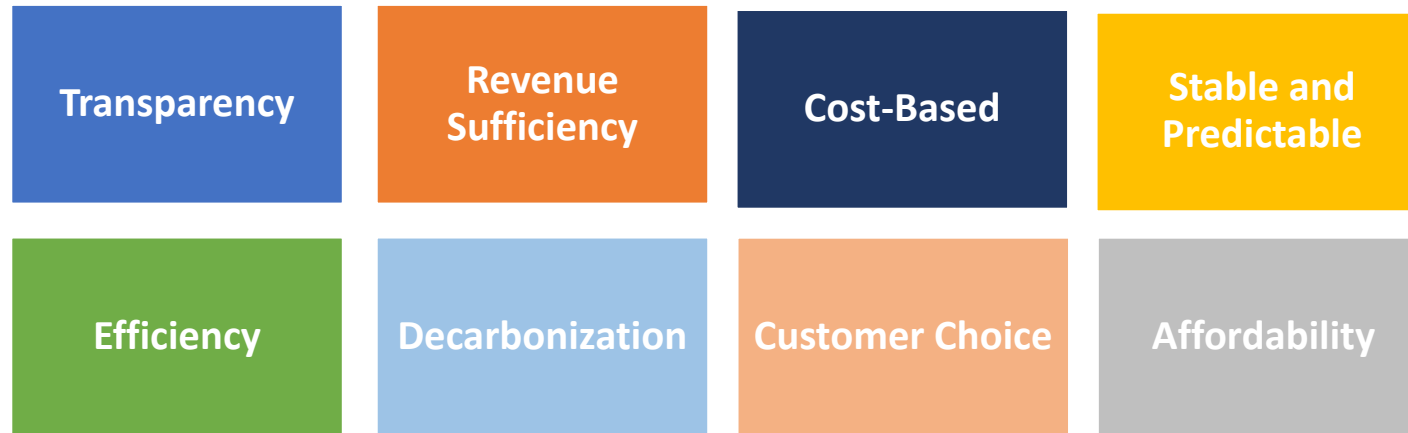
Rate Design Changes



Background: 2019 Rate Policy Study

Rate design changes follow the City Light Review Panel-led Rate Design Report published in 2019*

Rate design goals:



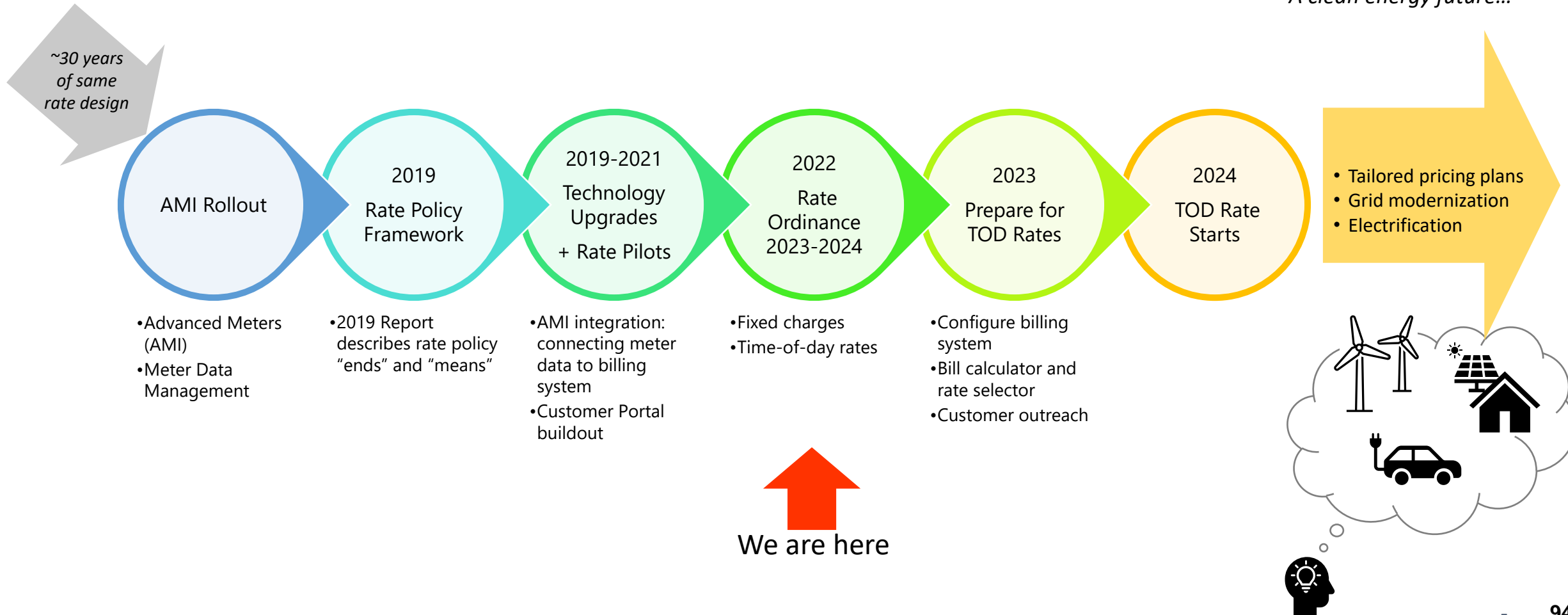
Near-term rate design strategies:

- a) Incorporate a fixed basic service charge for all customers to recover customer service costs
- b) Introduce optional time of day (TOD) rates
- c) Adjust legacy two block residential rate structure to facilitate migration to TOD rates

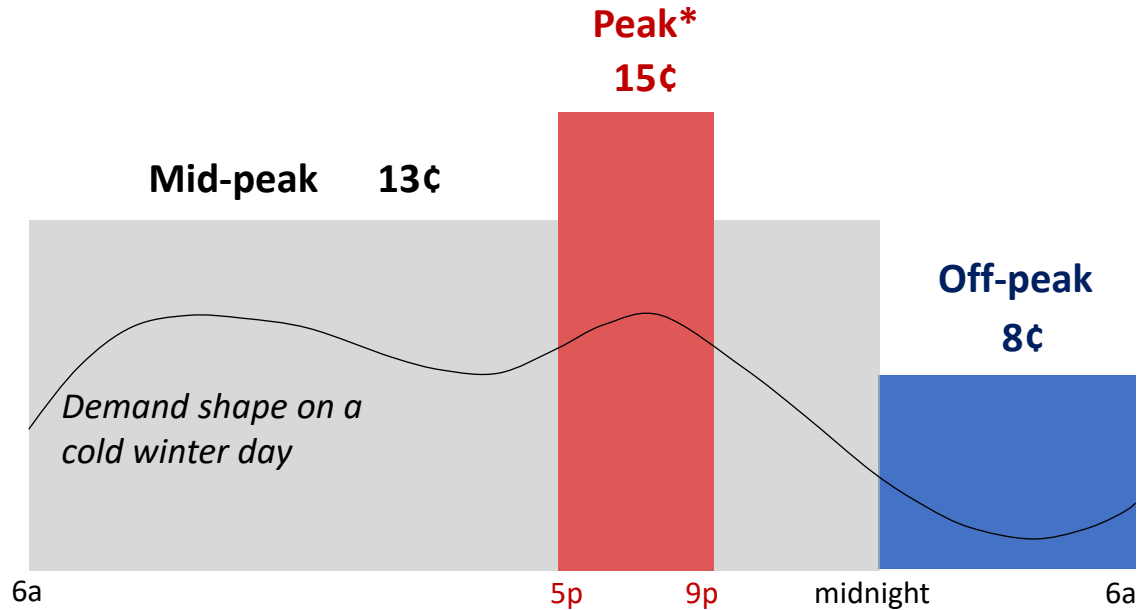
Long Road to Time-of-Day (TOD) Rate Option

Our past...

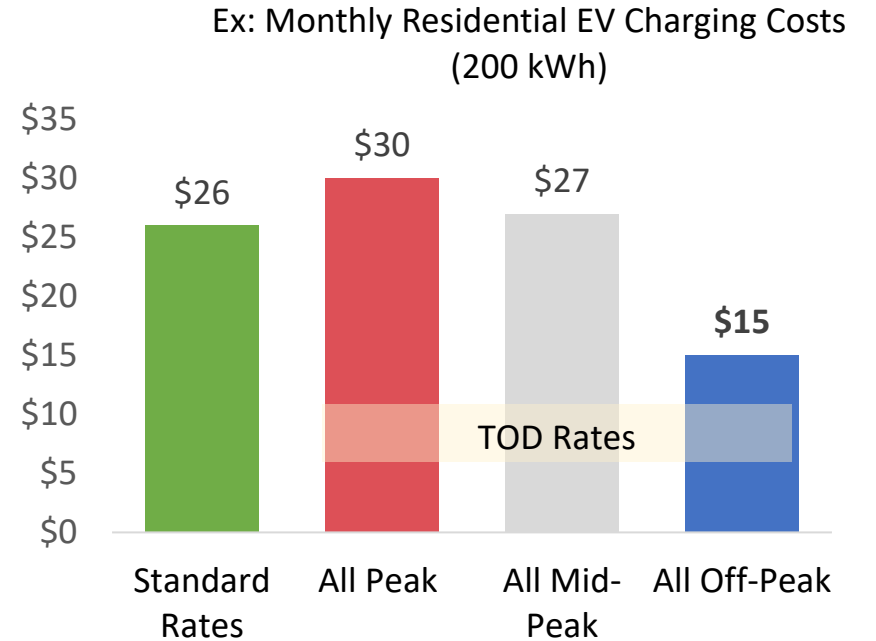
A clean energy future...



Opt-in Time of Day Rate Design



**No peak on Sunday/holiday*



- Available for Residential, Small and Medium General Service customers
- Commercial charging TOD rate for EV charging, based on successful pilot program

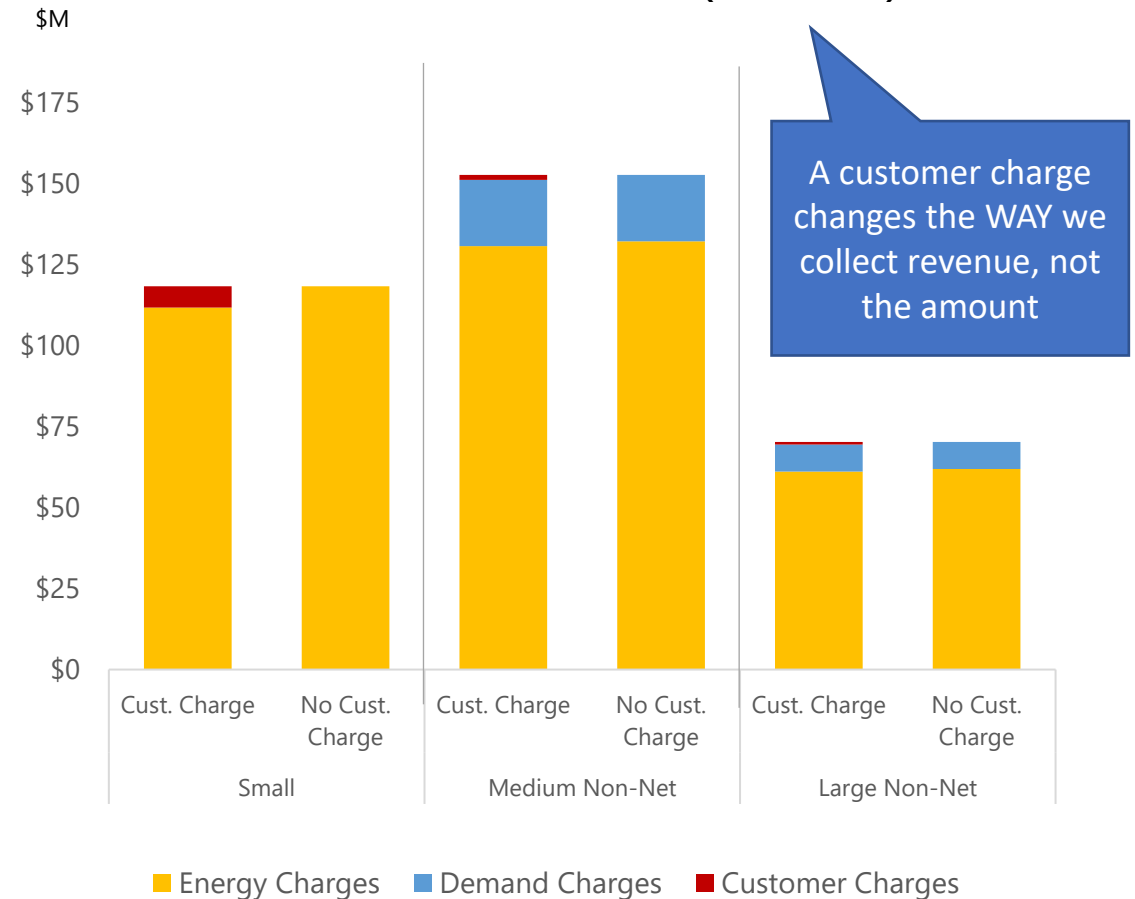
Example TOD rates shown are representative for residential Seattle customers. Rates for Small, Medium General Service customers will be similar but slightly lower, and rates outside the City of Seattle will be slightly higher.

Introducing/Increasing Base Service Charge

BASE SERVICE CHARGES

(\$/month)	2022	2023	2024	Full Cost*
Residential	\$6	\$7	\$8	\$19
Small GS	-	\$7	\$14	\$28
Medium GS	-	\$27	\$55	\$110
Large GS	-	\$334	\$688	\$1,376
High Demand GS	-	\$1,761	\$3,625	\$7,249

2024 REVENUE COLLECTION WITH AND WITHOUT BASE SERVICE (CUSTOMER) CHARGE



*The "full cost" represents the cost of serving a customer, including metering, billing, collecting payment, and customer service

Summary: Rate Design Changes

Residential Customers

1. Increase per-meter basic service charge
2. New TOD rate option in 2024

Business Customers (Sm, Md, Lg, HD General Service)

1. New per-meter basic service charges for all customers
2. New TOD rate option for Sm/Md General Service in 2024
3. New opt-in TOD commercial EV charging rate in 2024

Plus, Large Solar Program update and many other technical changes

Summary of Rate Increases

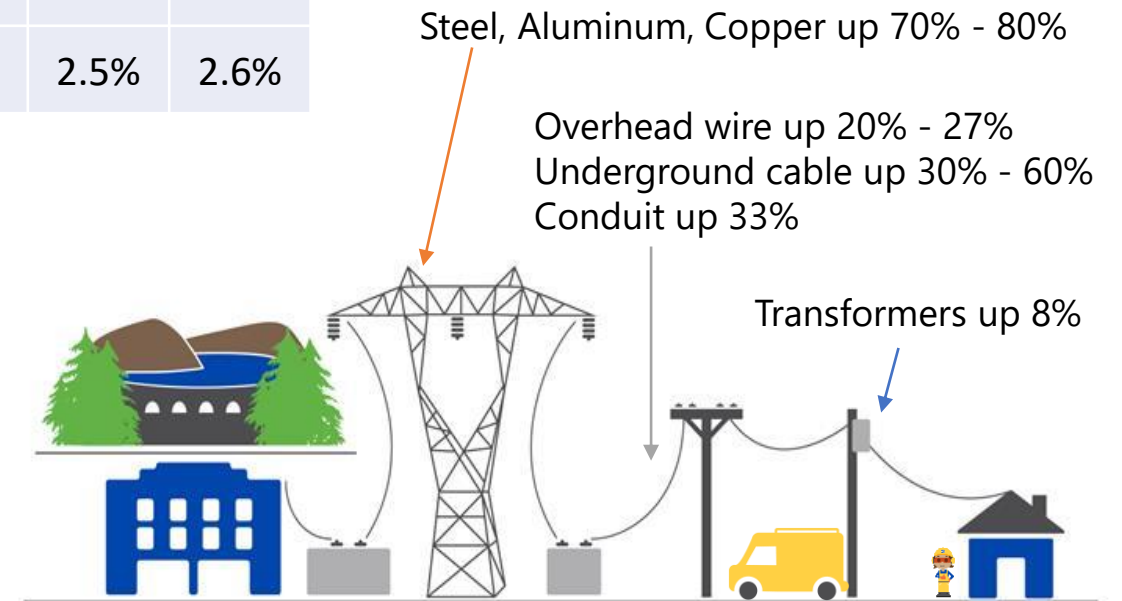


Why 4.5% - What is Driving up Rates?

- Inflation in the price of materials, services, labor, etc.

CPI*	2021	2022	2023	2024	2025	2026	2027	2028
2021 Outlook	2.8%	3.0%	2.5%	2.3%	2.2%	2.3%	2.3%	2.3%
2022 Outlook**	4.8%	5.1%	3.1%	2.3%	2.3%	2.4%	2.5%	2.6%

- Plus...
 - Flat demand for electricity
 - Strategic electrification
 - New green power needs



*CPI = Consumer Price Index, Source: City of Seattle Office of Economic and Revenue Forecasts
 ** as of Dec 2021, Current (July) inflation outlook is 8% for 2022

Observed cost increases since 2020, Source: SCL Material Control

Rate Increases by Customer Class

- Cost of service study results in increases ranging from 1.2% to 5.7%.

2023 Average Rate Increases

	Total	Residential	Small	Medium	Large	High Demand
Non-Network	4.7%	5.7%	5.6%	3.9%	4.4%	2.7%
Network*	1.4%			1.7%	1.2%	
All Customers	4.5%**					

2024 Average Rate Increases

	Total	Residential	Small	Medium	Large	High Demand
Non-Network	4.8%	5.0%	4.7%	4.7%	4.6%	4.7%
Network*	1.4%			1.7%	1.2%	
All Customers	4.5%**					

*Network rates are increasing less but are still around 25% higher than non-network rates

**From Strategic Plan

Impacts & Affordability



Seattle City Light



Progressive and Affordable Electric Rates

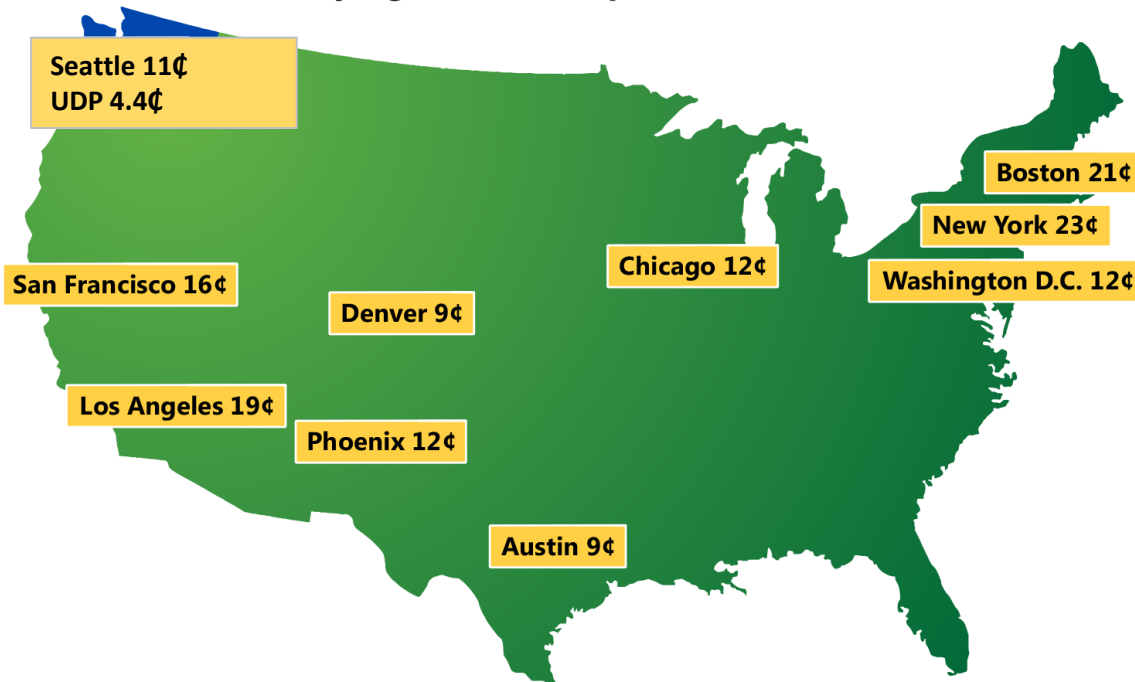
Seattle leads the nation in progressive rate offerings.

The Utility Discount Program (UDP) offers (60%) to income-qualified customers....on top of already competitive rates

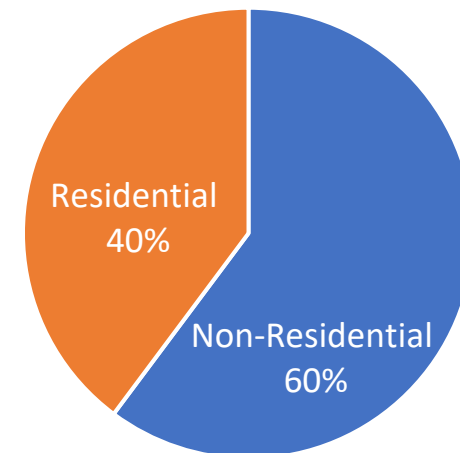
UDP is a community-based program funded by all customers through rates.

- An average residential customer contributes about \$2.75 per month
- Commercial and High Demand customers--who may have significantly higher usage—provide significant funding for UDP

2020 Seattle City Light Rates Compared to other US Cities

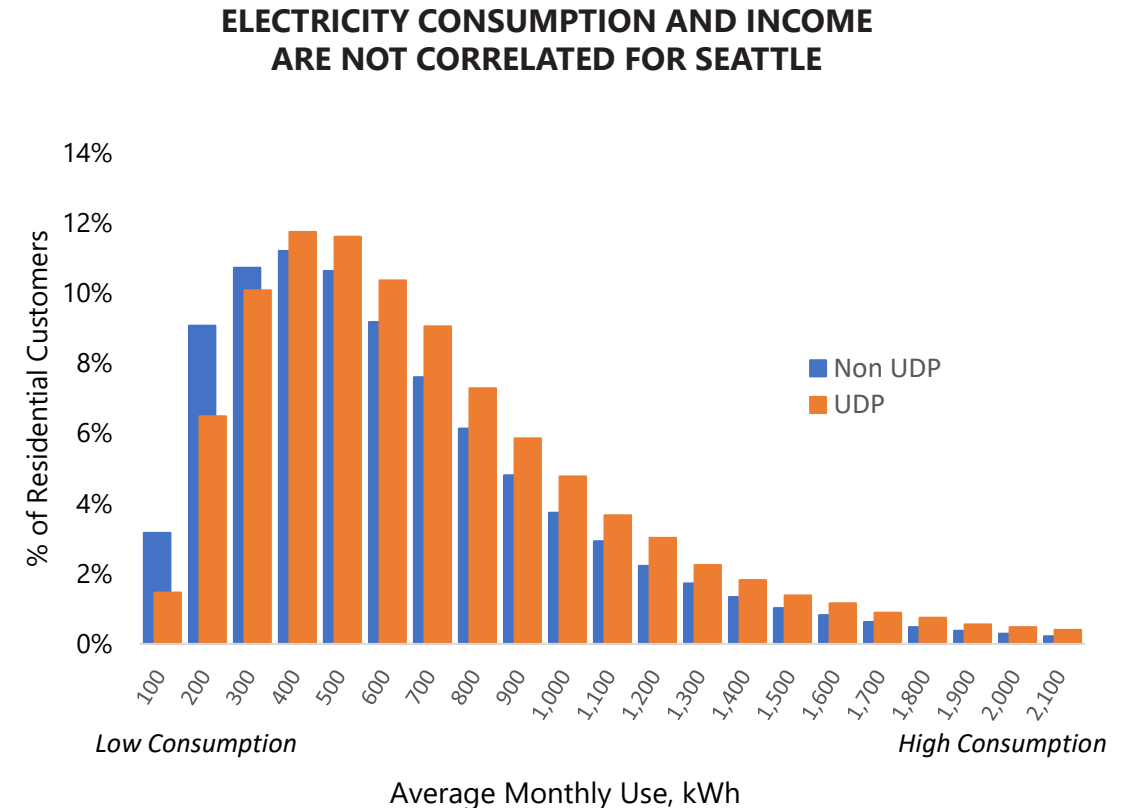


Source of \$35M UDP Funding



Rate Design & Affordability

- Households in Seattle have diverse energy use profiles
 - High-income households may be high or low-use
 - Low-income households may be high or low-use
- Rate design as an affordability tool is complemented by programs like UDP, budget billing and energy efficiency
- Successful TOD rollout will involve outreach, language access, and other tools to reach historically-excluded communities



Bill Impacts Example: Residential Customers

Residential City Standard		2022	2023	2024		
Number of meters:	335,682	First Block (\$/kWh)	\$0.1056	\$0.1132	\$0.1229	
		End-Block (\$/kWh)	\$0.1307	\$0.1307	\$0.1307	
		Base Svc Charge (\$/mo.)	\$6.00	\$7.00	\$8.00	
Monthly Bills	kWh	2022	2023	Increase	2024	Increase
Apt- Gas/Oil Heat	204	\$27	\$30	\$3	\$33	\$3
Apartment- Electric Heat	463	\$57	\$61	\$4	\$66	\$5
SF Home - Gas/Oil Heat	634	\$79	\$83	\$4	\$88	\$5
SF Home - Electric Heat	841	\$106	\$110	\$4	\$115	\$5
SF Home - High User	1,180	\$150	\$154	\$4	\$159	\$5
Monthly Bills – UDP*						
Apt- Gas/Oil Heat	204	\$11	\$12	\$1	\$13	\$1
SF Home- Electric Heat	841	\$42	\$44	\$2	\$46	\$2
SF Home - High User	1,180	\$60	\$62	\$2	\$64	\$2

Rate increases in first block rate
 Second block rate unchanged
 Small increases to fixed charge

\$5 or less monthly bill impact for all customers

\$2 or less for UDP customers

*UDP (Utility Discount Program) participants receive a 60% discount off standard residential rates

POWER SEATTLE



Seattle City Light