



SEATTLE CITY COUNCIL

Economic Development, Technology, and City Light Committee

Agenda

Wednesday, July 27, 2022

9:30 AM

Public Hearing

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

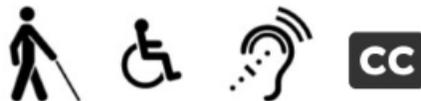
Sara Nelson, Chair
Debora Juarez, Vice-Chair
Lisa Herbold, Member
Kshama Sawant, Member
Dan Strauss, Member

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

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Light Committee
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July 27, 2022 - 9:30 AM
Public Hearing

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. [Appt 02279](#) **Appointment of Markham McIntyre as Director of the Office of Economic Development.**

Supporting
Documents:

[Appointment Packet](#)

[Confirmation Question Responses](#)

Briefing, Discussion, and Possible Vote (45 minutes)

Presenters: Markham McIntyre, Interim Director, Office of Economic Development; Deputy Mayor Monisha Harrell, Mayor's Office

2. [CB 120378](#) **AN ORDINANCE related to the City Light Department; authorizing the General Manager and Chief Executive Officer of City Light to execute an operation and maintenance agreement and a telecommunications agreement, both with Public Utility District No. 1 of Snohomish County; and ratifying and confirming certain prior acts.**

Attachments: [Att 1 - North Mountain Substation Operations and Maintenance Agreement](#)
[Att 2 - North Mountain Substation Telecommunications Agreement](#)

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

Briefing, Discussion, and Possible Vote (15 minutes)

Presenters: Debra Smith, General Manager and CEO, Emeka Anyanwu, and Michael Watkins, Seattle City Light (SCL); Brian Goodnight, Council Central Staff

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, Public Hearing, and Discussion (45 minutes)

Register online to speak at the Economic Development, Technology, and City Light Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Public Hearing during the Economic Development, Technology, and City Light Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Hearing during the meeting. Speakers must be registered in order to be recognized by the Chair. If you are unable to attend the remote meeting, please submit written comments to Councilmember Nelson at Sara.Nelson@seattle.gov

Presenters: Debra Smith, General Manager and CEO, Emeka Anyanwu, Andrew Strong, Saul Villareal, and Paul Nissley, Seattle City Light (SCL); Brian Goodnight, Council Central Staff

4. [CB 120379](#) **AN ORDINANCE** relating to regulations of food delivery platforms; establishing requirements for food delivery platforms providing delivery services to restaurants; and amending Chapter 7.30 of the Seattle Municipal Code.

Supporting

Documents:

[Summary and Fiscal Note](#)

[Presentation](#)

[Central Staff Memo](#)

Discussion and Possible Vote (30 minutes)

Presenter: Karina Bull, Council Central Staff

E. Adjournment



Legislation Text

File #: Appt 02279, **Version:** 1

Appointment of Markham McIntyre as Director of the Office of Economic Development.

The Appointment Packet is provided as an attachment.

City of Seattle



Director

**Office of
Economic Development**

**Confirmation Packet
June 30, 2022**

Markham McIntyre



June 30, 2022

The Honorable Debora Juarez
President, Seattle City Council
Seattle City Hall, 2nd Floor
Seattle, WA 98104

Dear Council President Juarez:

It is my pleasure to transmit to the City Council the following confirmation packet for my appointment of Markham McIntyre as Director of the Office of Economic Development (OED).

The materials in this packet are divided into two sections:

A. Markham McIntyre

This section contains Mr. McIntyre's appointment and oath of office forms, his resume, and the press release announcing his appointment.

B. Background Check

This section contains the report on Mr. McIntyre's background check.

Ensuring a true pandemic recovery means supercharging our Office of Economic Development, and I am profoundly confident that Markham McIntyre has the experience, energy, and shared vision needed to make that happen. Markham is *the* leader to make the most of our City's recovery investments and work with Seattle businesses to drive real economic development that benefits our entire community. As our downtown and neighborhood commercial business districts rebound, his previous engagement in workforce development and his intentionality in supporting historically marginalized communities show he is the right choice to lead OED.

Before joining the City, Markham served as the Executive Vice President at the Seattle Metropolitan Chamber of Commerce, where he led economic development, equity partnerships, and regional outreach. Prior to working at the Chamber, Markham worked for then-Congressman Jay Inslee and, before that, he was a farmer in East King County. Since taking the helm at OED, Markham has spearheaded regional economic revitalization and workforce development strategic planning processes, improved OED's collaboration and partnership with regional economic development organizations, and led OED's reorganization efforts. We're truly fortunate to have a highly regarded leader so committed to rebuilding a department that has experienced 78% staff turnover in the last 16 months.

I nominated Markham McIntyre as Interim Director last February. In the time since, my office consulted with stakeholders regarding his performance, including representatives from businesses and organizations including the Workforce Development Council of Seattle-King County, Ivar's Restaurants, the Washington State Department of Commerce, the Seattle Kraken, the Urban League of Greater Seattle, FareStart, the Crescent Collaborative, Dick's Drive-In, and Business Impact Northwest. The resounding conclusion from stakeholders was that Markham McIntyre is a well-respected, inclusive, genuine leader who cares deeply for the Seattle community and is committed to helping small and local businesses thrive. Review of his considerable work restoring the department and the strong support

shown by the affected stakeholders is the process that informed my decision to advance Mr. McIntyre for your consideration today.

Markham McIntyre has a deep knowledge of the needs of entrepreneurs, and stakeholders have endorsed his ability to strategically implement complex programs and initiatives. Markham will lead OED with a focus on small business support, workforce development, and equity initiatives – specifically by growing contracting opportunities, improving access to capital, and removing barriers to opportunity.

I trust that after reviewing Markham’s application materials, meeting with him, and following Councilmember Nelson’s diligent Economic Development, Technology & City Light Committee review, you will find that he is well situated to serve as permanent Director of the Office of Economic Development.

If you have any questions about the attached materials or need additional information, Deputy Mayor Kendee Yamaguchi would welcome hearing from you. I appreciate your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Bruce A. Harrell". The signature is written in dark ink and is positioned above the printed name and title.

Bruce A. Harrell
Mayor of Seattle

SECTION

A



City of Seattle

Mayor Bruce Harrell

June 19, 2022

Markham McIntyre
Seattle, WA
Transmitted via e-mail

Dear Markham,

It gives me great pleasure to appoint you to the position of Director of the Office of Economic Development at an annual salary of \$180,000.

Your appointment as Director is subject to City Council confirmation; therefore, you will need to attend the Council's confirmation hearings. Once confirmed by the City Council, you serve at the pleasure of the Mayor.

Your contingent offer letter provided employment information related to the terms of your employment, benefits, vacation, holiday and sick leave.

I look forward to working with you in your role as Director and wish you success. We have much work ahead of us, and I am confident that the Office will thrive under your leadership.

Sincerely,

A handwritten signature in black ink that reads "Bruce A. Harrell". The signature is written in a cursive, flowing style.

Bruce A. Harrell
Mayor of Seattle

cc: Seattle Department of Human Resources file



City of Seattle Department Head Notice of Appointment

Appointee Name: <i>Markham McIntyre</i>		
City Department Name: <i>Office of Economic Development</i>		Position Title: <i>Director</i>
<input checked="" type="checkbox"/> Appointment <i>OR</i> <input type="checkbox"/> Reappointment		Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Appointing Authority: <input type="checkbox"/> Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Specify appointing authority</i>		Term of Office: <i>City Council Confirmation to Mayor's Discretion</i>
Legislated Authority: <i>Seattle Municipal Code Section 3.14.610</i>		
Background: Before becoming Interim Director of the Office of Economic Development, Markham McIntyre served as the Executive Vice President at the Seattle Metropolitan Chamber of Commerce, where he led economic development, equity partnerships, and regional outreach. Prior to working at the Chamber, Markham worked for then-Congressman Jay Inslee and, before that, he was a farmer in East King County. Since taking the helm at OED, Markham has spearheaded regional economic revitalization and workforce development strategic planning processes, improved OED's collaboration and partnership with regional economic development organizations, and led OED's reorganization efforts. We're truly fortunate to have a highly regarded leader so committed to rebuilding a department that has experienced 78% staff turnover in the last 16 months.		
Date of Appointment: <i>6/30/2022</i>	Authorizing Signature (original signature): 	Appointing Signatory: <i>Bruce A. Harrell</i> <i>Mayor</i>



CITY OF SEATTLE ▪ STATE OF WASHINGTON
OATH OF OFFICE

State of Washington

County of King

I, Markham McIntyre, swear or affirm that I possess all of the qualifications prescribed in the Seattle City Charter and the Seattle Municipal Code for the position of the Director of the Office of Economic Development; that I will support the Constitution of the United States, the Constitution of the State of Washington, and the Charter and Ordinances of The City of Seattle; and that I will faithfully conduct myself as the Director of the Office of Economic Development.

Markham McIntyre

Subscribed and sworn to before me

this ____ day of _____, 2022.

[Seal]

Monica Martinez Simmons, City Clerk

MARKHAM McINTYRE

CONTACT

[REDACTED]

[REDACTED]

[LinkedIn Profile](#)

BOARD EXPERIENCE

Housing Connector

Founding board member
2020 - Current

Ethnic Business Coalition

Founding board member
2015 - 2018

Seattle Housing Levy Steering
Committee
2016

Mountains to Sound

Greenway
2014 - 2016

EDUCATION

Leadership Tomorrow
2016/17

Whitman College
Walla Walla, WA
Bachelor of Arts, History

Lakeside School
Seattle, WA

PROFILE

Creative, empathetic, and effective leader with more than eight years of service at the Chamber in multiple roles with increasing responsibilities, expectations, and measurable results. Knows how to manage and grow a complex organization, skilled at internal and external relationship building and communications, and a strategist who is willing to take calculated risks to achieve wins while protecting the reputation and long-term sustainability of the organization.

PROFESSIONAL EXPERIENCE

SEATTLE METROPOLITAN CHAMBER OF COMMERCE

Executive Vice President / January 2021 - Current

- Managed KCVaxVerified.com project in cooperation with King County and Seattle-King County Public Health to ensure local businesses were versed and prepared for the vaccine verification policy
- Launched Trusted Community Partnership Network (TCPN) in collaboration with the Port of Seattle - a new piece of economic development infrastructure that connects businesses, namely those historically marginalized, to the resources that can help them the most
- Partnered with Business Impacts NW, a CDFI, to develop a BIPOC Business Accelerator pilot project
- Shared leadership with Greater Seattle Partners and the Puget Sound Regional Council on development and implementation of the Forward Together regional recovery framework
- Hired the first ever Vice President of Economic Development at the Chamber
- Developed and advocated for a joint federal policy agenda with the Portland Business Alliance

Acting President and CEO / February 2020 - January 2021

- Led and motivated 27 employees during a CEO transition and global pandemic
- Initiated and managed an organizational restructure to increase value delivery to members, increase efficiency and effectiveness of staff, and reduce payroll costs
- Oversaw distribution of 2.7 million masks and other personal protective equipment (PPE) to small employers across King County
- Created an organizational anti-racism pledge and formed of a standing Equity Committee
- Partnered with CFO and Finance Committee to develop a two-year budget, including securing a \$1.2 million loan/grant through the federal Paycheck Protection Program
- Commissioned a Regional Economic Impact Report to better understand the changing regional economic conditions and impacts

MARKHAM McINTYRE

PROFESSIONAL EXPERIENCE

SEATTLE METROPOLITAN CHAMBER OF COMMERCE

Chief of Staff / November 2016 - February 2020

- Managed senior leadership team
- Led strategic planning process with a diverse member task force which led to a multiyear strategic plan and a revision of the organization's mission and vision
- Founded the Housing Connector program, in cooperation with City of Seattle, King County, and local landlords and service providers
- Grew the political operation into a multimillion dollar organization
- Expanded Chamber's role in economic development by integrating the Associate Development Organization (ADO) function for King County into the organization
- Reinvigorated relationships with neighborhood and ethnic chambers by instituting an innovative reciprocal membership program

Senior Director of Government Relations / 2015 - 2016

Director of Government Relations / 2013 - 2015

JAY INSLEE FOR WASHINGTON

New Media Director / 2012

- Managed all digital content for the statewide campaign – content, communications, and fundraising

U.S. CONGRESSMAN JAY INSLEE (WA-01)

Press Secretary / 2009 - 2012

- Managed all communications and media relations for the Congressman's office
- Other roles: Community Liaison, Press Assistant



Press Release

For Immediate Release

Contact Information

Jamie Housen

Phone: 206-798-5002

Email: jamie.housen@seattle.gov

Mayor Bruce Harrell Announces New Leadership at Offices of Sustainability and Environment, Economic Development, and Department of Neighborhoods

New appointments include Jessyn Farrell at OSE, Markham McIntyre at OED, and Greg Wong at DON

Seattle – Today, Seattle Mayor Bruce Harrell announced the appointment of three new members of his Cabinet.

Former State Representative Jessyn Farrell will lead the Office of Environment and Sustainability, taking over for Interim Director Michelle Caulfield, who will return to the office as deputy director. Farrell will be tasked with implementing a pioneering climate agenda, elevating communities most impacted by issues of environmental justice, and helping to leverage millions in state and federal funds to address the climate crisis.

“Jessyn Farrell understands Seattle must set the example for the nation as a bold, climate-forward City that leads by partnering with underrepresented communities too often left out,” **said Mayor Harrell**. “Jessyn will bring the ambitious policy ideas and experience, needed collaborative approach, and vision grounded in a true commitment to environmental justice necessary to make the most of this moment and ensure a healthy Seattle environment today and for future generations.”

Markham McIntyre will serve in the Office of Economic Development, leading the agency with a focus on small business support, workforce development, and equity initiatives – specifically focused on growing contracting opportunities, improving access to capital, and removing barriers to success.

“Ensuring a true pandemic recovery means supercharging our Office of Economic Development, and Markham has the experience, energy, and shared vision needed to make that possible,” **said Mayor Harrell**. “I’ve heard time and again that small and local businesses want an accessible department focused on equity, innovation, and outcomes. Markham is the right leader to make the most of COVID recovery investments and work with Seattle businesses to drive real economic development that benefits our entire community.”

Harrell is appointing Greg Wong to lead the Department of Neighborhoods, tasking the experienced community leader with driving local engagement, coordinating neighborhood strategies citywide, and charting a future direction for a City full of unique, vibrant, and welcoming neighborhoods.

“Greg Wong is exactly the kind of analytical, community-focused leader we need at our Department of Neighborhoods,” **said Mayor Harrell**. “Together, we will redefine what makes a ‘good neighborhood’ – working to ensure every community in Seattle has strong access to affordable housing, good jobs and successful small businesses, great schools, safe streets, robust parks, and a true feeling of inclusivity. Greg’s demonstrated work ethic and values-driven approach, along with his long record of local leadership and community partnership, make him well equipped to lead this work.”

“I want to thank Directors Pamela Banks, Michelle Caulfield, and Andrés Mantilla for their service to our City during exceptionally challenging times – we owe them each a debt of gratitude,” **said Mayor Harrell**. “I’m proud of the Cabinet and leadership team of our administration. We are striving every day to showcase Seattle’s diversity through an array of backgrounds and life experiences, driving better representation for all.”

What People Are Saying

Michelle Caulfield, Interim Director, Office of Sustainability and Environment

"It's been my honor to step up during this time of transition and lead an incredible team dedicated to advancing climate action and environmental justice. I couldn't be more excited to welcome -- and work alongside -
- Jessyn Farrell, whose policy leadership and comprehensive approach to the issues in front of us will drive urgent action, help leverage state and federal funds, and take the Office of Sustainability and Environment to the next level."

Jaebadiah Gardner, Founder, GardnerGlobal

"Seattle's small businesses – especially those owned and operated by Black and Brown and under-considered communities – need attention and support from their local government to succeed and thrive. Markham understands the existing and emerging needs facing small businesses, and how action drives true equity and wealth building. He is well equipped to deliver needed help with consistency, creativity, and urgency and will be a strong advocate and needed voice for women- and minority-owned businesses at the Office of Economic Development."

Marie Kurose, Chief Executive Officer, Workforce Development Council of Seattle-King County

"Markham McIntyre has been a tremendous collaborator with our team at the Workforce Development Council and our network of partners. He exhibits an expansive and inclusive leadership style that will be critical to advancing equitable and innovative economic development strategies that align with the needs of businesses and workers in Seattle and our region. I look forward to continued partnership with Markham to increase access to quality jobs and address deep racial disparities."

Michelle Merriweather, CEO and President, Urban League

"Mayor Harrell is building a power bench within the City of Seattle. Markham's appointment as the Director of Office of Economic Development is no different. I am excited to continue to work with Markham to expand opportunities for small businesses, especially businesses led by people of color. What he brings to the City from the Chamber is invaluable; from the relationships with businesses of all sizes, compassion, and the intentionality to lean in, listen, learn, and support. The Office of Economic Development is in good hands at such an important time in our City."

Erin Okuno, Executive Director, Southeast Seattle Education Coalition

“Greg has a long history and commitment to social justice; it is evident in his work, leadership, and volunteer services. I believe he will harness these relationships and experiences to boost and support Seattle's neighborhoods.”



Interim Director of the Office of Sustainability and Environment Jessyn Farrell

Jessyn Farrell, J.D., is a leader in building public consensus on difficult issues related to the environment, housing, transportation, and the economy. A long-time environmental advocate, Jessyn's career has spanned the public, private, non-profit, and philanthropic sectors as a state legislator from the 46th District, Executive Director of Transportation Choices and most recently as Senior Vice President at Civic Ventures. Jessyn passed ground-breaking legislation on oil-by-rail safety, affordable housing near transit centers, education funding for low-income and homeless youth, protections for pregnant workers, and restrictions to cell-phone use while driving. She also led advocacy efforts resulting in billions of dollars in regional light rail investments. Jessyn has three kids, a dog, a cat, and is working on her first book.



Interim Director of the Office of Economic Development Markham McIntyre

Markham McIntyre was born and raised in Seattle on Capitol Hill. Before joining OED, he was the Executive Vice President at the Seattle Metropolitan Chamber of Commerce, where he led economic development, equity partnerships, and regional outreach. Prior to working at the Chamber, Markham worked for then-Congressman Jay Inslee and, before that, he was a farmer in East King County. He's passionate about Seattle sports, being outdoors, and supporting our local businesses. He lives with his wife, Alexa, and two kids, Grace and Bo, in Madrona, a few miles away from where he grew up.



Interim Director of the Department of Neighborhoods Greg Wong

Greg Wong is a community leader and attorney experienced in addressing a diverse array of complex issues that impact our lives. As a lawyer, his work included preventing gun violence, ensuring investments in our people and public services, creating more just and equitable economic and educational systems, and numerous other issues. A recipient of the Seattle Council PTSA's Golden Acorn Award and Seattle Public School's Citizen Service Award, Wong has led school levy campaigns, helped establish the City's high-quality, affordable preschool program, and served in executive board roles with several community nonprofits. Before becoming an attorney, he worked locally in homeless and affordable housing services, was an eighth-grade science teacher in the Mississippi Delta, and coordinated a tutoring center for children living in public housing. Born and raised in Seattle, he has a deep love for the City's unique neighborhoods and a deep belief in the people of Seattle's ability to create vibrant, thriving, and safe communities for everyone. Wong lives in Southeast Seattle with his wife and children.

###

SECTION

B



City of Seattle

Seattle Department of Human Resources

Kimberly Loving, Interim Director

March 16, 2022

TO: Adam Schaefer, City Budget Office

FROM: Annie Nguyen, Seattle Department of Human Resources

SUBJECT: Background check for Markham McIntyre

The Seattle Department of Human Resources has received a copy of **Markham McIntyre** background check provided by Global Screening Solutions. There were no findings that would impact their employment eligibility.

Cc: Personnel File

Seattle Department of Human Resources

Seattle Municipal Tower, 700 5th Avenue Suite 5500, PO Box 34028, Seattle, WA 98124-4028
(206) 684-7999 • TTY:7-1-1 Fax: (206) 684-4157 • Employment Website: www.seattle.gov/jobs

An equal employment opportunity employer. Accommodations for people with disabilities provided upon request.



Questions for Markham McIntyre’s Confirmation as Director of OED

Personal background

- How does your professional experience position you to lead OED in its mission to build an economy where everyone in Seattle can participate? Please include any experience working directly with small business owners; community development and workforce development partners; regional business advocacy organizations; and governmental agencies, elected officials, and staff.

I was born and raised in Seattle and am deeply passionate about this city and its future. Between my time working on a farm in East King County, supporting food systems in the Puget Sound, working for Jay Inslee when he served in Congress, and advocating and supporting businesses large and small at the Seattle Metro Chamber, I have gained a deep understanding of our regional workforce and economic development systems. During those career stops, I have built a wide-ranging network of contacts in the public, private, and philanthropic sectors, including with many small businesses, BIAs, neighborhood and ethnic chambers of commerce, and community groups who do economic development work. I pride myself on making progress through partnerships – finding “win-win” creative solutions to complex and complicated problems.

A recent example highlights how I have experience building public-private partnerships that support businesses and communities. In 2021, as the pandemic raged and businesses across the region struggled to survive, King County established the mandate that many businesses check customers’ vaccination statuses. To help keep residents safe but also support small businesses trying to keep their doors open, I worked with Public Health – Seattle/King County, King County, neighborhood and ethnic business groups, many cities, including Seattle, and a variety of other partners to create the KCVaxVerified.com website as a one-stop shop for information and best practices on how to comply with the mandate; distributed materials, like window signage, to businesses; and led a major earned and social media campaign to alert customers and businesses about the new policy and how to comply. Because of this coordinated approach, businesses got to keep their doors open, customers could enjoy a meal out or an in-person event, and most importantly, lives were saved.

In the Seattle region, we have all the ingredients to lead the nation in building a more equitable, more inclusive, and more prosperous regional economy – it is a matter of intention, organization, and trust to move from our currently fragmented reality into a more cohesive and functional future. I believe that I have the vision, experience, empathy, and network to “supercharge” OED into a key player in designing and achieving that future.

Vision for OED

- What do you see as OED’s role in supporting workers, businesses, and residents? What’s new about your vision for a “New OED” compared to how it has operated in the past?

As I step into this role, OED is in major transition. We are recovering from a major pandemic, have embraced a new administration, and the staff have been through several leadership changes in a short period of time. The community – businesses and residents are looking for economic stability and for their local government to support and lead them to a stable economy, good jobs, and equitable opportunities. Most importantly, we can listen – and that is my vision for a new OED – to bring our community together and create a new, shared economic path forward. This is a time for strong, focused leadership that will listen and take bold action.

New demands, challenges, and opportunities require OED to advance beyond its traditional role as a manager of economic programs to become an “economic orchestrator” that:

- Connects dots through relationship building and collaboration
- Makes catalytic investments that launch new ideas and initiatives
- Removes barriers to shape a more equitable economic future.

OED will need to coordinate and collaborate with City and external stakeholders, act as a translator between public and private sectors, and show regional leadership – because economic and workforce development are team sports and for too long, OED has been siloed within the city, focused on a mishmash of programs, rather than driving an ambitious and regional agenda.

The ongoing recovery represents our greatest opportunity in recent history to chart a course to achieve greater prosperity for all. By leveraging institutional and community brainpower, resources, and a shared set of progressive values, OED will be a leader in the developing and executing an equitable economic prosperity agenda. We can achieve this by:

- Collaborating with Seattle’s business community and regional partners
- Aligning regional economic and workforce development systems
- Finding multiplier opportunities that leverage public, private, and philanthropic dollars for maximum impact
- Prioritizing innovative approaches to wealth-building opportunities for all residents.

Wealth-building opportunities have not been equally accessible to everyone in our region. The historical disadvantages impacting communities of color in Seattle continue to limit the ability of workers, entrepreneurs, and business owners to build wealth for themselves and the generations that follow them. Achieving racial justice in Seattle depends on equitable economic development focused on wealth-creation. This is foundational to our mission.

Our wealth-creation efforts will be focused on three areas:

1. Real estate, like commercial affordability strategies
2. Finance, like creative models to improve access to capital
3. Market expansion, like exploring export strategies to enhance small business growth

And throughout, we will need to be sharper and more knowledgeable about current economic conditions and trends. We will be expanding our data and research capacity to better understand where we can make the most impact. That information will also be key to driving alignment with other city departments, with Council, and with external stakeholders.

A “new OED” will be more focused, collaborative, and intentional so that we can find shared objectives with our partners and make demonstrable progress toward a more equitable economy coming out of the pandemic.

- What are OED’s most significant challenges right now and how do you think they could be overcome?

Internally, OED’s most significant challenges are stability and capacity – we have had five directors over five years and 70% staff turnover in the past sixteen months. Before we can do anything else, we must stabilize the team, get clear about our identity and role in the regional economic development ecosystem, and build trust inside and outside the department.

That work starts with me. As the team leader, I have worked to establish good relationships with the staff and show them through my actions that we are a team and that I will stick by them.

We also need to develop a positive team culture that fosters collaboration, creativity, and communication. Foundational to that is having an effective leadership structure, so that staff get the support and direction they need and understand their role and performance expectations. We are working on this, but it will take time to develop. We have an all-staff retreat coming up in August where we will be able to step outside of our day-to-day responsibilities, get to know each other better (lots of new faces!), and talk about our future. As part of our preparation for that retreat, we have worked with a skilled consultant to conduct confidential, individual interviews to better understand each person’s concerns, ambitions, and ideas for where OED will go next.

Externally, our biggest challenge is adapting to the radically and rapidly changing economic environment. Each day brings fresh news about major challenges: rising inflation, a looming recession, questions about workers returning to the office, supply chain disruptions, etc. And through all of that, we are still not out of the pandemic, our small businesses are still hurting, we are still vexed by chronic homelessness and public safety challenges, and women and people of color are still disproportionately disadvantaged in our economy.

To overcome these significant internal and external challenges, OED must establish its identity and role within the regional economic development and workforce development ecosystems and focus on our priorities that allow us to make the biggest impact we can. We have strong agreement across geography, demographics, and even politics about what we want – a more

equitable and inclusive economy in which everyone can fully participate. We need to develop solutions and act, not dwell on the problems.

- In the wake of COVID-19, the ongoing endemic, heightened city needs, and the changing nature of work (including remote work, desire for flexible work hours), how do you see Seattle best positioned to support economic resilience? How does “economic development” expand beyond business support to engage a broad swath of supports that provides robust economic resilience and what are your ideas for providing a more diverse and resilient economic base for the City?

Economic resilience requires economic diversity, balance, and sustainability. OED operating as an orchestrator, can help shape regional economic development strategies and make catalytic investments that help create a diverse, balanced, and sustainable economy—rather than simply managing a collection of programs.

To support economic resilience, we need to:

- Build authentic partnerships with and listen to our businesses, workers, and communities about their struggles, both acute and chronic, and their needs for sustainable growth. We need to understand their short- and long-term problems and make choices about how to prioritize addressing them. For instance, what does the future of downtown look like if workers do not return to the office in the same numbers as pre-pandemic?
- Understand our economic and workforce development systems, the capacity gaps in each of those systems, and what the City can do to improve them.
- Be a regional leader – economic resilience requires investment and efforts toward shared goals from other agencies beyond the city, and we have the opportunity and responsibility to be an excellent regional partner.
- Have a clear perspective on our economic resilience goals. We must answer the questions: Who benefits from our investments? Why is economic resilience important for community development? What is the right mix of economic activities and industry sectors? How do we design our systems to be more equitable and inclusive? Which indicators are we using to measure progress?

To do that work, OED needs to be:

- Flexible. Economic conditions change and we need to quickly adapt to changing circumstances.
- Opportunistic. Too often, economic development relies on plans. Plans are useful as guiding documents, but real impact happens when we find unique opportunities and fit the pieces together to make lasting change.

- Networked. We must have a regional perspective and understand who is at which table, who is not at the table, and how we connect the dots between unlikely players to create opportunities for partnership.
- Focused. There will always be too many things that we could do. We need to be focused on our goals and understand the trade-offs we will make as we stay focused.

I am excited about the opportunities and challenges ahead as we strive to answer those questions and make choices that will have lasting and meaningful impact for our workers, businesses, and communities.

- What is your strategy for recruiting and retaining strong talent in OED? How are you leveraging the expertise of OED's current employees?

First, we have strong and talented staff at OED. It has been a challenging environment at OED for a while and our current staff have experience, expertise, and grit that is critical to our department's success. I and the current management team are developing a retention strategy aimed at better meeting the needs of our staff, so that OED can be a place where staff want to work and can thrive in their careers. We are focused on ensuring staff are in positions that play to their strengths, have the right support to succeed, and have already begun making shifts to staff work portfolios. I am excited to see what those team members do in their new or modified roles.

Second, we must add more talent. We are under capacity and until we get more people, we will underperform against expectations. We have been actively recruiting for new positions, and I am pleased that we have had strong application pools for each position – that means there's enthusiasm for the work and the direction we are going. As we add new people to the team, we need to do a better job of onboarding them into the work and office culture. It is important that our positions are well-defined, appropriately scaled, and well-resourced. If we do a better job onboarding and integrating people onto the team, they should see more success earlier and want to stick with the team as we gain momentum.

Both retention and recruitment require what I have discussed above: trust, stability, a positive team culture, and clear goals and priorities. Without those core components, we will struggle to retain and recruit the talent we need. An example of what we can do right now to help with those core components and retain staff is celebrate our work loudly and more often. This team has accomplished a lot, but we have not had the capacity or time to appropriately reflect on those efforts or enjoy those successes. We need to make sure that our leadership understands how our team members like to be recognized (for example, some might enjoy public recognition while others might enjoy private words of encouragement) and then recognize their work often.

I will be working with our team managers to develop new strategies to promote teamwork and team spirit, while actively looking for opportunities to make sure that each OED staffer can

actively contribute to the work of their team and understands the work of the other OED teams to create opportunities for internal collaboration.

- You've said that the new comprehensive planning process and the upcoming housing levy renewal offer opportunities to support small and micro-businesses as well as affordable housing, and give us the opportunity to plan for thriving neighborhoods. Can you provide more specific ideas that you intend to pursue to meet this goal, and take advantage of these opportunities? How will OED partner in this work with OH and OPDC, and what programs do you expect to offer?

There is shared commitment across OED, OH, and OPCD to leverage investments in neighborhoods to maximize community benefit. We want to collaboratively invest in equitable recovery and create wealth-building opportunities for small businesses and communities to close the racial wealth gap.

We are in early discussions with OPCD as they start scoping their downtown and sub-area planning processes as part of the Comprehensive Plan update, and there is great opportunity to collaborate. We are exploring how to meaningfully work together to both support near/medium term activations to support recovery and the public realm and consider longer term strategies to repurpose underutilized properties.

The City is making historic investments in affordable housing. We are talking with OH about how we can leverage those investments to maximize community benefit, particularly in high displacement risk neighborhoods.

As we have discussions about increasing the size of the next Housing Levy, we will work with OH to map opportunities to leverage affordable commercial investments in projects in high displacement risk neighborhoods, to provide opportunities for BIPOC businesses to stay in neighborhoods (or return if they have been displaced) and grow.

Throughout these discussions with our partner departments, OED is developing a continuum of strategies for near-term and long-term commercial affordability – Seattle Restored, Tenant Improvement Program, and our Small Business Ownership Fund. The goal is to test this continuum so that as the City invests in affordable housing projects, OED will be ready to scale them up to create affordable commercial space opportunities for businesses.

It is important to note that these are not stand-alone investments but are paired with strategies on equitable access to capital, business technical assistance, and on-the-ground connections and support through community business district partners. We are trying to develop programs that stack and link with each other – that is a recipe for success.

The final kicker is that we want our dollars to be catalytic, so we are looking at how we can leverage our investments with private and philanthropic dollars. For instance, we are matching

business ownership fund 1:1 with private funds, which is a huge value add for the City's investment and for our businesses.

Pandemic supports

- How are you thinking about the creative economy as you consider leading OED's work and strategies? You've provided information about your intent to focus on the film industry in the short term; what can you tell us about your mid- and long-term thinking for Creative Industries workers?
 - a. During the pandemic, Creative Industries were removed from OED's short list of key industries that drive our city's future – despite the fact that the city's 2019 Creative Economy Study found that the creative sector drives 18% of Seattle's GDP. That's 4x the national average. And we know that a subset of workers in this sector, our arts, culture, film, and music workers, have been among the hardest hit and slowest to recover from the pandemic. Focusing efforts on this sector has the potential not only to help Seattle rebound faster, but to preserve what is so special and unique about our city.

I agree that the creative economy is vital for the health of the local and regional economy. As urban studies researcher Richard Florida asserted in his seminal work, *The Rise of the Creative Class*, "the creative economy is driven by the logic that seeks to fully harness – and no longer waste – human resources and talent."

The creative economy is defined as: "all jobs that use creative skills and produce creative results across all industries". Specifically, the creative economy includes 60 different occupations that represent 250,000 jobs in the Seattle metro area. The creative economy is not one industry. It is a diverse array of industries connected by their shared use of creative skills. Importantly, the creative economy contains – but is not limited to – what are commonly called "creative industries" and "creative workers". OED's creative economy framework builds on the fact that family-sustaining, future-proof, middle-skill jobs are increasingly concentrated in occupations that require creative skills. Therefore, economic and workforce development agencies must focus on connecting the workforce to pathways that provide these skills and contribute to the growth of industries where these occupations are concentrated.

As OED looks for opportunities in the creative economy, strategic priorities will focus on occupations that are projected to grow significantly over the next five years, pay at minimum family-sustaining wages (for entry-level or early-career workers), and do not require a four-year degree for entry.

Currently, OED is working to transmit a Creative Economy framework to city council that will outline the three-phased approach the department recommends that will:

- Strengthen the current support the office provides for creative industries —film, music, special events, and nightlife

- Use existing funding to support economic recovery for creative economy small businesses, entrepreneurs, artists, and other creative workers
- Identify key gaps to fill in the department’s current creative economy portfolio for future investment and policy development, and
- Work with creative economy partners to develop long-term priorities for investment

To aid us in that work, OED is working to unlock the proviso on the Creative Industries staff role to add expertise and capacity to our team.

Again, a healthy creative economy is vital to the health of our local and regional economies. But we will focus on capitalizing on opportunities that have the greatest potential to generate high quality jobs and wealth-creation opportunities for marginalized communities.

- What lessons have you taken from the new supports for small businesses that OED stood up during the pandemic, such as the Small Business Stabilization Fund, TA for businesses applying for federal relief in multiple languages, and a commercial lease amendment toolkit? Should any of this be sustained as we begin to emerge from the worst of the pandemic restrictions?

The pandemic made it starkly clear how challenging it can be to own and operate a small business, especially a main street business, and how thin the margin is between a business that is struggling and in need of support and a business that is on stable footing and able to weather challenging times and emerge poised for growth.

The pandemic also made it clear how resourceful and innovative our small businesses can be – how many times did we hear or read about a small business that pivoted into a new model or line of business or way of operating?

The overall lesson we should take from the pandemic is that small businesses are vital to our economy, both as employers and wealth-creation engines, and that the broader economic ecosystem needs to do a much better job supporting them and making it easier for them to do business.

The OED team stepped up big time to put federal dollars to work helping businesses in need, for example getting over \$13 million grant dollars out to businesses via the Small Business Stabilization Fund or \$6.8 million in Neighborhood Economic Recovery Fund grants to support our neighborhood business districts. We need to continue getting smarter about “the color of money” and how to use different revenue sources for different projects. We also need to do more regional organizing to go after significant federal and state dollars, since they have larger pots of money for economic development.

We also learned what a barrier language can be for small businesses. While OED has done incredible work to translate and interpret materials for business owners, including standing up an innovative and effective Language Line, we still were not able to meet all the businesses language needs, especially on tight deadlines. We will continue to prioritize language access for our technical assistance and other communications and will do more work with other departments to make sure that we are coordinated in our language access approach. For instance, I want to make sure we work with the utilities and departments responsible for business licensing to make sure we are thinking through how we are conducting outreach to businesses, what languages we are using, and how responsive we are being to requests for help.

Finally, we need to make it easier to start and run a small business in Seattle. It's hard enough doing the day-to-day work of running a business without the City making it harder, whether that's paperwork, inspections, fees, etc. I am not suggesting that we do away with all of that. I am suggesting that we take a comprehensive look at what we ask our small businesses to do to exist and ask why and if we can streamline it, make it more accessible, or consolidate it. The public wants a healthy small business ecosystem. They want vibrant, prosperous neighborhood business districts. And they want small businesses generating wealth and jobs, especially for people who have been excluded from economic opportunities. The City should be doing everything it can to encourage those things and taking a hard look at anything that prevents them from developing.

- How are you assessing work that OED set aside to respond to the pandemic – such as Legacy Businesses and mitigating the impact of construction on small businesses – and how are you determining what should be prioritized for implementation now?

Since the world has changed, we need to take the opportunity re-evaluate every project, including work that we set aside during the pandemic. We should prioritize our work based on the new role OED will play as an “economic orchestrator” – identify the opportunities and put together the pieces to take advantage of them.

To maintain our focus, I want to work more closely with Council to understand your economic interests and concerns and how we are positioned to address them. The earlier we can have conversations about your priorities, the earlier we can start thinking about how to address them within our capacity and workplans. What I want to avoid is a variety of rogue expectations that we cannot deliver on and creates the sense that OED is not listening to or working with council.

So, the way that we will prioritize is by understanding where the opportunities are, discussing those with relevant partners at the City and in community, and making smart choices based on our capacity and ability to deliver results.

- What kind of small business rent stabilization regulations do you believe will be needed to help small businesses and nonprofits transition to stability once the existing City COVID civil emergency is lifted (at which point protections that Council previously approved – such as a ban on rent increases and protections around payment plans for arrears to support small businesses and nonprofits seriously impacted by restrictions tied to the civil emergency – will end)?

Ensuring that small businesses and nonprofits that serve community can remain and thrive in place is critical – these institutions are the connective tissue between people and places. While the City has limited control on the real estate market, OED plays a critical role in two primary channels (however, the latter is not a space we have direct control over).

1. Program Development: Rent stabilization cannot be accomplished via mere short-term grants. OED has several programs to help small businesses grow and remain sustainable in an everchanging marketplace.
 - OIS Business District team invests in community-based organizations that can offer direct assistance and coordinate with organizations like Communities Rise to provide legal assistance.
 - OED can help with reimagining small business models in a changing labor market and macroeconomic headwinds, like inflation, so that businesses are more resilient have diversify revenue sources.
2. Policies and regulations: This is a complex and complicated area, where, again, OED does not have a lot of control, but to really address commercial affordability, we will need policy solutions not just more programs. Here are just a few ideas:
 - Property tax exemptions or reduction of fees for historical buildings owners that are willing to keep small business in place via subsidized rent
 - Unlocking commercial space in Office of Housing investments to ensure business growth rooted in communities
 - Exploring pathway to community ownership models, which would ensure that successful small businesses are able to obtain commercial space ownership and generate generational wealth

Relationship with Council

- What steps will you take to ensure that you work effectively with the City Council? How will you ensure that Councilmembers and staff have the information needed to make policy and financial decisions?

First, I want to work with City Council. I see so many opportunities to help businesses, workers, and communities coming out of the pandemic and the only way we will be able to fully take

advantage of those opportunities is for the City to be coordinated, to have trust between the different branches, and to work collaboratively to find, shape, and sharpen the best ideas we can come up with.

Second, I will be transparent and forthright about what OED's doing and try to establish trust and communication channels early on. I strive for no surprises and having an open door. And I would hope for the same in return. I believe those values are foundational to functional relationships.

Third, and this goes back to some of what I wrote for other questions, OED needs to be clearer about its role and identity in the economic development ecosystem so that Council has a clear picture about what we are trying to do and how we are trying to do it. Now, different Councilmembers might have differing ideas about OED, which leads to different expectations and different project ideas, and that can lead to misunderstandings. I hope that we can work together to make sure that OED is focused and executing well on a set of common priorities that create meaningful and measurable impact.

Fourth, OED needs to build out our research and data capacity. I want our team to be able to answer questions about the local and regional economy swiftly and accurately. We should be helping drive and shape the economic indicators that we are all using to evaluate what's working, what's not, and how we can make more progress.

Finally, we put together fantastic field trips to visit businesses and business districts across the city. We have already partnered with some councilmembers and other departments on walking tours, and I would like to do more of those with you – a great way to be on the ground and see what's going on in our local economy while also building useful relationships.

- How will you be responsive to Council requests, specifically regarding priorities that may differ from those of the Executive Branch? Please provide a specific example of how you have effectively dealt with conflicting priorities at the leadership level.

First, gather as much information as possible. Ask questions to understand motivations, intents, and interests from the Mayor's office, from Council, and from businesses and community members.

Second, evaluate the differing priorities – is it because of the concept? Or a budget constraint? Or a process limitation? Communicate and be transparent about constraints, limitations, and process. Often, this step can resolve differences in perspective and help describe a practical way forward.

Third, seek a Venn diagram idea based on information learned and understanding of the problem parameters. This step can often unlock a creative approach to a way forward that achieves mutual interest.

Finally, if it is not going to work out, for whatever reason, be clear about the reasons why.

Those steps are not a prescriptive way of dealing with problems, but rather outline my thinking on setting expectations about my process for dealing with conflict – I am an optimist, so I generally believe that there's a better way to deal with a problem than the initial point of view that generated a disagreement. That is not always the case, which is why being forthright and clear about what is not working and why is important to me. Disagreement is healthy and should be embraced as a necessary and useful part of government, but rarely is it worth burning bridges or destroying trust over.

At the end of the day, I work in the Executive Branch. OED will actively work with Council to achieve their priorities, but sometimes the call is out of my hands.

Race & Social Justice

- What part of the mandate to advance equity and race & social justice, which is central to the missions of most City departments and offices, is unique to the work of OED?

In 2020, as the acting President and CEO of the Seattle Metro Chamber, I gave a speech to a group of business, media, and civic leaders about how the future of our region must be both pro-business and antiracist. My perspective hinges on a quote from Dr. Raphael Bostic, chair of the Atlanta Federal Reserve, who wrote, in the wake of George Floyd's murder,

“By limiting economic and educational opportunities for a large number of Americans, institutionalized racism constrains this country's economic potential. The economic contributions of these Americans, in the form of work product and innovation, will be less than they otherwise could have been. **Systemic racism is a yoke that drags on the American economy.**

This country has both a moral and economic imperative to end these unjust and destructive practices.”

An inclusive economy is a competitive, prosperous economy. Any economy's most valuable asset is its people. The total knowledge and capabilities of U.S. workers is worth \$240 trillion, or 10 times as much as the total value of all urban land in the country. This means that developing and deploying talent – whether in the form of skilled workers, innovators, or business owners – is the fundamental driver of economic prosperity.

This is not just a theory: a remarkable 40% of U.S. economic growth from 1960 to 2010 was driven by inclusion of women and people of color in the labor market. Yet massive racial inequities persist in terms of employment, income, and wealth – and many of these disparities worsened in Seattle over the past two years. These disparities are holding back the entire economy. The Seattle metro economy would be an estimated \$33 billion larger *each year* if

racial income disparities were eliminated. Seattle’s ability to chart a trajectory of long-term vibrancy will depend on its ability to realize the full potential of all of its workers, businesses, and neighborhoods.

Closing the racial wealth gap, diversifying talent in high-income jobs, championing inclusive business practices, and targeting investments to help BIPOC business grow will all be core elements to OED’s work. As we become more of an “economic orchestrator” we will not be doing these things alone – we will be using our position to drive alignment inside and outside the City toward these important activities all in service of the moral and economic imperatives to end systemic racism and create One Seattle, where everyone will be able to participate in our economic success.

- How can OED build upon work to advance equity and race & social justice in other departments/offices (Office of Housing, Office of Immigrant and Refugee Affairs, OPCD, etc.) while avoiding redundancies or “reinventing the wheel”?

There’s great potential for more collaboration with other departments to have greater impact. We need to be coordinated on our goals and approach to equity.

When OED interacts with other departments on projects and programs, I think it is important to start with the question “who benefits?” If we start there, that can ground our work in making sure we are thinking through the “why” for a project or program at the front end.

I have already experienced cross departmental efforts that jump right into the details and mechanics, which creates the risk that we just go about City business in the same way rather than taking the time to evaluate the opportunity and be creative in our approach. I think that is part of how some of the economic and workforce development work has gotten so fragmented and siloed.

A few examples of work we are doing with other departments that illustrate how we are working to advance equity:

- Working with OIRA on how we conduct outreach to businesses and communities about workforce opportunities. We will be asking for a shared position focusing on workforce development issues and OED will also ask for a position focusing on immigrant business outreach and engagement.
- As mentioned above, working with OH and OPCD on a coordinated approach to generating affordable commercial spaces as part of new affordable housing developments.
- Working with DON on their intergenerational wealth project, which dovetails with much of our efforts.

- How do you intend to create an inclusive, welcoming workplace environment that empowers employees to take the initiative and potentially challenge existing practices to advance more equitable solutions? Please provide a specific example of how you changed your approach to an issue or project in response to feedback from employees.

A welcoming and inclusive workplace starts with each person on the team feeling valued, listened to, and that their contributions have meaningful impact.

I am always interested in finding ways to make our office function better and never concerned with who generates those ideas – we want each of our staff to feel like they are empowered to make recommendations and proposals.

A recent example is this year's budgeting process. Our employees had not felt engaged or included in developing prior department budget proposals. Yet many were vocal about their desire to have more input and understand the process. So, in response, our M Team asked staff for their ideas and tried to be clear about the vision for the budget proposal and the different components that we were developing. We are still in the budget development process, but I have been impressed and excited by the participation and the ideas generated by the team in this more inclusive process.

Climate Action

- What role, if any, does OED play in meeting our Climate Action Plan goals or climate protection in general?

First, OED needs to collaborate more with OSE, on both strategy and tactics for the Climate Action Plan. As I have written above, opportunities abound, it is more about how we prioritize and organize to take advantage of them. For instance, we should coordinate more about workforce needs – there will be quality jobs in the trades on projects large and small to improve energy efficiency and climate resiliency.

Second, OED should support our growing clean technology industry. We have incredible clean tech companies here, but the City has not been consistent or clear how we will support the industry. We need to build relationships, listen to their needs, and find ways to provide support to this important and transformative sector.

Third, we need to communicate clearly with small businesses about how they can be a part of climate action – sometimes it can feel too big or too costly for small businesses to engage, but there is an opportunity for OED to work with City Light and SPU, among others, to design programs tailored to small businesses and meet them where they are to take meaningful action. Plus, if designed correctly, those programs can end up saving businesses money, like the Envirostars program.



Legislation Text

File #: CB 120378, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE related to the City Light Department; authorizing the General Manager and Chief Executive Officer of City Light to execute an operation and maintenance agreement and a telecommunications agreement, both with Public Utility District No. 1 of Snohomish County; and ratifying and confirming certain prior acts.

WHEREAS, the City Light Department (“City Light”) entered into an agreement in 1991 with the Public

Utility District No. 1 of Snohomish County (“District”) regarding the transfer of electrical energy over

City Light’s Gorge to Snohomish transmission line and to construct the required interconnecting

substation, designated as the North Mountain substation (“Substation”); and

WHEREAS, the District and the City continue to operate and maintained the Substation under the 1991

agreement, which is set to expire July 31, 2022; and

WHEREAS, the District has requested that City Light continue to operate and maintain the Substation and

facilitate telecommunications related to such operations; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The General Manager and Chief Executive officer of the City Light Department, or designee, is hereby authorized to execute for and on behalf of The City of Seattle an agreement for the operation and maintenance of the North Mountain Substation substantially in the form attached hereto as Attachment 1.

Section 2. The General Manager and Chief Executive officer of the City Light Department, or designee, is hereby further authorized to execute for and on behalf of The City of Seattle a telecommunications agreement related to the North Mountain Substation, substantially in the form attached hereto as Attachment 2.

Section 3. Any act consistent with the authority of this ordinance that is taken after its passage and prior to its effective date is hereby ratified and confirmed.

Section 4. 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 _____, 2022, and signed by me in open session in authentication of its passage this _____ day of _____, 2022.

President _____ of the City Council

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

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2022.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1 - Amended and Restated North Mountain Substation Operation and Maintenance Agreement between The City of Seattle, City Light Department, and the Public Utility District No. 1, Snohomish County

Attachment 2 - North Mountain Substation Telecommunications Agreement between The City of Seattle, City

Light Department, and Public Utility District No. 1 of Snohomish County

**Amended and Restated North Mountain Substation
Operation and Maintenance Agreement Between**

The City of Seattle, City Light Department

And the

Public Utility District No. 1 Snohomish County

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This AMENDED AND RESTATED NORTH MOUNTAIN SUBSTATION OPERATION AND MAINTENANCE AGREEMENT (O&M Agreement) is entered into by THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT ("City" or "Seattle"), and PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON ("District"), municipal corporations of the State of Washington, hereinafter individually referred to as "Party" or collectively as "Parties."

RECITALS

WHEREAS, the District and Seattle, entered into an operation and maintenance agreement effective August 1, 1991(1991 Agreement) for the North Mountain substation (Substation); and

WHEREAS, the District purchased the land for the Substation and conveyed the property title and rights acquired specifically for the substation to Seattle prior to the commercial operation of the Substation; and

WHEREAS, the District and Seattle have continuously operated and maintained the Substation under the 1991 Agreement: and

WHEREAS, the 1991 Agreement expires on July 31, 2022 and the Parties wish to continue sharing in the operation and maintenance of the Substation as detailed in this O&M Agreement; and

WHEREAS, the Parties desire to provide herein for equitable payment for the maintenance of such equipment; and

WHEREAS, the Energy Policy Act of 2005 authorized the Federal Energy Regulatory Commission, to approve Reliability Standards with which users, owners and operators of the Bulk Power System are required to comply; and

WHEREAS, Seattle is the Registered Entity with compliance responsibility for the Reliability Standards applicable to Seattle-owned equipment described herein; and

WHEREAS, The District is the Registered Entity with compliance responsibility for the Reliability Standards applicable to the District-owned equipment described herein; and

WHEREAS, the District has contracted with the Bonneville Power Administration (BPA) to purchase electrical energy for delivery to District customers that cannot be served by the resources of the District; and

WHEREAS Seattle will transfer power from BPA's Snohomish Substation to the North Mountain Substation under terms and conditions of the Power Transfer Agreement or a successor agreement , and the Telecommunications Agreement will provide for the operation and maintenance of the communication systems for the Substation; which together with this Agreement, are "the Agreements" necessary for Seattle to transfer power to the District's Darrington area customers; and

WHEREAS, Seattle has no current or future identified need for the Substation for the operation of its own electrical system in the absence of the District's request to interconnect with Seattle for increased District service reliability to the District's Darrington area customers, and it is the intention of the Parties that Seattle operate the Substation for the primary purpose of facilitating delivery the District's power to the District, within the constraints of Seattle and BPA's system.

NOW, THEREFORE, the Parties agree as follows

1. **Terms of Agreement**

- 1.1. This Agreement shall take effect at 0000 hours on August 1st, 2022, and shall expire at 2400 hours on July 31st, 2042, unless terminated by agreement of the Parties.
- 1.2. This Agreement may be extended, amended, or terminated upon mutual agreement of the Parties
- 1.3. In the event that the Agreement is terminated, all liabilities incurred hereunder are hereby preserved until satisfied.

On its effective date, this Agreement terminates and replaces in its entirety, the prior 1991 Agreement. All Obligations incurred under the prior agreement shall be preserved until fully satisfied.

2. **Definitions**

When used in this Agreement, the following terms have the meaning shown below:

- 2.1. "Business Day" means any day that is normally observed by the Federal Government as a workday.
- 2.2. "FERC" is the Federal Energy Regulatory Commission
- 2.3. "NERC" is the North American Electric Reliability Corporation.
- 2.4. "Reliability Standard" means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for reliable operation of the bulk power system. The term includes requirements for the operation of existing bulk-power system

facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the bulk-power system, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity.

- 2.5. "Actual Costs" include the Operation & Maintenance as well as Capital costs which are typically comprised of direct labor and benefits, parts, materials, equipment, services, administrative and general costs, taxes, payments in lieu of taxes, licenses fees, and permits. Capital costs financed by Seattle will accrue interest at Seattle's average annual borrowing rate. Seattle accounts for all of its transactions in accordance with Generally Accepted Accounting Principles (GAAP).

3. **Ownership of Facilities and Equipment**

- 3.1. The District has conveyed the Substation site to Seattle by statutory warranty deed in fee simple, together with additional real property rights specifically acquired by the District for this project. A copy of said statutory warranty deed, which was filed (AF#9105240041) with the Snohomish County Auditor on May 24, 1991, is contained in Exhibit A, which together with other designated exhibits herein, is attached to and by this reference made a part of this Agreement. The District hereby conveys, transfers and assigns to Seattle all approvals, permits, and licenses obtained by it from any governmental Subdivision, for construction, use, maintenance, and operation of the Substation.
- 3.2. Seattle has conveyed an easement to the District to erect, operate, maintain, repair, rebuild and patrol two 12.5 kV electric distribution lines and related facilities over and across a portion of Seattle's Skagit Transmission Line Right-of-Way which Seattle owns, and Seattle has consented to said use by the District over Seattle's Skagit Transmission Line Right-of-Way over which Seattle holds easement rights only. The Easement and Consent Agreement was recorded and filed with the Auditor of Snohomish County on May 24, 1991, and a copy is contained in Exhibit B, however, paragraph 16 of the Easement and Consent Agreement is superseded by the provisions of the Agreements.
- 3.3. Insofar as Seattle has the necessary rights, an easement from Seattle to the District shall be conveyed for the right, privilege, and authority to operate and maintain, repair, and replace the existing 12.5 kV equipment outlined in Exhibit D for a portion of the Substation described in the said Easement necessary for service to District's Darrington area customers. A copy of the Substation

easement is contained in Exhibit B. Said Easement further grants the District rights of vehicular ingress and egress over lands adjacent to the Substation specifically described in the Easement. Seattle further reserves the right to the exclusive use of the storage room. Should the District's operation and maintenance cause disruption to or physical modification of Seattle's owned facilities and equipment, the District shall be responsible for restoration of the same.

- 3.4. Title to and ownership of the plant and equipment installed in the Substation, and specified in Exhibit C, shall be and remain with Seattle.
- 3.5. The property, plant and equipment, and rights hereto, listed in Exhibits A and C are part of Seattle's electric system.
- 3.6. Title to and ownership of equipment specified in Exhibit D is and will remain with the District.
- 3.7. Title to and ownership of any equipment located on the property that is not listed in either Exhibits A, C or D is hereby conveyed to Seattle.
 - 3.7.1. If a dispute arises over the ownership of an item(s) not listed in Exhibits C or D, the District will notify Seattle and state the reason why they believe they own the item(s) in question and the Parties will make a good faith effort to resolve the ownership of the disputed item.
- 3.8. The point of physical integration of the District's 12.5 kV distribution service to Seattle is at the point of connection to the 230 kV transformer bushings. The bushings and the transformer are owned by the District as set forth in Exhibit D. This point shall continue to separate ownership of electric plant between Seattle and the District as shown in Exhibit E. All common facilities used by the Parties are owned by Seattle, unless otherwise provided herein.
- 3.9. Renewals, replacements, modifications or additions to the Substation and equipment including the common facilities that are reasonably necessary to facilitate the transfer of power in a manner compatible with Seattle's operation, maintenance, power transfer, and communications service will be done by and become property of Seattle and be paid for by the District according to the provisions of Section 4.3 or 7.3. Future renewals and replacements to the transformers and 12.5 kV distribution equipment at the Substation necessary to facilitate the District's transformation and distribution of power in a manner compatible with the District's system operations and Seattle's

Interconnection Requirements will be done by and become property of the District and be paid for by the District.

3.10. Exhibits C, D, and E shall be reviewed by the Representatives of the Parties on an as needed basis. Revisions to the aforementioned exhibits will be agreed to by both Parties through written or digital agreement.

3.11. The Parties shall identify the major station components and equipment specified in Exhibits C and D, tools stored on site, and future modifications, by permanently affixing thereto suitable tags, stencils, stamps, or other markers plainly stating who owns the property, but failure to do so shall not affect title and ownership of such equipment.

3.12. This Agreement shall not convey title or ownership of any kind to the facilities or transmission system of Seattle to the District, nor will it confer on the District any right to use any part of Seattle's transmission system. The District shall not use rights obtained under this Agreement to provide transmission or any other services for any other person, municipality, association, or other entity.

4. **Responsibility for Operations and Maintenance**

4.1. Seattle will operate and maintain the property and equipment of Seattle, which are designated and described in Exhibits A and C, in the same manner in which Seattle maintains similar facilities of its own and in accordance with good utility practices. BPA will own, operate and maintain the billing meters. Seattle shall operate and maintain Seattle facilities in accordance with NERC Reliability Standards and in a neat and orderly manner so as not to be hazardous to life or property. Seattle generated debris shall be removed or otherwise disposed of to reduce threat of fire and a degradation of the environment.

4.2. Unless otherwise provided for herein, the District will operate and maintain its facilities and equipment, which are designated and described in Exhibit D, in the same manner in which it operates and maintains similar facilities and equipment it owns and in accordance with good utility practices. The District shall operate, maintain, and keep District facilities in accordance with NERC Reliability Standards and in a neat and orderly manner so as not to be hazardous to life or property. District generated debris shall be promptly removed or otherwise disposed of to reduce threat of fire and a degradation of the environment.

4.3. Seattle shall develop and submit to the District a comprehensive plan for routine operation and maintenance activities to be performed upon Seattle's equipment and North Mountain Substation ("O&M Plan"). Seattle shall limit the O&M Plan to include all

activities that are routinely performed at similar facilities that are maintained and operated by Seattle. These activities include and are not limited to inspection, major and minor maintenance, testing, work to maintain access, and vegetation management.

- 4.3.1. The O&M Plan shall include a monthly cost estimate for each O&M Plan year.
- 4.3.2. The O&M Plan shall be updated annually for the following year on or before May 1st of each year and shared with the District as a draft. The District will have thirty (30) days to request a meeting or review time extension to discuss the O&M Plan.
 - 4.3.2.1. Seattle will endeavor to include known periodic work and projects in the O&M Plan.
- 4.3.3. At the sole discretion of Seattle, the timing and type of activities performed by Seattle may differ from the O&M Plan.
- 4.3.4. Seattle shall endeavor to provide thirty (30) days written notice to the District for periodic operations and maintenance activities not included in the O&M Plan that will result in exceeding the monthly estimated O&M Plan cost by 100% or more. The District may request a meeting with Seattle to discuss the periodic activity. In any such meeting, Seattle shall explain the periodic activity not included in the O&M Plan and that exceeds the O&M Plan monthly estimated cost by 100% or greater amount.
- 4.3.5. If Seattle, in its sole judgement, determines that an emergency condition exists that requires any operation and maintenance activity necessary to preserve system reliability or promptly restore the operation of the North Mountain Substation, it may commence work immediately and retroactively provide notice to the District as soon as practicable thereafter. The District may request a meeting with Seattle to discuss any emergency activities within thirty (30) days of receiving notice of such.
- 4.4. Seattle will operate and maintain both the indoor and outdoor common facilities to be used by both Parties in the same manner in which it operates and maintains its own; and the District shall have access to these facilities, except the Storage Room pursuant to Subsection 3.3.
- 4.5. The District shall supply Seattle with station service power for the operation and maintenance of all North Mountain Substation property and equipment required by Seattle. The District owns all the station service transformers listed in Exhibit D, but Seattle owns the automatic transfer switch for Seattle's station service.

- 4.6. The maintenance of all the batteries used for the North Mountain Substation will be the responsibility of Seattle, but Seattle is not a guarantor of the battery system.
- 4.7. The District shall provide voice telephone service over a common carrier from the work room that will be available to all employees using the station for station communications and for Substation business. This telephone is separate from the District OPX provided under the Telecommunications Agreement. Seattle will provide a Seattle-owned PAX telephone line in the control room for communications with Seattle dispatcher and for other Substation business, which is the same phone referenced in the Telecommunications Agreement.
- 4.8. Seattle and the District shall provide and maintain adequate protective equipment sufficient to prevent damage to their own systems, including but not limited to, system disturbances or other anomalies. Adequacy shall be determined based upon good utility practice, but neither Party shall be deemed a guarantor of the effectiveness of the protective equipment.
- 4.9. The Parties shall cooperate and coordinate with each other regarding the installation, operation and maintenance and future renewals, replacements, retirements, additions or modifications to or from the equipment they own in the Substation, including furnishing any plans, drawings, specifications, documentation, and information relating to its requirements or property plant and equipment as may reasonably be requested by the other Party.
- 4.10. A drawing of the Plot Plan (D30450) and Control House (D-30531) for the Substation and one-line drawings of the District's 12.5 kV system S-8802, and Seattle's 230 kV system D-30485, are contained in Exhibit E. Drawings of the Conduit and Cable Trench Plan (D-30515, D-30516, D-30517) and the Oil Containment Plan (D-58807) are also contained in Exhibit E. Whenever there is a revision by either the District or Seattle, to any of the property, plant or equipment referenced by these drawings, the Party making the change will provide the other an updated drawing to reflect the change.
- 4.11. Whenever the District or Seattle makes a change to their own system that can affect the operation of the other's system under normal or emergency conditions, revised drawings of the change will be provided to the other Party.

5. **Security and Access Control**

- 5.1. Security and Access control of facilities will be governed by Exhibit G North Mountain Security and Access Control Letter of Agreement

5.1.1. Exhibit G will be periodically reviewed by the Parties and amended by mutual

agreement.

6. **Operations**

6.1. Operations will be governed by Exhibit H North Mountain Operational Coordination Letter of Agreement

6.1.1. Exhibit H will be periodically reviewed by the Parties and amended by mutual agreement.

7. **Expenses and Payment**

7.1. Beginning on the first day of July, 2022, the District will pay to Seattle monthly, the amounts and charges set forth below. If any new regulatory fees or taxes payable by the City are imposed by any federal, state, or local government upon services, revenues, or income of Seattle by reason of the services provided hereunder, the District shall pay, in addition to the charges herein specified, an amount sufficient to cover any such incremental taxes or regulatory fees payable by Seattle.

7.2. In consideration of the equipment and services to be provided by Seattle in operating and maintaining the Substation, and in accordance with Subsection 7.1 of this Agreement, the District shall pay to Seattle monthly the following amounts and charges. The District shall reimburse Seattle for the Actual Cost of operating and maintaining the Substation by paying the Reimbursable Operation and Maintenance Expense. The Reimbursable Operation and Maintenance Expenses shall be calculated as described below.

7.2.1. Actual Cost of Operating and Maintenance Expenses shall be accounted for by Seattle in accordance with Generally Accepted Accounting Principles (GAAP).

7.3. Replacement, additions and modifications by Seattle for the North Mountain City-owned facilities or equipment, which are capitalized by Seattle in accordance with Generally Accepted Accounting Principles, shall be considered separately from Reimbursable Operation and Maintenance Expense as described in Subsection 7.2. Equipment or facilities requiring installation due to safety, security, or regulations, replacement due to defect, obsolescence, damage, or wear or changes which are necessary for the cost-effective operation and maintenance of the North Mountain system, including the Substation and the interconnecting line, shall be billed to the District on an Actual Cost.

7.3.1. Expenses for work related to an periodic activity performed pursuant to Section 4.3.4 shall be tracked through a work order or other accounting means such that the actual expenses can be accurately recorded and shall be billed separately from the expenses of routine activities contained in the O&M Plan. The District shall reimburse Seattle for Actual Cost for an periodic activity, except that the total amount of reimbursement by the District shall be limited to 125 percent of the estimate for the periodic activity, unless the Parties have agreed in writing to a revision of the estimate.

7.3.2. Except in the event of an emergency requiring immediate action, Seattle shall give to the District at least thirty (30) days' notice prior to the date it takes action pursuant to Subsections 7.3 to renew, replace, add or modify Seattle-owned facilities or equipment at the Substation having an expected cost in excess of \$100,000.

7.4. Billing and payment will occur monthly in accordance with the following:

7.4.1. The accounting period for billing under this Agreement shall be the first day of the calendar month to the last day of the calendar month unless otherwise agreed in writing between the Parties' Representative. By the twenty fifth day of the first month of the next calendar quarter, Seattle will prepare and submit to the District an invoice.

7.4.2. The District shall pay Seattle the amount due under any invoice no later than thirty days after the date of the invoice. Seattle shall transmit via email or other acceptable means the invoice no later than 5 days after the date on the invoice.

7.4.3. A late charge of 1 percent per month shall be added to the invoiced amount that is not paid within the time limits set forth in Subsection 7.4.2.

7.4.4. In the event any invoice, or part thereof, is disputed, payment of the invoice as rendered shall be made when due, with subsequent invoice being adjusted for any amount found to be in error. Interest at the rate of 1% per month shall be included in the final monetary settlement of any adjustment due to either Party. Such interest shall run from the date of receipt of the original payment to the date of settlement of any adjustment.

7.4.5. Seattle may combine invoices for this Agreement with other bilateral District-City Agreements into one monthly billing, but the itemized cost of each Agreement will be identified separately.

8. **Insurance**

8.1. The District shall maintain at its expense through the term of this Agreement, a policy or policies of comprehensive fire and casualty insurance in an amount sufficient to replace North Mountain substation, including all equipment and interconnections with the Gorge to Snohomish Transmission System. The 2022 minimum amount shall be \$5million. Self-insurance coverage by the District is a satisfactory alternative to Seattle. Any such policy or policies shall name the City of Seattle as an additional insured. If any fire or casualty loss at such facilities exceeds the amount of such insurance and coverage, the District shall pay to Seattle the amount of difference between the insured or covered amount and the actual loss in order to compensate Seattle for its full reconstruction expense, unless the District elects to terminate the Agreement, pursuant to Subsection 15.2.

9. **Release**

9.1. Each Party releases the other from liability for loss or damage to it which shall include, but not be limited to, consequential damages and the loss of use or profit, which arises out of or in connection with the negligence of a Party, or negligence any officer, agent, or employee of a Party, under this Agreement.

10. **Indemnification Regarding North Substation**

10.1. To the maximum extent allowed by law, including R.C.W. 25.32A.090, each Party shall defend, indemnify and hold harmless the other Party, its successors and assigns, and the respective directors, officers, employees and agents of the other Party and its successors and assigns (collectively referred to as the "Indemnitees") from any and all claims, losses, costs, liabilities, damages and expenses (including but not limited to, reasonable attorneys' fees) caused by the negligence of the other Party or anyone acting on the other Party's behalf

10.2. A Party shall not be liable to the other Party's customers for any interruption to the service or property damage caused by the provision of service, and each Party hereby indemnifies, protects and saves harmless the other Party against any and all such claims or demands, suit or judgment for loss, liability, damages and expenses.

10.3. Indemnity, protection and hold harmless shall include any demand, claim, suit or judgment for damages to property or injury to or death of persons, including officers, agents, and

employees of either party hereto including payment made under or in connection with the Workers' Compensation Law or under any plan for employees' disability and death benefits.

- 10.4. It is further specifically and expressly understood that, solely to the extent required to enforce the indemnification provided herein, the District and Seattle waive their immunity under RCW Title 51 as provided in RCW 4.24.115; provided, however, the foregoing waiver shall not in any way preclude either Party from raising such immunity as a defense against any claim brought against a Party by any of its employees. This waiver has been mutually negotiated by the Parties.

11. Force Majeure

- 11.1. "Force Majeure" means an event or circumstance that prevents a Party from performing its obligations under this Agreement, which event or circumstance:

11.1.1. Is not within the control of or the result of the fault or negligence of the Party claiming its occurrence, and

11.1.2. Which by the exercise of due diligence and foresight could not reasonably have been avoided, including acts of God; sudden action of the elements such as floods, earthquakes, hurricanes, or tornados, lightening, fire, ice storms, smoke or other particulates from volcanoes; sabotage; vandalism beyond that which could reasonably be prevented; terrorism; war; riots; explosion; blockades; insurrection; strikes by third parties, breakdowns of, or damage to facilities, court order, acts of government authority, electrical disturbances of any kind, and acts of omissions or third parties;

11.1.2.1. Inability, or excess cost to procure any equipment necessary to perform the obligation of this Agreement.

11.1.2.2. Acts or omissions of a third party unless such acts or omissions are themselves excused by reason of Force Majeure.

11.1.2.3. Mechanical or equipment breakdown or inability to operate, attributable to circumstances occurring within design criteria and normal operating tolerances of similar equipment unless such breakdown or condition was itself caused by an event of Force Majeure; or

11.1.2.4. Changes in market conditions.

- 11.2. Applicability of Force Majeure

- 11.2.1. Neither Party shall be responsible or liable for any delay or failure in its performance under this Agreement, nor shall any delay, failure, or other occurrence or event become an event of default, to the extent such delay, failure, occurrence or event is substantially caused by conditions or events of Force Majeure, provided that;
- 11.2.1.1. The non-performing Party gives the other Party prompt written notice describing the particulars of the occurrence of the Force Majeure.
- 11.2.1.2. The suspension of performance is of no greater scope and no longer duration than is required by the Force Majeure.
- 11.2.1.3. The non-performing Party proceeds with reasonable diligence to remedy its inability to perform and provides weekly progress reports to the other Party describing actions taken to end the Force Majeure; and
- 11.2.1.4. When the non-performing Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party written notice to that effect.
- 11.2.2. Except as otherwise expressly provided for in this Agreement, the existence of a condition or event of Force Majeure shall not relieve the Parties of their obligations under this Agreement (including, but not limited to, payment obligations) to the extent that performance of such obligations is not precluded by the conditions or event of Force Majeure.

12. **Dispute Resolution**

- 12.1. The Parties recognize that cooperation and communication are essential to resolving issues quickly and efficiently. If any dispute arises in regard to the terms or conditions of this Agreement, then the parties shall meet and engage in good faith discussions with the objective of settling the dispute within thirty (30) days after either party requests such a meeting.
- 12.2. If the dispute remains unresolved at the end of thirty (30) days, the matter shall be referred to designated senior managers from each Party, who shall meet and engage in good faith discussions with the objective of settling the dispute.
- 12.3. If the parties cannot resolve the dispute within ninety (90) days from commencing dispute resolution, the parties shall refer the dispute to mediation using a mediator

mutually agreeable to the parties. If these representatives cannot resolve the dispute within fourteen (14) calendar days after referral of the dispute to mediation, either party may seek resolution of the dispute through litigation or other judicial proceedings in Superior Court of King County.

13. **Continuity of Service**

13.1. Except for the District's obligation to pay the charges described in this Agreement, neither Party hereto shall be liable to the other, or any other person or entity for, or be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligation is prevented or delayed by a Force Majeure or by any action taken by either Party which is, in its sole judgement, necessary or prudent to protect the performance, reliability, or stability of its electric system, or any electric system with which it is interconnected, whether such actions occur automatically or manually, which action shall not be deemed to be "willful misconduct" for purposes of this Agreement.

14. **Assignment**

14.1. This Agreement shall not be assigned by either Party without the prior written approval of the other.

15. **Review and Termination**

15.1. The District may terminate this Agreement at any time upon twelve (12) months prior written notice to Seattle, and provided that similar notices of termination are provided by it with respect to the Power Transfer and Telecommunications Agreements.

15.2. The District may terminate this Agreement upon prompt written notice to Seattle in the event of catastrophic loss or damage to the Substation which precludes transfer of power to the District. In such case, if loss or damage to City-owned equipment or property at the Substation has occurred, a) the District shall reimburse Seattle for all costs, including environmental expenditures, reasonably incurred by it to clean up the affected substation area, and b) the District shall pay to Seattle an amount equal to the cost reasonably estimated by Seattle to restore the direct Gorge to Snohomish 230kV transmission line.

15.3. Seattle may terminate this Agreement at any time upon (120) days prior written notice to the District in the event of nonpayment of charges. If payment of such charges is made by the District within the 120-day notice period, this agreement shall not be terminated.

- 15.4. Seattle may terminate this Agreement at any time upon twelve (12) months prior written notice to the District, for the District's failure to comply with the provisions of Subsection 2.9, or the District's failure to otherwise comply with any material provision of this Agreement, unless the District rectifies the violation to the satisfaction of Seattle.
- 15.5. If upon termination, either Party is required to commence an action to recover or to enforce obligations incurred prior to such termination, the prevailing Party shall be entitled to reasonable attorneys' fees and costs, plus interest on the unpaid amount.
- 15.6. The Parties agree that on or before February 1, 2040, they will begin to discuss appropriate terms and conditions which could be incorporated into a new or extended Agreement in view of all applicable factors including existing and prospective Darrington area load and use of Seattle's Gorge to Snohomish transmission system.
- 15.7. Six months prior to the expiration of this Agreement, and following the procedures agreed to by the Parties, Seattle will offer to extend this Agreement provided hereunder for a term and on conditions then deemed to be just and reasonable by both Parties
- 15.8. The provisions of this Article shall not limit any remedy at law or equity otherwise available to either Party.

16. Removal of Facilities and Payment Therefor

- 16.1. The District will remove its equipment in the Substation within 180 days when deliveries of electric energy from Seattle are terminated pursuant to Section 15 or upon agreement by the Parties hereto that such facilities and equipment are no longer required. Such removal shall include the repair of any damage to Seattle's facilities resulting from the removal of the District facilities or equipment.
- 16.2. The District shall reimburse Seattle for all costs, including environmental expenditures, reasonably incurred by it to clean up the affected substation area after equipment removal.

17. Representatives of the Parties and Notices

- 17.1. Representatives of the Parties will be contained in Exhibit I Notices.
- 17.1.1. Either Party can revise their respective Exhibit I Representative contact information without mutual consent. Exhibit I revisions shall be communicated as soon as practicable to the other party.

18. **No Waiver**

18.1. The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect.

19. **Status of Parties**

19.1. Each Party to this Agreement will perform services as an independent contractor with respect to the other. Any work or service performed by either Party is deemed performed for that Party, and no person employed by one Party shall be deemed an employee of the other.

19.2. Work will be performed by each Party in accordance with its own methods.

19.3. Each Party will perform work in accordance with this Agreement, applicable laws, and regulations.

20. **Whole Agreement**

20.1. The terms, covenants and conditions of this Agreement, together with any exhibits or other such documents incorporated therein, or written amendments constitute the entire agreement between the Parties, and no understandings or obligations not therein expressly set forth will be binding upon them.

21. **Amendment**

21.1. This Agreement may be amended at any time upon mutual written or digital agreement of the Parties.

22. **Severability**

22.1. If any part of this Agreement shall prove to be unenforceable, such unenforceability shall not extend beyond the part affected. The unaffected part of the Agreement will continue in full force and effect and will be binding upon the Parties hereto.

23. Legal Relations

- 23.1. The Parties will perform and comply with all applicable laws or other governmental regulations.
- 23.2. The Agreement will be construed and interpreted in accordance with the laws of the State of Washington and the Venue of any action brought hereunder will be the Superior Court of King County.

24. Signatures

ACCEPTING FOR THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT

Debra Smith

General Manager/CEO

Date: _____

ACCEPTING FOR THE PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON

John Haarlow

Chief Executive Officer, General Manager

Date: _____

Exhibit A

North Mountain Statutory Warranty Deed

1. The Statutory Warranty Deed as recorded in Snohomish County under recording number 9105240014.

Exhibit B

North Mountain Easements

1. The Easements as recorded in Snohomish County under recording number 9105240015 and 9111140043.

Exhibit C

North Mountain Seattle Owned Equipment

1. Seattle Owned Equipment

- a. All 230kV equipment including:
 - i. 230kV Bus, support structures and all the appurtenances.
 - ii. Three 230kV Power Circuit Breakers
 - iii. Six 230kV Voltage Transformers
 - iv. Eight 230kV G.O. Disconnect Switches
- b. Control Building, 230kV Switchboards, Communication Equipment, AC and DC systems, the Seattle owned RTU, 2 revenue meters, and the remaining content of the Control Building except: 12.5kV switchboard, District owned RTU, District owned communication equipment, and District's spare fuses and other appurtenances.
- c. Real Property of the fenced switchyard including Yard Lighting, 230kV Cable Trench, Water Well, Sanitary Sewage System, Grounding Grid System, Parking area, Landscaped Area, Storm Water Drainage System, and Access Driveways.
- d. 230kV Turning Towers
- e. Seattle Owned Equipment is further identified by drawings and technical notes contained in Exhibit E North Mountain Diagrams and Drawings

Exhibit D

North Mountain District Owned Equipment

1. District Owned Equipment

- a. Two 230/12.5kV Power Transformers (T1, T2)
- b. Three 12.5kV Feeder Circuit Breakers (B2)
- c. Three 12.5kV Load Break Disconnect Switches, one horizontal, two vertical. (S4, S5)
- d. Twenty-seven Single Pole 12.5kV H.O. Disconnect Switches (S6)
- e. Three 7.2kV Current Transformers
- f. Six 12.5kV Current Transformers
- g. Two 12.5kV Potential Transformers (PT2) and fuses (F3).
- h. 12.5kV Bus, Insulators, Support Structures and all the Appurtenances
- i. Two sets Station Service Transformers Consisting of two 50KVA Transformers, two 25KVA Transformers, and fuses. (ST1, ST2, F1, F2)
- j. Six 8.4kV MCOV, Lightning Arrestors (SA2)
- k. Six 140kV MCOV, Surge Arrestors (SA3)
- l. 12.5kV Switchboard Line up including all the relays, meters, control switches and other devices on the switchboard. All control cable and conduits connecting the switchboard to the District's 12.5kV facilities.
- m. Districts Remote Terminal Unit
- n. Transformer Oil Containment System
- o. Three 12.5kV Distribution Feeders and all Appurtenances
- p. District Owned Equipment is further identified by drawings and technical notes contained in Exhibit E North Mountain Diagrams and Drawings

Exhibit E

North Mountain North Mountain Diagrams and Drawings

1. List of Diagrams and Drawings
2. Plot Plan D-30450
3. Control House Equipment Plan D-30531
4. 230kV Electrical Arrangement Plan D-30460
5. 230kV One Line Diagram D-30485
6. 12.5kV One Line Diagram D-30459
7. Conduit and Cable Trench Plan D-30515
8. Conduit and Cable Trench Plan D-30516
9. Conduit and Cable Trench Plan D-30517
10. Oil Containment Plan D-30514
11. PUD: S-88-T1
12. PUD: S-88-1C
13. PUD: S-88-2
14. PUD: S-88-7

REV	DATE	MF
1	09/10/91	MF
2	01/26/2009	ED

DR	CK	APP
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REV	DATE	MF
1	09/10/91	MF
2	01/26/2009	ED

DR	CK	APP
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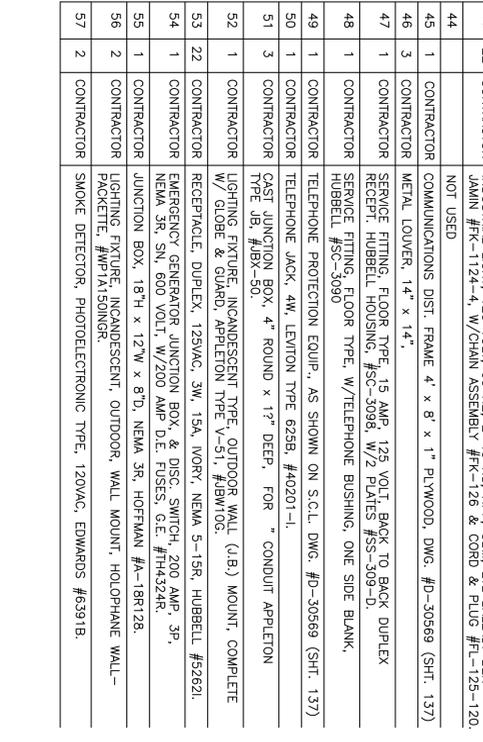
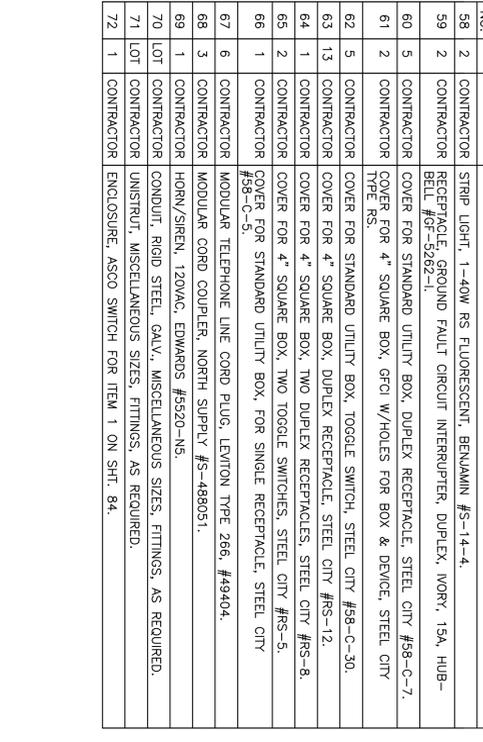
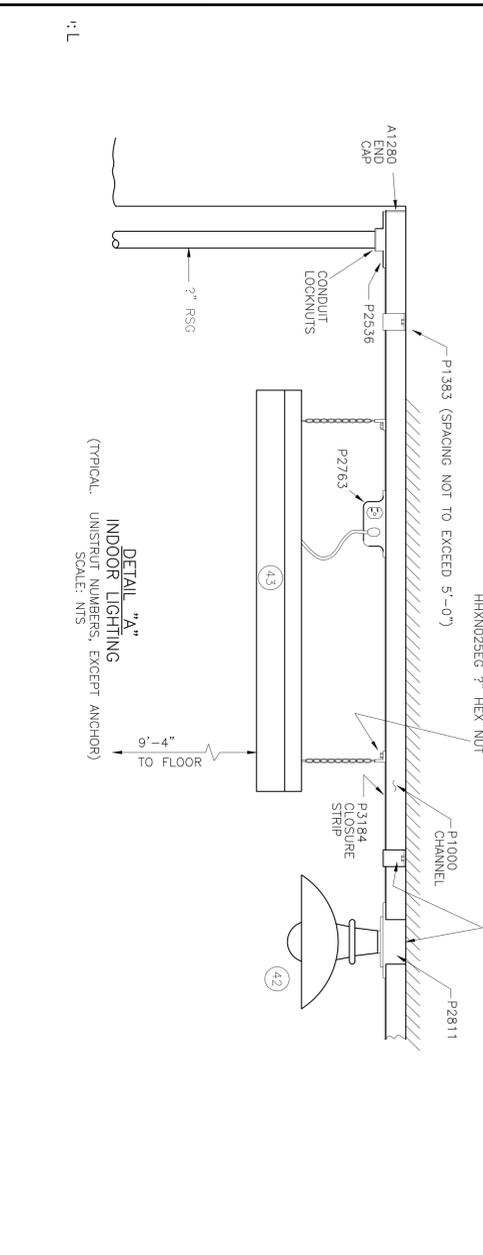
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2	01/26/2009	ED

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ITEM NO.	QTY.	SOURCE	DESCRIPTION
58	2	CONTRACTOR	STRIP LIGHT, 1-40W RS FLUORESCENT, BENJAMIN #S-14-4.
59	2	CONTRACTOR	RECEPTACLE, GROUND FAULT CIRCUIT INTERRUPTER, DUPLEX, 15A, HUB-BELL #SC-5262-1.
60	5	CONTRACTOR	COVER FOR STANDARD UTILITY BOX, DUPLEX RECEPTACLE, STEEL CITY #S-8-C-7.
61	2	CONTRACTOR	COVER FOR 4\"/>

62	5	CONTRACTOR	COVER FOR STANDARD UTILITY BOX, TOGGLE SWITCH, STEEL CITY #S-8-C-30.
63	13	CONTRACTOR	COVER FOR 4\"/>
64	1	CONTRACTOR	COVER FOR 4\"/>
65	2	CONTRACTOR	COVER FOR 4\"/>
66	1	CONTRACTOR	COVER FOR STANDARD UTILITY BOX, FOR SINGLE RECEPTACLE, STEEL CITY #S-8-C-5.
67	6	CONTRACTOR	MODULAR TELEPHONE LINE CORD PLUG, LEVITON TYPE 266, #49404.
68	3	CONTRACTOR	MODULAR CORD COUPLER, NORTH SUPPLY #S-488051.
69	1	CONTRACTOR	HORN/SIREN, 120VAC, EDWARDS #55920-N5.
70	LOT	CONTRACTOR	CONDUIT, RIGID STEEL, GALV., MISCELLANEOUS SIZES, FITTINGS, AS REQUIRED.
71	LOT	CONTRACTOR	UNISTRUT, MISCELLANEOUS SIZES, FITTINGS, AS REQUIRED.
72	1	CONTRACTOR	ENCLOSURE, ASCO SWITCH FOR ITEM 1 ON SHT. 84.

73	1	CONTRACTOR	RECEPTACLE, 15A, HUB-BELL #SC-5262-1.
74	1	CONTRACTOR	COVER FOR 4\"/>
75	1	CONTRACTOR	COVER FOR 4\"/>
76	1	CONTRACTOR	COVER FOR 4\"/>
77	1	CONTRACTOR	COVER FOR 4\"/>
78	1	CONTRACTOR	COVER FOR 4\"/>
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83	1	CONTRACTOR	COVER FOR 4\"/>
84	1	CONTRACTOR	COVER FOR 4\"/>
85	1	CONTRACTOR	COVER FOR 4\"/>
86	1	CONTRACTOR	COVER FOR 4\"/>
87	1	CONTRACTOR	COVER FOR 4\"/>
88	1	CONTRACTOR	COVER FOR 4\"/>
89	1	CONTRACTOR	COVER FOR 4\"/>
90	1	CONTRACTOR	COVER FOR 4\"/>
91	1	CONTRACTOR	COVER FOR 4\"/>
92	1	CONTRACTOR	COVER FOR 4\"/>
93	1	CONTRACTOR	COVER FOR 4\"/>
94	1	CONTRACTOR	COVER FOR 4\"/>
95	1	CONTRACTOR	COVER FOR 4\"/>
96	1	CONTRACTOR	COVER FOR 4\"/>
97	1	CONTRACTOR	COVER FOR 4\"/>
98	1	CONTRACTOR	COVER FOR 4\"/>
99	1	CONTRACTOR	COVER FOR 4\"/>
100	1	CONTRACTOR	COVER FOR 4\"/>

ITEM NO.	QTY.	SOURCE	DESCRIPTION
1	LOT	CONTRACTOR	230KV SWITCHBOARDS AS SHOWN ON S.C.L. DWG. #D-30542 (SHT. 107)
2	LOT	OWNER	12.5KV SWITCHBOARDS AS SHOWN ON P.U.D. DWG. #S-88-27, 28, & 29 (SHTS. 120-122)
3	LOT	OWNER	COMMUNICATIONS RACKS AS SHOWN ON S.C.L. DWG. #D-30555 (SHT. 133)
4	1	OWNER	DIGITAL FAULT RECORDER
5	1	OWNER	REMOTE TERMINAL UNIT FOR S.C.L. POWER SYSTEM MONITOR (SCADA).
6	1	OWNER	REMOTE TERMINAL UNIT FOR SNOBOMSH P.U.D. SCADA.
7	1	OWNER	BATTERY 125 VOLT, 58 CELLS, C & D POWER SYSTEMS TYPE KCR-13
8	1	OWNER	BATTERY 48 VOLT, 24 CELL, C & D POWER SYSTEMS TYPE KCR-450
9	1	OWNER	BATTERY CHARGER, 125 VOLT, C & D POWER SYSTEMS NO. ARE1300E35F.
10	1	OWNER	BATTERY FUSE BOX, 48 VOLT, AS SHOWN ON S.C.L. DWG. #D-30284 (REF.)
11	1	OWNER	BATTERY CHARGER, 48 VOLT, C & D POWER SYSTEMS #ART48A50E.
12	1	OWNER	PANELBOARD, 250 VDC, 225 AMP MAIN LUGS ONLY, 40 CRT WESTINGHOUSE POW-R-LINE3 W/HEAD BRANCH ACBS *125VDC PANEL NO. 1* AS SHOWN ON S.C.L. DWG. #D-30539 (SHT. 87)
13	1	CONTRACTOR	PANELBOARD, 250 VDC, 225 AMP MAIN LUGS ONLY, 32 CRT WESTINGHOUSE POW-R-LINE3 W/HEAD BRANCH ACBS *125VDC PANEL NO. 2* AS SHOWN ON S.C.L. DWG. #D-30540 (SHT. 88)
14	1	CONTRACTOR	PANELBOARD, 250 VDC, 225 AMP MAIN LUGS ONLY, 8 CRT WESTINGHOUSE POW-R-LINE3 W/HEAD BRANCH ACBS *125VDC PANEL NO. 2* AS SHOWN ON S.C.L. DWG. #D-30540 (SHT. 88)
15	1	CONTRACTOR	PANELBOARD, 250 VDC, 225 AMP MAIN LUGS ONLY, 8 CRT WESTINGHOUSE POW-R-LINE3 W/HEAD BRANCH ACBS *125VDC PANEL NO. 2* AS SHOWN ON S.C.L. DWG. #D-30540 (SHT. 88)
16	1	CONTRACTOR	LOAD CENTER, 120/240 VOLT, 19, 3W, 150 AMP MAINS, 30 CRT W/NEUTRAL BUS, WESTINGHOUSE #20-30SN, W/ACBS AS SHOWN ON S.C.L. DWG. #D-30536 (SHT. 82)
17	1	CONTRACTOR	LOAD CENTER, 120/208V VOLT, 36, 4W, 225 AMP MAIN LUGS ONLY, W/NEUTRAL BUS, WESTINGHOUSE #3-42-425SN, W/ACBS AS SHOWN ON S.C.L. DWG. #D-30535, 36 PANEL NO. 1
18	1	CONTRACTOR	LOAD CENTER, 120/208V VOLT, 36, 4W, 200 AMP MAIN LUGS ONLY, W/NEUTRAL & GROUND BUSES, WESTINGHOUSE #3-30-42BSN, W/ACBS AS SHOWN ON S.C.L. DWG. #D-30535, 36 PANEL NO. 2
19	1	CONTRACTOR	LOAD CENTER, 120/208V VOLT, 39, 260 AMP, ASCO #940326049C AUTOMATIC TRANSFER SWITCH, 120/208V, VOLT, 19, 100 AMP, ASCO #940210068C.
20	1	CONTRACTOR	SAFETY SWITCH, 3P, 600 VOLT, 200 AMP, UNFUSED, NEMA 1, WESTINGHOUSE #XUN-384, W/KNZ NEUTRAL.
21	1	CONTRACTOR	SAFETY SWITCH, 3P, 600 VOLT, 200 AMP, UNFUSED, NEMA 1, WESTINGHOUSE #XUN-384, W/KNZ NEUTRAL.
22	2	CONTRACTOR	SAFETY SWITCH, 2P, 600 VOLT, 100 AMP, UNFUSED, NEMA 1, WESTINGHOUSE #HUN-263 W/KN-100 NEUTRAL.
23	2	CONTRACTOR	SAFETY SWITCH, 2P, 600 VOLT, 100 AMP, UNFUSED, NEMA 1, WESTINGHOUSE #HUN-263 W/KN-100 NEUTRAL.
24	1	CONTRACTOR	INTRUSION ALARM RELAY CABINET, AS SHOWN ON S.C.L. DWG. #D-30568 (SHT. 84)
25	1	CONTRACTOR	HEATER & FAN CONTROL CABINET, AS SHOWN ON S.C.L. DWG. #D-30570 (SHT. 85)
26	1	CONTRACTOR	EXHAUST FAN, 470 CFM, GRANGER STOCK #20912.
27	3	CONTRACTOR	UNIT HEATER, HORIZONTAL, 4 KW, 208VAC, 3 PHASE, CHROMALOX #LUH-04-83
28	3	CONTRACTOR	UNIT HEATER, HORIZONTAL, 4 KW, 208VAC, 3 PHASE, CHROMALOX #LUH-04-83
29	4	CONTRACTOR	UNIT HEATER, HORIZONTAL, 4 KW, 208VAC, 3 PHASE, CHROMALOX #LUH-04-83
30	3	CONTRACTOR	UNIT HEATER, HORIZONTAL, 4 KW, 208VAC, 3 PHASE, CHROMALOX #LUH-04-83
31	2	CONTRACTOR	TOGGLE SWITCH, 3-WAY, 1 POLE, 20 AMP, AC, HUBBELL #1223.
32	2	CONTRACTOR	TOGGLE SWITCH, 2 POLE, 20 AMP, AC/DC, HUBBELL #9806.
33	2	CONTRACTOR	TOGGLE SWITCH, 1 POLE, 20 AMP, HUBBELL #1221.
34	11	CONTRACTOR	UTILITY BOX, 1 GANG, 2\"/>
35	21	CONTRACTOR	UTILITY BOX, 4\"/>
36	2	CONTRACTOR	UTILITY BOX, 4\"/>
37	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
38	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
39	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
40	2	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
41	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
42	8	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
43	22	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
44	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
45	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
46	3	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
47	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
48	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
49	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
50	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
51	3	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
52	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
53	22	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
54	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
55	1	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
56	2	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.
57	2	CONTRACTOR	UTILITY BOX, 2 GANG, TANDEM, APPLETON #FS-21-75.

REFERENCE DRAWINGS
 SHT. 2 D-30450 PLOT PLAN HOUSE - FOUNDATION PLAN
 SHT. 22 D-30503 CONTROL HOUSE EQUIPMENT - LOCATION ELEV. & SECTS.
 SHT. 78 D-30532 CONTROL HOUSE EQUIPMENT - WIRING
 SHT. 79 D-30533 CONTROL HOUSE EQUIPMENT - WIRING

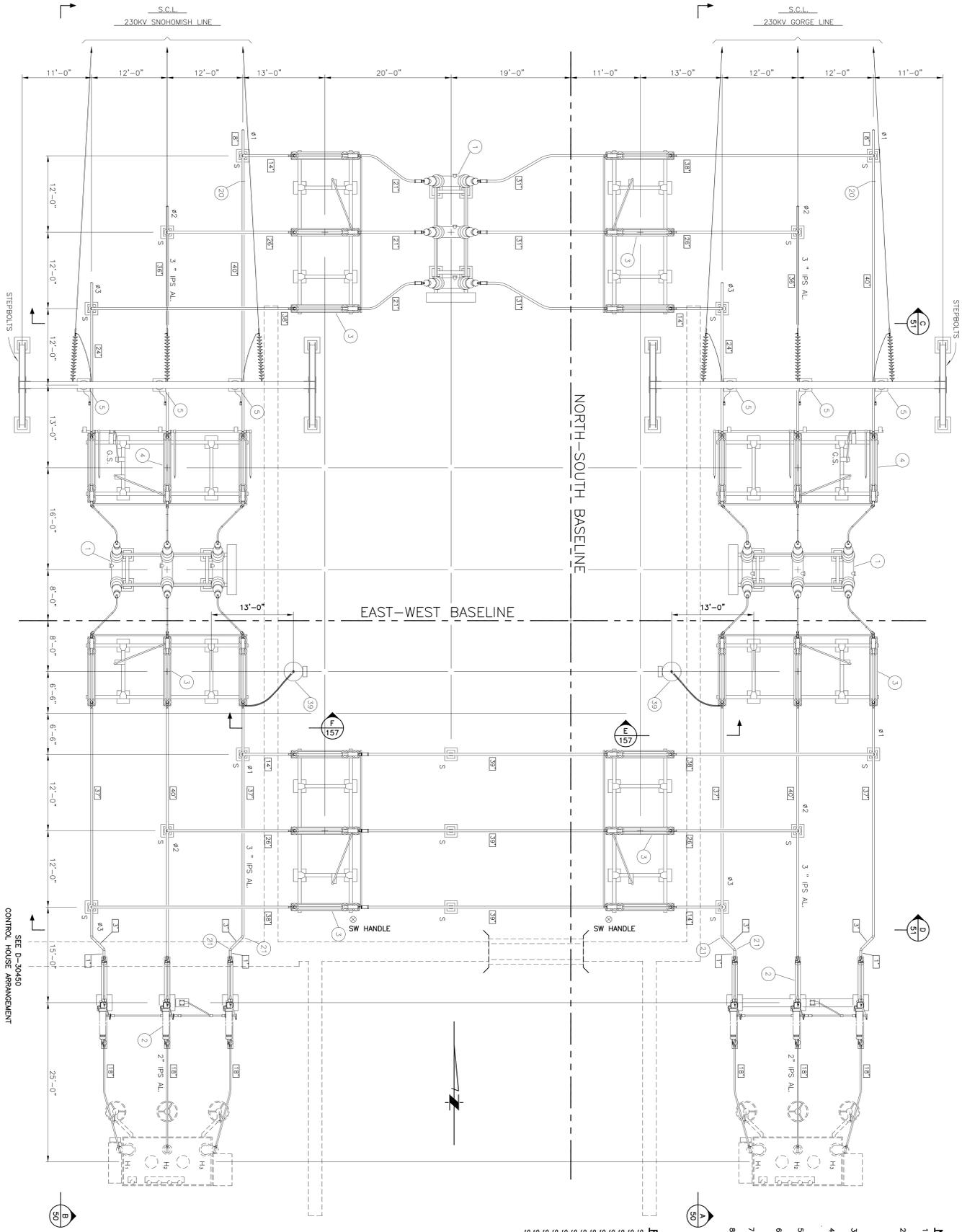
ENDORSEMENTS
 SIGNATURE DATE
 DR. RIZ 07-09-1990
 CK. JMO
 DSN. LMK
 DATE

Seattle City Light
 APPROVED FOR SEATTLE CITY LIGHT

PHYSICAL PLANT
 NORTH MOUNTAIN SUBSTATION
CONTROL HOUSE EQUIPMENT
 LOCATION PLAN

SHEET 77 OF 78
 CLASS E
 DRAWING NO. D-30531
 SCALE NTS
 REV. NO. 2

ONE INCH AT FULL SIZE		
REVISIONS		
REV	DATE	MF
DR	CK	APP
W.O.#		
DESCRIPTION		
1	04/16/2008	
KW	EPH	EPH
W.O.# 99899-09		
UPGRADED GO-NM LINE RELAYS.		



- NOTES**
- BEFORE INSTALLING BUS & FITTINGS, REFER TO THE CONSTRUCTION STANDARDS IN THE SPECIFICATIONS.
 - INSTALL 1/2" GALV. GUY STRAND INSIDE ALL HORIZONTAL RUNS OF ALUMINUM BUS TUBING EXCEEDING TEN FEET IN LENGTH. THE GUY STRAND SHALL BE PULLED TIGHT AND TO BE PUSHED INTO BUS TUBING. DO NOT CONNECT ENDS.
 - "T" AND "S" REFER TO "TYPED" OR "SLIDING" BUS SUPPORTS AT EACH LOCATION AS INDICATED.
 - SEE SHT. 44 & 45, DWG'S. D-30525 & D-30526 FOR ALL ABOVE GRADE GROUNDING & GROUND CONNECTIONS TO EQUIPMENT & STRUCTURES.
 - ALL Voids BETWEEN BASEFLATES AND TOP OF FOOTINGS TO BE GROUTED.
 - BUS LENGTHS INDICATED BY [Z2] COORDINATE WITH [Z1] BUS CUTTING SCHEDULE. SEE SHT. 52, DWG. D-30483.
 - CIRCLED NUMBERS 1 ARE BILL OF MATERIAL REFERENCE NUMBERS. SEE SHT. 53, DWG. D-30464.
 - DRILL 3/8" WEEP HOLE BOTTOM OF EACH TUBULAR BUS, OF EACH VERTICAL SPAN AND AT BOTTOM

- REFERENCE DRAWINGS**
- SHT. 2 D-30450 PLOT PLAN
 - SHT. 3 D-30485 230KV ONE LINE DIAGRAM
 - SHT. 1 D-30483 FOUNDATION PLAN
 - SHT. 11 D-30444 CONDUIT & CABLE TRENCH PLAN
 - SHT. 35 D-30515 CONDUIT & CABLE TRENCH PLAN
 - SHT. 36 D-30516 GROUNDING PLAN
 - SHT. 44 D-30525 GROUNDING PLAN
 - SHT. 45 D-30526 GROUNDING PLAN
 - SHT. 46 D-30527 GROUNDING PLAN
 - SHT. 47 D-30528 GROUNDING PLAN
 - SHT. 48 D-30529 GROUNDING PLAN
 - SHT. 49 D-30530 GROUNDING PLAN
 - SHT. 50 D-30465 230KV ELEC. ARRANG. - DETAILS
 - SHT. 51 D-30465 230KV ELEC. ARRANG. - DETAILS
 - SHT. 52 D-30465 230KV ELEC. ARRANG. - DETAILS
 - SHT. 53 D-30464 230KV ELEC. ARRANG. - BILL OF MATERIAL
 - SHT. 54 D-30464 230KV ELEC. ARRANG. - BILL OF MATERIAL
 - SHT. 55 D-30464 230KV ELEC. ARRANG. - BILL OF MATERIAL
 - SHT. 157 D-42533 CFT MOUNTING STRUCTURE AND FOUNDATION PLAN, SECTIONS AND DETAILS



ENDORSEMENTS	
SIGNATURE	DATE
DR : RLZ	7-23-90
CK :	
DSGN :	
CHK :	
DATE	

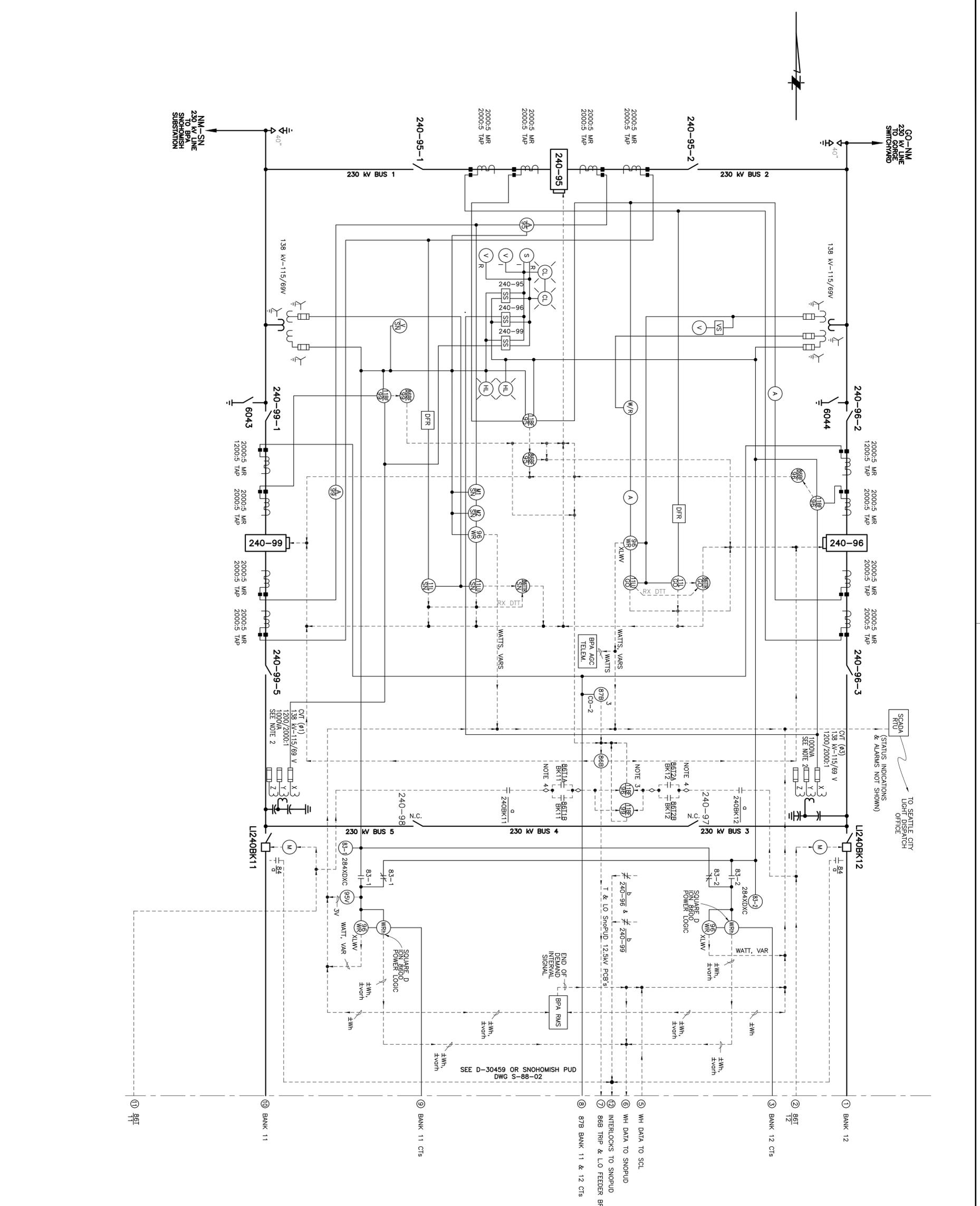
Seattle City Light	
APPROVED FOR SEATTLE CITY LIGHT	
DATE	
GENERAL ARRANGEMENT NORTH MOUNTAIN SUBSTATION 230KV ELECTRICAL ARRANGEMENT PLAN	
SHEET 49 OF	
CLASS E	
DRAWING NO. D-30460	
SCALE 1/8"=1'-0"	
REV. NO. 1	

REVISIONS			
REV	DATE	MF	
DR	CK	APP	
W.O.#			
DESCRIPTION			
1	08/30/06		
WEJ	LAN	EPH	
W.O.# 99806-01			
HAMPTON GENERATOR INTERCONNECTION.			
2	04/09/2008	MF	
KW	EPH	EPH	
W.O.# 99899-09			
UPGRADED LINE GO-NM RELAYS; REMOVED CLOSING CKT INFORMATION; CORRECTED DFR CURRENT INPUT (4).			
3	08/14/2009		
ADB			
W.O.# 99899-09			
UPDATED FOR TRANSFER SWITCH REMOVAL (DEVICE 83)			
4	9-9-09		
PR			
W.O.# 99899-09			
REV. METERING CONN ON BUS 1 & 2 PTS TO REMOVE SHARING OF NEUTRALS.			
5	08-19-2011		
YJ			
W.O.# 99899-09			
REV. DISTANCE RELAY CONN, W/R CONN, ADDED TRIP SIGNAL FROM 11LU/GO TO 86T14/GO & RESTORED TRANSFER RELAY FOR TRANSFER SWITCH REMOVAL AS-WIRED			
6	10/19/2012	IMAGE	
JMD	RSK	RSK	
W.O.# 69966-09			
ADDED GO-SN LINE RELAYS.			
7	05/04/2015	IMAGE	
JM	LAN	LAN	
W.O.# 1305721-01			
ADDED WATT/VAR MULTI FN. AMMETER AND VOLTMETER AS WIRED.			
8	05/06/2015	IMAGE	
JMD	TDL	TDL	
W.O.# 1507252-01			
REVISED LOAD INTERRUPTER BREAKER FAILURE TIMER FOR LI 240BK11 & BK12.			
9	05/29/2015	IMAGE	
JM	APB	WAM	
W.O.# 1305721-01			
MADE CHANGES AS WIRED.			
10	02/29/16	IMAGE	
KC	RSK	RSK	
W.O.# 1602077			
NEW 96 WATT/VAR XDRC FOR NM-SN LINE.			
11	03/02/2016	IMAGE	
JMD	JM	JM	
W.O.# 1507252-01			
LI 240BK11 & 12 BREAKER FAILURE TIMER ASWIRED.			
12	07/18/16	IMAGE	
MKS	JM	JM	
W.O.# 1305721-01			
REV. FOR NM-SN LINE RELAY UPGRADE ADDITIONAL REDLINES AS WIRED			

ENDORSEMENTS	
SIGNATURE	DATE
DR: EJP	07/09/1990
CK: [Signature]	
DSGN: [Signature]	
CK: [Signature]	

APPROVED FOR SEATTLE CITY LIGHT FOR SIGNATURES	
Seattle City Light	
SEE MICROFILM FOR SIGNATURES	

METERING, COMMUNICATIONS, & RELAYING	
NORTH MOUNTAIN SUBSTATION 230 KV ONE LINE DIAGRAM	
SHEET 1 OF 1	CLASS E8-240
DRAWING NO. D-30485	REV. NO. 12
SCALE NONE	



LEGEND

11BF BREAKER FAILURE RELAY, SEL 351
 111U LINE RELAY #1, SEL 311L
 111U LINE RELAY #2, SEL 311L
 69S SCADA CONTROL, DISABLING SWITCH
 79Z RECLOSING AUXILIARY RELAY
 86B LOCKOUT RELAY
 87B BUS DIFFERENTIAL RELAY
 95V VOLT TRANSDUCER
 99WR WATT/VAR TRANSDUCER
 99WR AMMETER
 99WR VOLTMETER
 99WR DIGITAL FAULT RECORDER
 99WR HO LIGHT (FOR MAIN BUS)
 M MOTOR
 A MULTIFUNCTION METER - BITRONICS M650M3
 PX METER PULSE AUXILIARY RELAY
 S SYNCHROSCOPE
 S SYNCHROSCOPE SWITCH
 V VOLTMETER
 [V] VOLTMETER SWITCH
 W/R WATT/VAR METER
 W/R WATT/VAR METER
 W1 WATT/VAR MULTIFUNCTION METERS - BITRONICS M650M3
 W2 WATT/VAR MULTIFUNCTION METERS - BITRONICS M650M3
 W3 WATT/VAR MULTIFUNCTION METERS - BITRONICS M650M3
 W4 WATT/VAR MULTIFUNCTION METERS - BITRONICS M650M3

NOTES

1. * DRAWINGS MAINTAINED BY SNOHOMISH COUNTY PUD.
 DO NOT REVISE.
 2. RATED PRIMARY VOLTAGE = 138KV
 MAXIMUM PRIMARY VOLTAGE = 141.45KV
 CWT ACCURACY:
 X WDG & Y WDG = 0.3WXYZ, ZZ
 Z WDG = 1.2Z
 3. LOAD INTERRUPTER FAILURE TIMER USES INPUTS AND OUTPUTS FROM 11BF/96 AND 11BF/99.
 4. CONTACTS IN BETWEEN ◊ SYMBOL DENOTES SNOPOD CIRCUIT ELEMENTS.

REFERENCE DRAWINGS

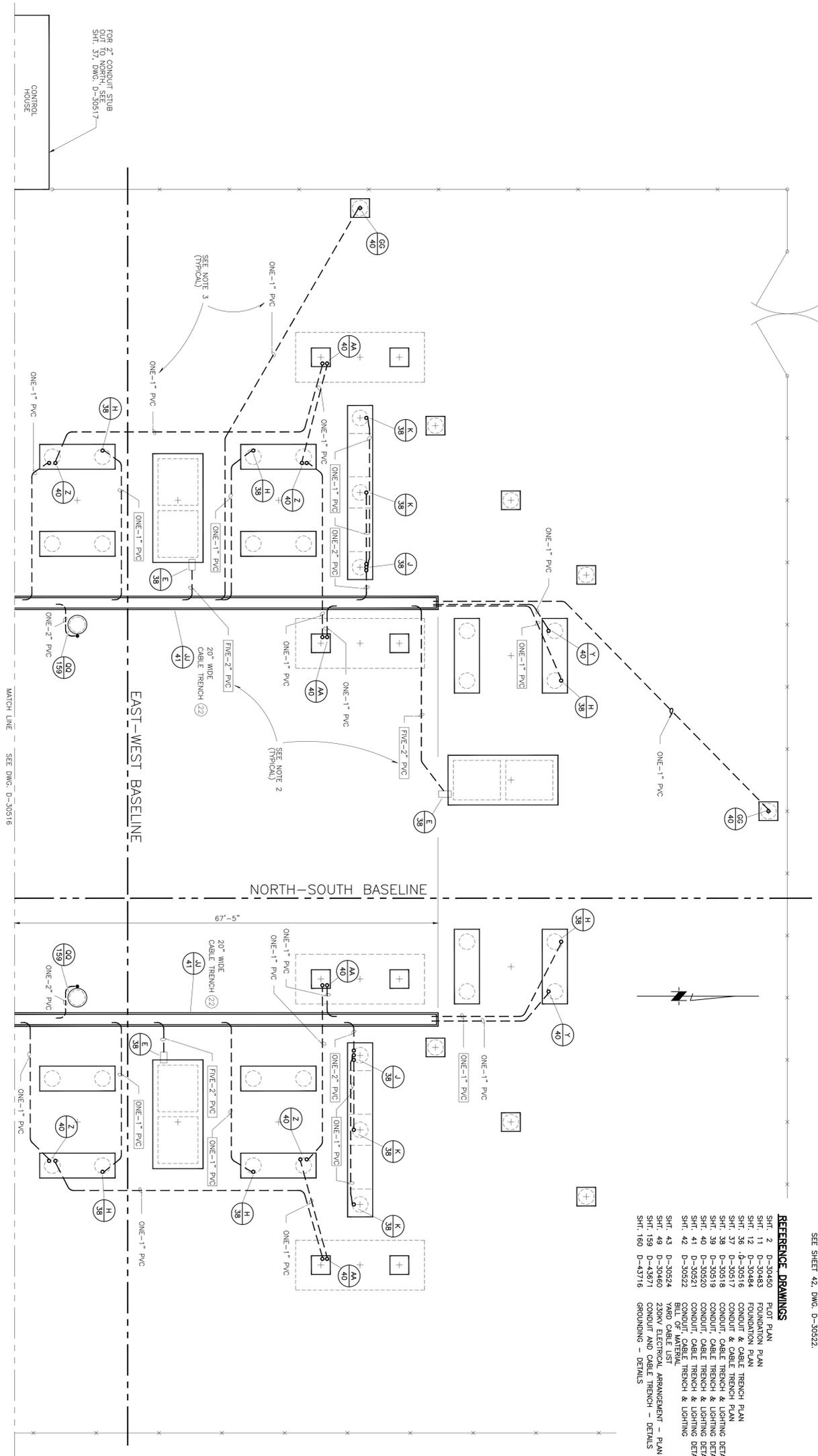
SHT. 4 D-44172 ARC FLASH HAZARD DATA
 SHT. 4 D-30459(S)-88-2) 12.5 KV ONE LINE DIAGRAM
 SHT. 89 D-30486 AC ELEMENTARY - 230 KV
 SHT. 90 *M-D-8879 AC ELEMENTARY - 12.5 KV
 SHT. 91 D-30490 DC ELEMENTARY - 230 KV
 SHT. 91 D-30490 SNOHOMISH LINE RELAYS
 SHT. 93 D-30492 DC ELEMENTARY - 230 KV
 SHT. 94 D-30493 BREAKER 240-99 230 KV
 SHT. 95 D-30494 DC ELEMENTARY - 230 KV
 SHT. 96 D-30495 DC ELEMENTARY - 230 KV
 SHT. 97 D-30496 DC ELEMENTARY - 230 KV
 SHT. 97 D-30496 INTERRUPTER 240BK11
 SHT. 98 D-30497 DC ELEMENTARY - 230 KV LOAD
 SHT. 98 D-30497 INTERRUPTER 240BK12
 SHT. 99 *M-D-8940 DC ELEMENTARY - TRANSFORMER
 SHT. 100 *M-D-8941 DC ELEMENTARY - TRANSFORMER
 SHT. 2 D-30450 BANK NO. 12 RELAYS
 SHT. 49 D-30460 230 KV ELECTRICAL ARRANGEMENT PLAN
 NORTH MOUNTAIN SUBSTATION DRAWING LIST

CIRCUITS CONTINUED ON DWG. S-88-02

1. 230 KV TO BANK NO. 12
 2. TRIP FROM BANK LOOKOUT RELAYS
 3. METERING CURRENT FROM BANK NO. 12
 4. POLARIZING CURRENT FROM BANK NEUTRALS
 5. TRANSDUCER OUTPUTS FROM 12.5 KV SYSTEM
 6. Wn, Wm & Wl INTERVAL PULSES TO PUD RTU
 7. 86B TRIP TO BREAKER 12-2514, 12-2515, & 12-2516
 8. TOTAL CURRENT FROM BANKS NO. 11 & 12
 9. METERING CURRENT FROM BANK NO. 11
 10. 230 KV TO BANK NO. 11
 11. TRIP FROM BANK LOOKOUT RELAYS
 12. DEVICE INTERLOCK INPUT FROM 240-96, 240-99, L240BK11, AND L240BK12 TO SEL 2100 PUD SIDE.

S-88-01B

REVISIONS			
REV	DATE	MF	
DR	CK	APP	
1	04/18/2008		
KW	EPH	EPH	
W.O.# 99899-09			
DESCRIPTION			
UPGRADED GO-NM LINE RELAYS.			



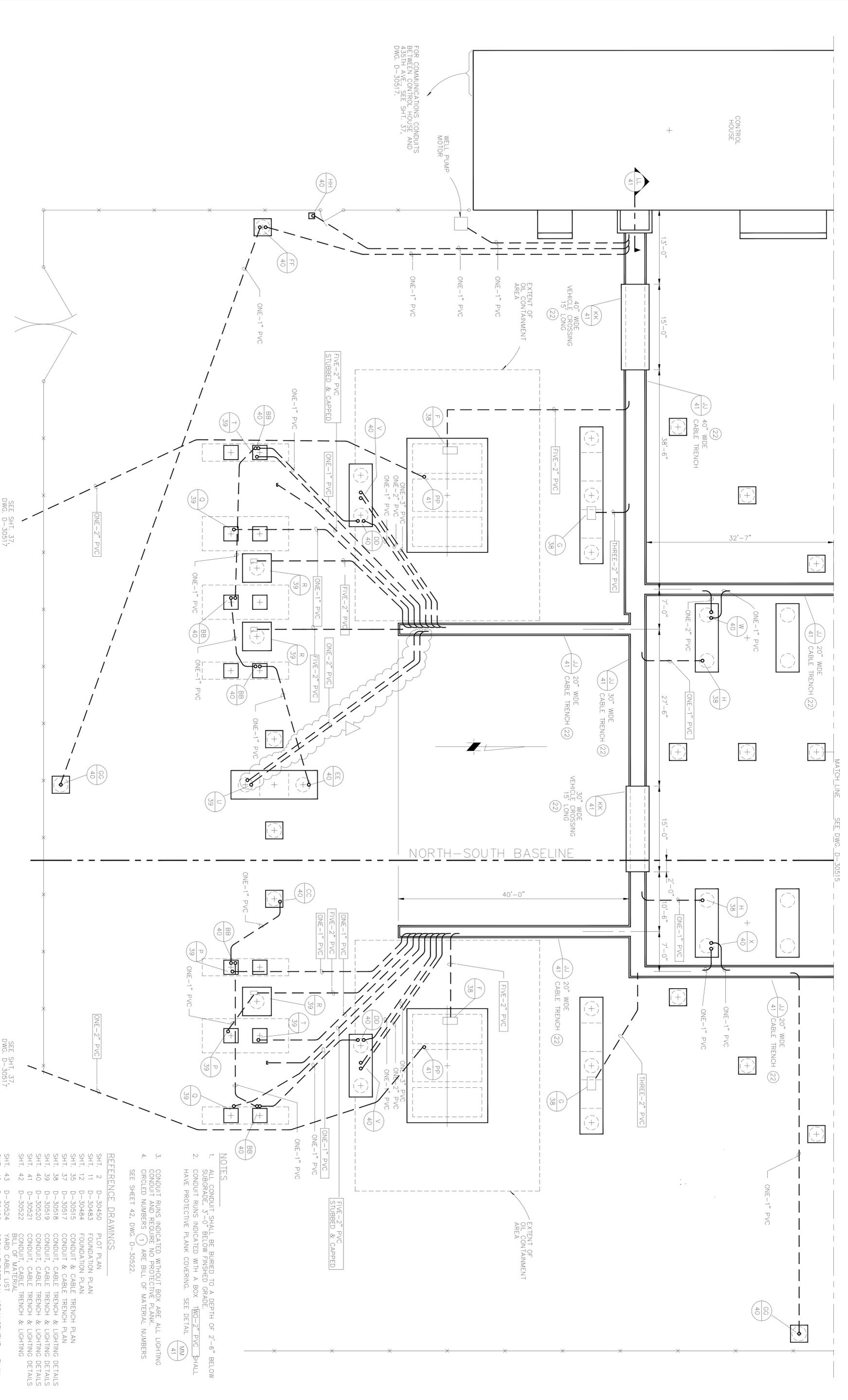
- NOTES**
- CONDUIT SHALL BE BURIED TO A DEPTH OF 2'-6" BELOW SUBGRADE 3'-0" BELOW FINISHED GRADE.
 - CONDUIT RUNS INDICATED WITH A BOX (TWO-2" PVC) SHALL HAVE PROTECTIVE PLANK COVERING. SEE DETAIL (AM 17)
 - CONDUIT RUNS UNPROTECTED WITHOUT BOX ARE ALL LIGHTING CONDUIT AND REQUIRE PROTECTIVE PLANK COVERING. SEE DETAIL (AM 17)
 - CIRLED NUMBERS ARE BILL OF MATERIAL NUMBERS. SEE SHEET 42, DWG. D-30522.

- REFERENCE DRAWINGS**
- SHT. 2 D-30460 PLOT PLAN
 - SHT. 11 D-30483 FOUNDATION PLAN
 - SHT. 12 D-30484 FOUNDATION PLAN
 - SHT. 35 D-30516 CONDUIT & CABLE TRENCH PLAN
 - SHT. 37 D-30517 CONDUIT & CABLE TRENCH PLAN
 - SHT. 38 D-30518 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 39 D-30519 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 40 D-30520 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 41 D-30521 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 42 D-30522 BILL OF MATERIAL
 - SHT. 43 D-30524 YARD CABLE LIST
 - SHT. 49 D-30460 25KV ELECTRICAL ARRANGEMENT - PLAN
 - SHT. 159 D-43871 CONDUIT AND CABLE TRENCH - DETAILS
 - SHT. 160 D-43716 GROUNDINGS - DETAILS

ENDORSEMENTS		PHYSICAL PLANT	
SIGNATURE	DATE	SHEET	35 OF
DR : RLZ	08/09/1990	CLASS	E
CK :		DRAWING NO.	D-30515
DSGN :		SCALE	1/8"=1'-0"
CK :		REV. NO.	1
DATE		CONDUIT AND CABLE TRENCH PLAN	
		NORTH MOUNTAIN SUBSTATION	
		Seattle City Light	
		APPROVED FOR SEATTLE CITY LIGHT	

REVISIONS		
REV	DATE	MF
DR	CK	APP
DESCRIPTION		
1	9-10-91	
DES	EDA	
AS BUILT		
2	8-91	
MCP		
ADD 7" COND FOR XFMR DIFF TRIPPING		

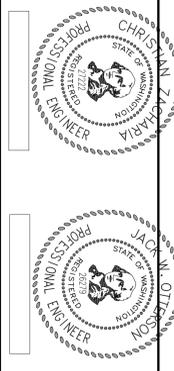
CAD-C-0411



FOR COMMUNICATIONS CONDUITS BETWEEN CONTROL HOUSE AND 435TH AVE.; SEE SHT. 37, DWG. D-30517.

SEE SHT. 37, DWG. D-30517

SEE SHT. 37, DWG. D-30517



Engineering & Design Associates

ENDORSEMENTS	DATE
Signature	7-6-90
BR RLZ	
CK JWO	
DSGN DJH	
CD	

CITY OF SEATTLE
CITY LIGHT DEPARTMENT
APPROVED FOR CITY LIGHT DEPARTMENT

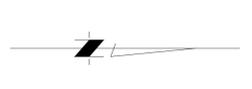
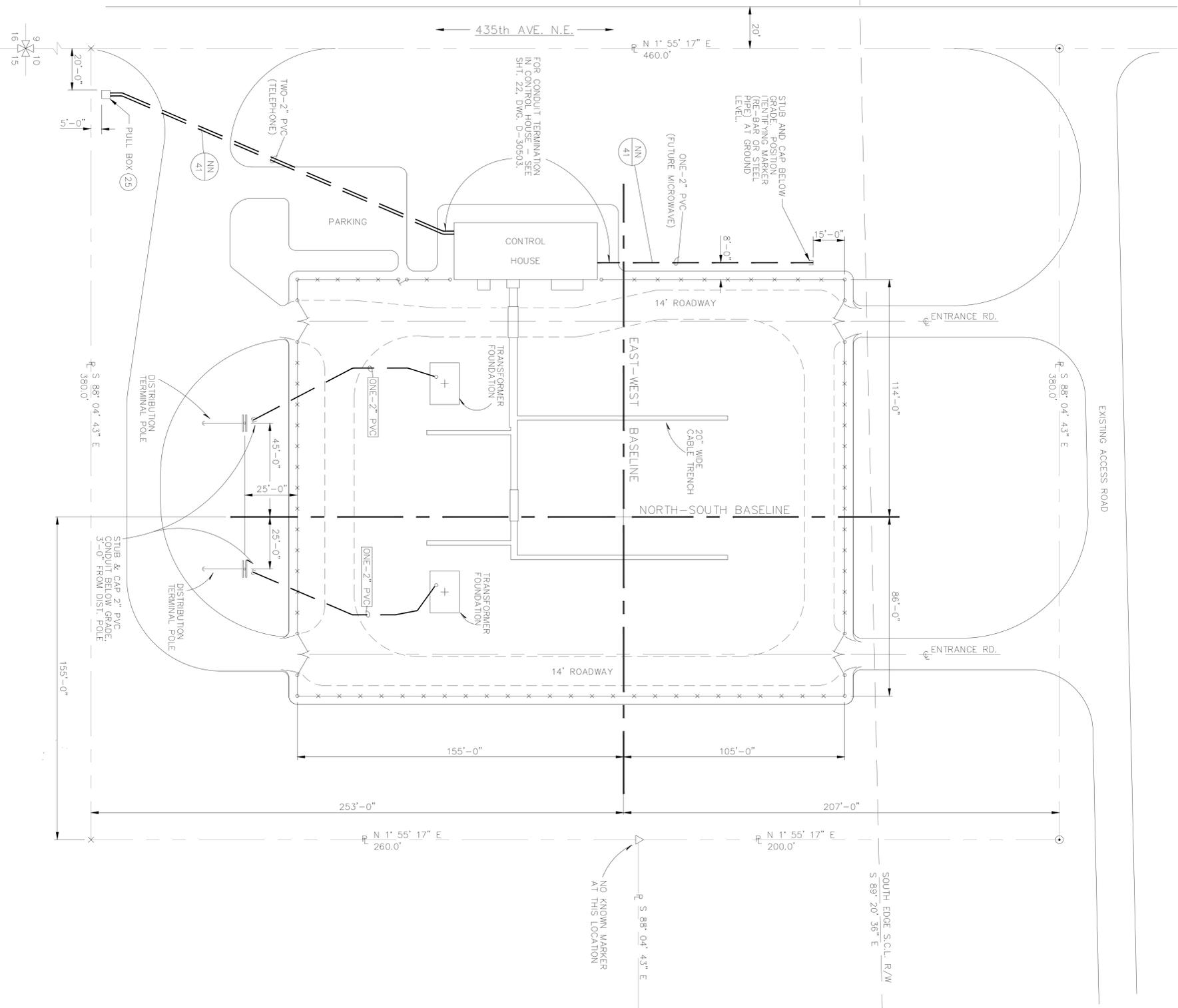
NORTH MOUNTAIN SUBSTATION
CONDUIT & CABLE TRENCH PLAN

CLASS	DRAWING NO.	SCALE	REV. NO.
	D-30516	1/8"=1'-0"	2

- NOTES**
- ALL CONDUIT SHALL BE BURIED TO A DEPTH OF 2'-6" BELOW SUBGRADE, 3'-0" BELOW FINISHED GRADE.
 - CONDUIT RUNS INDICATED WITH A BOX [10-2" PVC] SHALL HAVE PROTECTIVE PLANK COVERING. SEE DETAIL (41)
 - CONDUIT RUNS INDICATED WITHOUT BOX ARE ALL LIGHTING CONDUIT AND REQUIRE NO PROTECTIVE PLANK.
 - CIRCLED NUMBERS (1) ARE BILL OF MATERIAL NUMBERS. SEE SHEET 42, DWG. D-30522.
- REFERENCE DRAWINGS**
- SHT. 2 D-30450 PLOT PLAN
 - SHT. 11 D-30483 FOUNDATION PLAN
 - SHT. 12 D-30484 FOUNDATION PLAN
 - SHT. 35 D-30515 CONDUIT & CABLE TRENCH PLAN
 - SHT. 37 D-30517 CONDUIT & CABLE TRENCH PLAN
 - SHT. 38 D-30518 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 39 D-30519 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 40 D-30520 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 41 D-30521 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 42 D-30522 BILL OF MATERIAL
 - SHT. 43 D-30524 YARD CABLE LIST
 - SHT. 49 D-30460 230KV ELECTRICAL ARRANGEMENT - PLAN
 - SHT. 54 S-88-09 12.5KV ELECTRICAL ARRANGEMENT - PLAN

REVISIONS		
REV	DATE	MF
DR	CK	APP
DESCRIPTION		
1	9-7-90	
RLZ		
MINOR CHANGES		

CAD-C-0420



NOTE:
1. ALL BURIED CONDUIT OUTSIDE OF FENCED AREA SHALL BE A MINIMUM OF 36" BELOW EXISTING GRADE. EXCEPTIONS TO THIS REQUIREMENT ARE PERMISSIBLE WITHIN 10' OF CONTROL HOUSE AND WITHIN 10' OF PULL BOX.

- REFERENCE DRAWINGS
- SHT. 22 D-30503 CONTROL HOUSE - FOUNDATION PLAN
 - SHT. 35 D-30515 CONDUIT & CABLE TRENCH PLAN
 - SHT. 38 D-30518 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 40 D-30520 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 41 D-30521 CONDUIT, CABLE TRENCH & LIGHTING DETAILS
 - SHT. 42 D-30522 CONDUIT, CABLE TRENCH & LIGHTING BILL OF MATERIAL

ENDORSEMENTS	
SIGNATURE	DATE
BR RLZ	9-7-90
OSDN DJH	
EC	

CITY OF SEATTLE	
CITY LIGHT DEPARTMENT	
APPROVED FOR CITY LIGHT DEPARTMENT	DATE

NORTH MOUNTAIN SUBSTATION	
CONDUIT & CABLE TRENCH PLAN	
CLASS	DRAWING NO.
	D-30517
SCALE	REV. NO.
1"=30'	1

ONE INCH AT FULL SIZE		
REVISIONS		
REV	DATE	MF
DR	CK	APP
W.O.#		
DESCRIPTION		
0	7/15/1992	MF
COPY	CIVIL	ENGR
W.O.#		
△ COPIED SNO CO PUD FOR FILES		
EPH	EPH	
ADDED SNO PUD Dwg. No. AND CONVERTED TO ACAD 2006.		



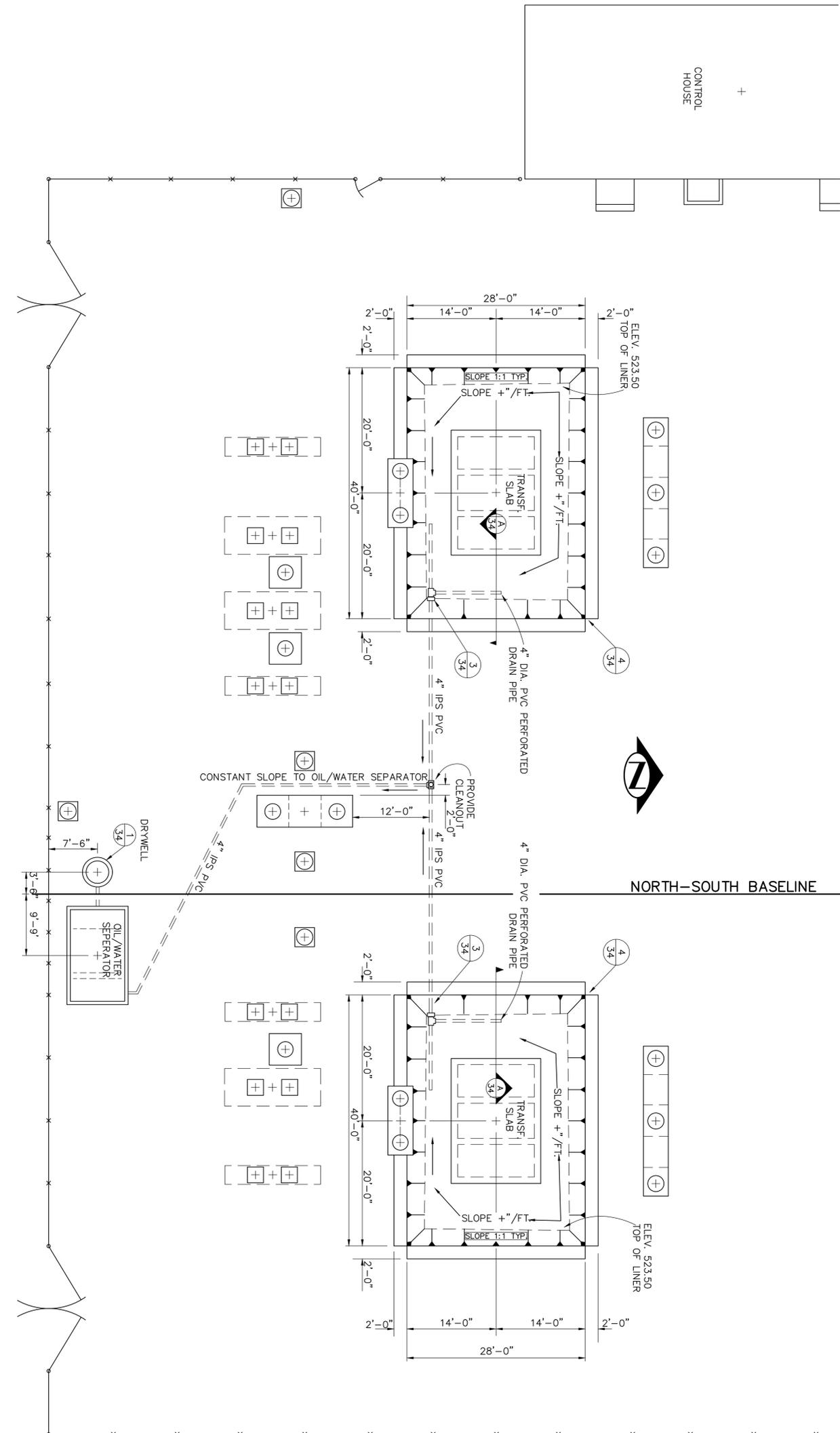
CONFIDENTIAL
FOR SEATTLE CITY LIGHT USE ONLY
FERC/NERC COMPLIANCE STANDARDS APPLY
FOR INFORMATION OR QUESTIONS CONTACT:
SCLCOMPLIANCE@SEATTLE.GOV

SnoPUD Dwg. No. S-88-07

ENDORSEMENTS	
SIGNATURE	DATE
DR : RLZ	07/03/1990
CK :	
DSGN :	
CK :	
ENGR :	JLF
DATE	
APPROVED FOR SEATTLE CITY LIGHT	
SEE MICROFILM FOR SIGNATURES	

PHYSICAL PLANT		SHEET 38 OF
NORTH MOUNTAIN SUBSTATION		CLASS C
OIL CONTAINMENT PLAN		DRAWING NO. D-30514
		SCALE 1/8"=1'-0"
		REV. NO. 1

REFERENCE DRAWINGS
SHT. 7 D-30451 GRADING SURFACING PLAN
SHT. 11 D-30483 FOUNDATION PLAN
SHT. 12 D-34484 FOUNDATION PLAN

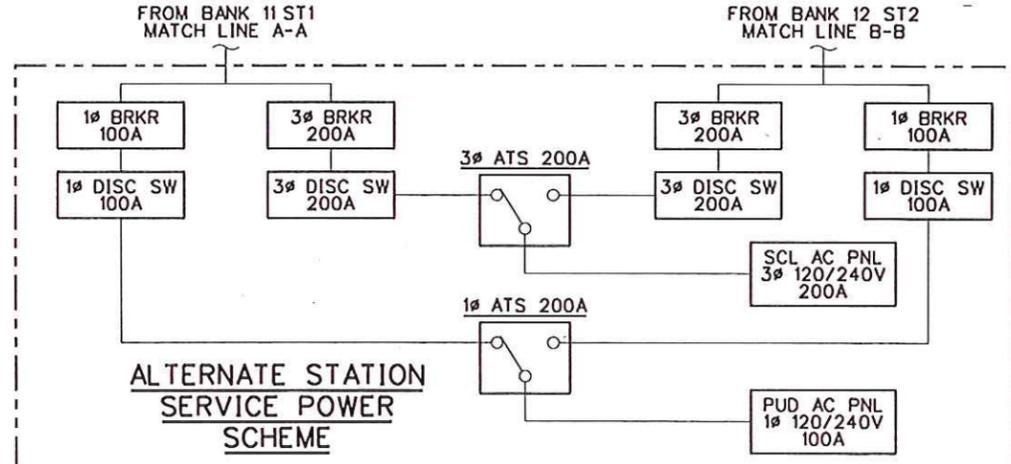
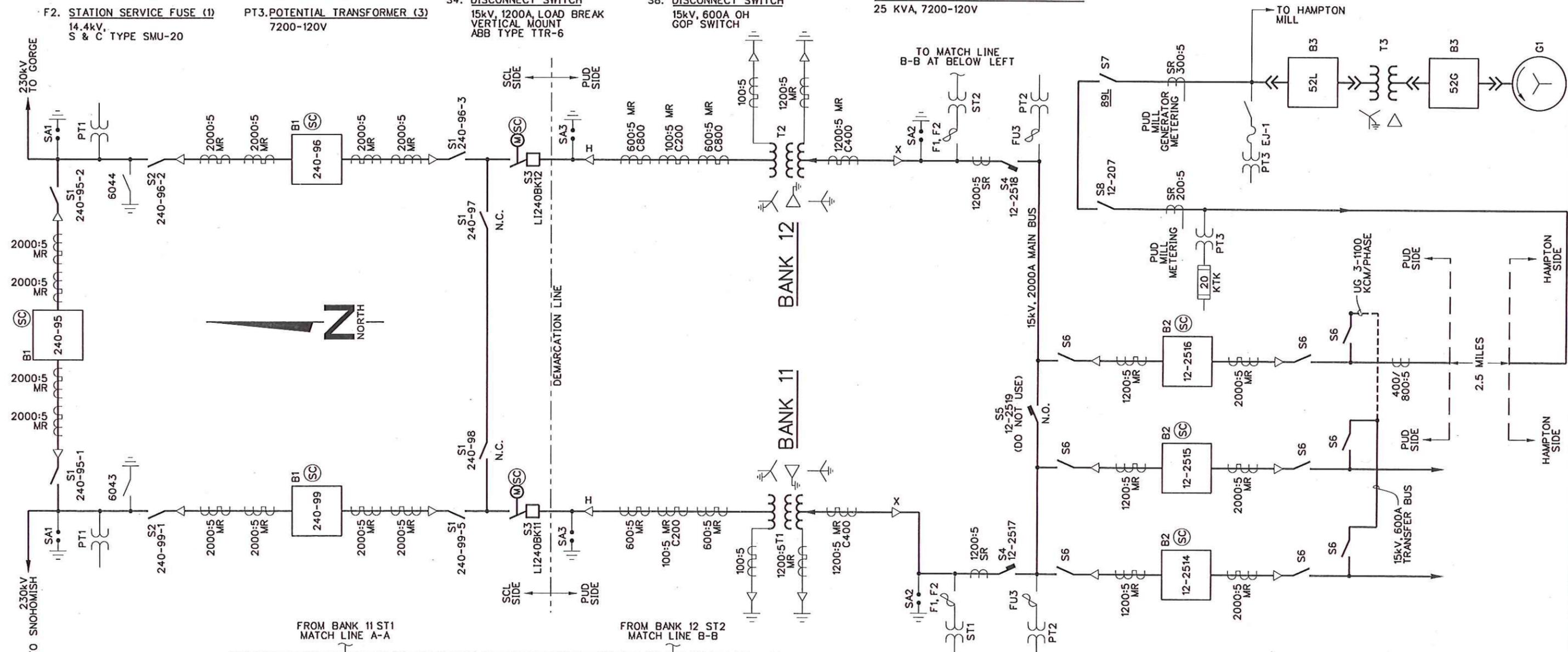


- B1. **CIRCUIT BREAKER**
242kV, 2000A, 40kA INT.
G.E. HVBI, SF-6
- B2. **CIRCUIT BREAKER**
15kV, 1200A, 20kA INT.
SQUARE-D
CAT. NO. FVBS1121120A
- B3. **VACUUM CIRCUIT BREAKER**
15kV, 1200A, 500 MVA
- F1. **STATION SERVICE FUSE (2)**
14.4kV, 8kA
S & C TYPE SMU-20
- F2. **STATION SERVICE FUSE (1)**
14.4kV,
S & C TYPE SMU-20
- F3. **POTENTIAL FUSE (3)**
14.4kV, 1A
S & C TYPE SMU-20
- G1. **GENERATOR**
9063 KVA
13.8kV 379A, 7250 KW, 0.8PF
- PT1. **POTENTIAL TRANSFORMER (3)**
138kV-115/69/115/69V
SQUARE-D TYPE UT-900-230
- PT2. **POTENTIAL TRANSFORMER (3)**
15kV, 7200-120V
G.E. TYPE JWV-5
- PT3. **POTENTIAL TRANSFORMER (3)**
7200-120V

- S1. **DISCONNECT SWITCH**
242kV, 2000A, 100kA INT.
VERTICAL BREAK
SIEMENS TYPE AVB
- S2. **DISCONNECT SWITCH**
242kV, 2000A, 100kA INT.
VERTICAL BREAK WITH
GROUNDING BLADE
SIEMENS TYPE AVB
- S3. **LOAD INTERRUPTER**
230kV, 1200A, 20kA INT.
S & C MODEL 2010
- S4. **DISCONNECT SWITCH**
15kV, 1200A, LOAD BREAK
VERTICAL MOUNT
ABB TYPE TTR-6
- S5. **DISCONNECT SWITCH**
15kV, 1200A, LOAD BREAK
HORIZONTAL MOUNT
ABB TYPE TTR-6
- S6. **DISCONNECT SWITCH**
15kV, 1200A, SINGLE POLE
HOOK-STICK OPERATED,
"VEE", CLEVELAND-PRICE
TYPE LCO-S
- S7. **DISCONNECT SWITCH**
15kV, 600A GROUND OP
AIR BREAK SWITCH
- S8. **DISCONNECT SWITCH**
15kV, 600A OH
GOP SWITCH

- SA1. **ARC GAP**
40" GAP
- SA2. **SURGE ARRESTER**
8.4kV MCOV
G.E. CAT. NO. 9L11XGA010
- SA3. **SURGE ARRESTER**
140kV
MCOV
- ST1. **STATION SERVICE TRANSFORMER 1 ϕ (1)**
50 KVA, 7200-120/240V
- STATION SERVICE TRANSFORMER 1 ϕ (2)**
25 KVA, 7200-120V

- ST2. **STATION SERVICE TRANSFORMER 1 ϕ (1)**
50 KVA, 7200-120/240V
- STATION SERVICE TRANSFORMER 1 ϕ (2)**
25 KVA, 7200-120V
- T1. **TRANSFORMER K-284 (BANK 11)**
ABB, 10/12.5 MVA
230,000Y/132,790Y-12,470Y/7200V
IMPEDANCE 9.23%
NO LOAD TAP SET AT 230kV
LV LTC +10%, 16-POSITION
UTC 299200
- T2. **TRANSFORMER K-283 (BANK 12)**
ABB, 10/12.5 MVA
230,000Y/132,790Y-12,470Y/7200V
IMPEDANCE 9.29%
NO LOAD TAP SET AT 230kV
LV LTC +10%, 16-POSITION
UTC 299199
- T3. **GENERATOR STEP UP TRANSFORMER**
7500/8400/9375/10,500 KVA
12.5kV-13.8kV, Z=6.5%
- (SC) SUPERVISORY CONTROL



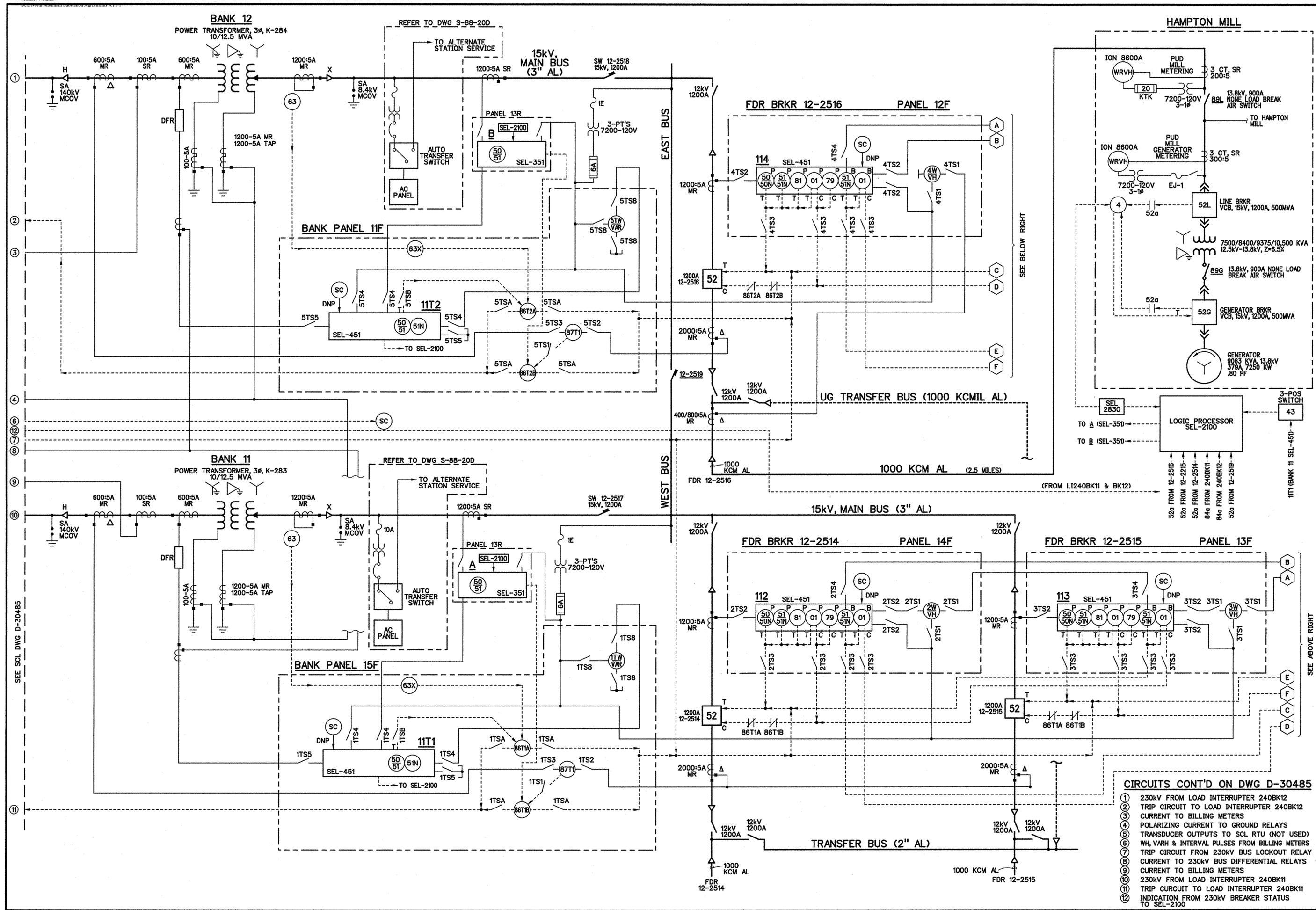
NOTE:
DRAWING IS NOT TO
BE USED FOR ANY
PHYSICAL DIRECTION
OF TRANSMISSION LINES.

DATE	ENGR	APVD	REVISIONS
3/4/16	AF	JAZ	REDRAWN TO LATEST STDS
4/14/15	RSC	JAZ	EXTENDED TRANSF BUS
12/12/08		JAL	REVISED DEFINITIONS
11/14/08		CZ	REVISE EQPT DESIGNATIONS
1/19/07			INSTR RECORD AND RENUMBERED FROM S-88-2A
10/10/06			INSTALL SEL-2100
8/04		CZ	ADD 230kV SWITCH- YARD & UPDATE TO CURRENT STDS
8/92		JCW	REDRAWN ON CAD

**NORTH MOUNTAIN
SUBSTATION
ONE-LINE DIAGRAM**

**PUBLIC UTILITY DISTRICT NO. 1
SNOHOMISH COUNTY-EVERETT, WA**

ENGR	SCALE	APPROVED	DFTR	DATE	DRAWING
NONE	ATTACHMENT 1 to SCL North Mountain Substation Agreements	MCP DPA		8/92	S-88-1C

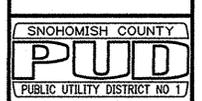


- CIRCUITS CONT'D ON DWG D-30485**
- ① 230kV FROM LOAD INTERRUPTER 240BK12
 - ② TRIP CIRCUIT TO LOAD INTERRUPTER 240BK12
 - ③ CURRENT TO BILLING METERS
 - ④ POLARIZING CURRENT TO GROUND RELAYS
 - ⑤ TRANSDUCER OUTPUTS TO SCL RTU (NOT USED)
 - ⑥ WH, VARH & INTERVAL PULSES FROM BILLING METERS
 - ⑦ TRIP CIRCUIT FROM 230kV BUS LOCKOUT RELAY
 - ⑧ CURRENT TO 230kV BUS DIFFERENTIAL RELAYS
 - ⑨ CURRENT TO BILLING METERS
 - ⑩ 230kV FROM LOAD INTERRUPTER 240BK11
 - ⑪ TRIP CIRCUIT TO LOAD INTERRUPTER 240BK11
 - ⑫ INDICATION FROM 230kV BREAKER STATUS TO SEL-2100

REV	DATE	BY	DESCRIPTION
10	7/90	CLT/CZA/GH	DRAWING
9			INDICATION FROM 230kV BREAKER STATUS TO SEL-2100
8			TRIP CIRCUIT TO LOAD INTERRUPTER 240BK11
7			230kV FROM LOAD INTERRUPTER 240BK11
6			CURRENT TO BILLING METERS
5			TRANSDUCER OUTPUTS TO SCL RTU (NOT USED)
4			WH, VARH & INTERVAL PULSES FROM BILLING METERS
3			TRIP CIRCUIT FROM 230kV BUS LOCKOUT RELAY
2			CURRENT TO 230kV BUS DIFFERENTIAL RELAYS
1			CURRENT TO BILLING METERS

NO.	DATE	BY	DESCRIPTION
7	2/28/08	JMM	INSTALL SEL-2100
6	1/00	JW	INSTL RCD-ADD SEL 351 TO BANKS 11 & 12
5	8/99	DFA	ADD SEL 351 TO BANKS 11 & 12
4	6/97	JW	INSTL RCD-DC MONITORING
3	4/96	JMM	ADD DC MONITORING
2	8/91		ADD TRIPPING TO 12-2514 & 12-2515 BY 86T1 & 86T2

NO.	DATE	BY	DESCRIPTION
10			DRAWING
9			INDICATION FROM 230kV BREAKER STATUS TO SEL-2100
8			TRIP CIRCUIT TO LOAD INTERRUPTER 240BK11
7			230kV FROM LOAD INTERRUPTER 240BK11
6			CURRENT TO BILLING METERS
5			TRANSDUCER OUTPUTS TO SCL RTU (NOT USED)
4			WH, VARH & INTERVAL PULSES FROM BILLING METERS
3			TRIP CIRCUIT FROM 230kV BUS LOCKOUT RELAY
2			CURRENT TO 230kV BUS DIFFERENTIAL RELAYS
1			CURRENT TO BILLING METERS



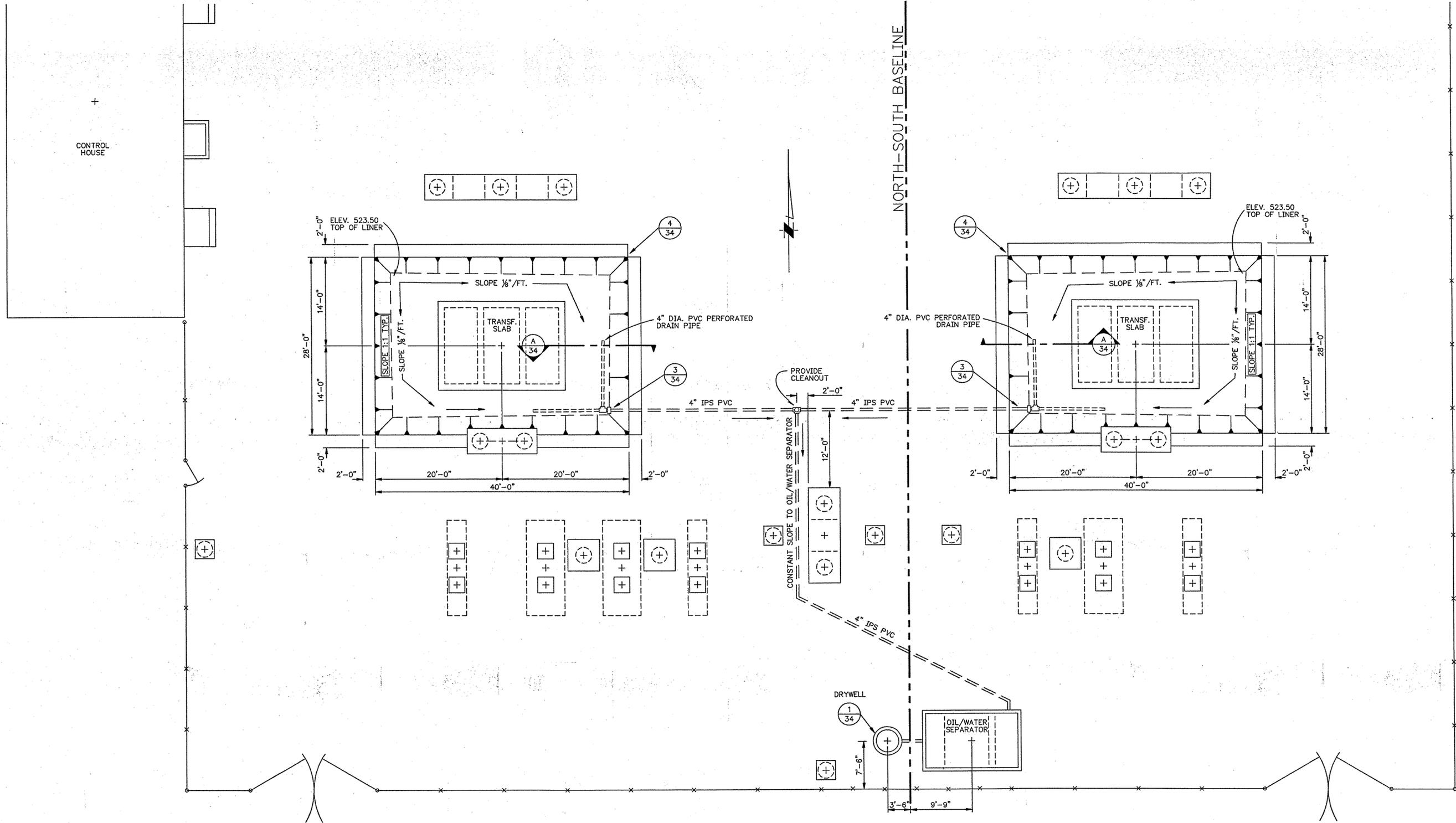
ORDER 390009
 OPERATION
 SCALE NONE
 DFTR FMP
 CHKR
 ENGR LWK
 APVD CLT/CZA/GH
 DATE 7/90

NORTH MOUNTAIN SUBSTATION
 12.5kV RELAYING & METERING ONE-LINE DIAGRAM AND HAMPTON MILL GENERATOR METERING

SEE SCL DWG D-30485

SEE ABOVE RIGHT

SEE BELOW RIGHT



REFERENCE DRAWINGS
 SHT. 7 D-30451 GRADING & SURFACING PLAN
 SHT. 11 D-30483 FOUNDATION PLAN
 SHT. 12 D-34484 FOUNDATION PLAN



Engineering & Design Associates

NO.	DATE	REVISION	EDR.
1	9-9-91	AS BUILT	EDR.
NORTH MOUNTAIN SUBSTATION OIL CONTAINMENT PLAN			APPR.
PUBLIC UTILITY DISTRICT NO. 1 SNOHOMISH COUNTY -- EVERETT, WA			
DWN	ENGR	APPROVED	SCALE
RLZ	JLF	<i>[Signature]</i>	1/8"=1'-0"
DATE	REV NO	DRAWING	
7-3-90	1	S-88-07	

Exhibit G

North Mountain Security and Access Control

1. Access Administration

- a. The Parties agree to work in coordination to provide access to facilities in a manner that meets all security and regulatory requirements.
- b. Seattle will be the controlling authority for access to North Mountain Substation.
 - i. Seattle will expeditiously respond to requests by the District for access, key cards, or documentation.
 - ii. The District will expeditiously respond to request by Seattle for records or documentation related to security or access control.
 - iii. The District will follow Seattle City Light's process for requesting and authorizing access, which includes the District completing access requests for personnel requesting un-escorted access to North Mountain substation.
- c. All persons granted un-escorted access to North Mountain substation will have met the following standard:
 - i. Be a current employee of Seattle City Light or Snohomish County PUD.
 - ii. Complete Seattle City Light's Cyber Security Training
 - iii. Shall follow the requirements contained in the Rules of Conduct for Seattle City Light Substations.
 - iv. Have a reviewed and signed "Agreement to Abide by the Rules" on file with Seattle City Light.
- d. All personnel that have not been granted un-escorted access to North Mountain substation shall:
 - i. Receive permission from the Parties approving manager for escorted access.
 1. The approval process will include a review and signing of the "Agreement to Abide by the Rules" to be sent to the Seattle Security Manager.
 - ii. Be escorted by a Party employee that has been granted un-escorted access.

- iii. Be always escorted while inside the fenced area of North Mountain Substation.
- e. Maintaining a Seattle City Light Access Badge
- i. District employees with a Seattle Access Badge shall maintain positive control of the badge
 - ii. Loss of a Seattle City Light Access Badge requires notification of Seattle's Security Monitoring Center and Access Administrator within 24 hours.
 - iii. Quarterly Seattle shall send the District a validation email that requires the District to verify Seattle Access Badges and provide a documentation of validation by email in return.
- f. Revoking a Seattle Access Badge
- i. If the District terminates personnel with a Seattle Access Badge from employment or if the District determines that the personnel poses a security risk or no longer needs unescorted access to North Mountain Substation, the District shall call or email Seattle's Security Monitoring Center and Access Administrator within 24 hours of the termination action or access no longer being needed.
 - ii. Seattle shall confirm with the District's Access Administrator that access is terminated, and the District shall return the deactivated Seattle Access Badge to Seattle's Security Office.
- g. Non-compliance
- i. Seattle reserves the right, with cause, to immediately terminate District personnel's unescorted physical access privileges for failure to comply with the terms of this Agreement.

2. **Security and Access Control**

- a. Access to North Mountain Substation
- i. The District may access North Mountain Substation via a Seattle Access Badge (electronic cardkey) using badge readers which are installed on all access points.

1. No metal/hard keys shall be used to access perimeter control points and the Control Room of North Mountain Substation.
2. Seattle maintains a Physical Access Control System (PACS) metal override key to be used in case of failure of the PACS.

b. Alarm Events

- i. In the event that Seattle’s Security Monitoring Center (SMC) receives an access or security related alarm regarding North Mountain, Seattle (SMC) will contact the District’s Snohomish County PUD’s Security Operations Center
- ii. The District’s Security Operations Center will dispatch a security officer to North Mountain to observe and report.
- iii. SMC will dispatch a security officer to relieve the District’s security officer and to complete a case report.
 1. Seattle City Light may also dispatch a NAS Operator concurrently with the assistance of the System Control Center.
- iv. Seattle will provide completed case reports to the District.

c. Perimeter Compromise206-

- i. In the event that the District’s security officer or District personnel observes a compromise in the integrity of the perimeter fence or gates, the security officer will report their findings to Seattle’s SMC.
- ii. Seattle’s SMC will dispatch a security officer to relieve the District’s security officer to complete a case report and initiate the repair process.
 1. Seattle City Light may also dispatch a NAS Operator concurrently with the assistance of the System Control Center.

3. Contact Information

- a. Seattle City Light
 - i. Security Monitoring Center 206-386-9111
 - ii. Brendan Armstrong Security PM 206-948-2944
 - iii. Josh Czebotar Sec. Specialist 206-247-0365
 - iv. Robert Terry Sec. Specialist 206-741-5470

- b. Snohomish County PUD
 - i. Security Monitoring Center (SOC) 425-783-8787
 - ii. Rob Beidler, Sr Manager of Safety and Security 425-783-8770

4. Revisions to Exhibit G

Either Party may revise Exhibit G. The revising Party shall update the Exhibit G revision history table and send the revised Exhibit G asking for agreement on the revision to be indicated by representative signature and return. This Agreement may be executed in several counterparts, all of which taken together will constitute one agreement and may be executed by electronic signature and delivered electronically. The parties have executed this Agreement as of the last date indicated below.

Exhibit I Revision History		
Revision #	Revising Party and Description of change	Date
0	North Mountain O&M Agreement Effective	08/01/2022

5. Revision Approval

- a. Parties' approval of revision "0" of Exhibit G Security and Access Control indicated below by signature.

ACCEPTING FOR THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT

Mike Haynes
Assistant General Manager

Date:_____

ACCEPTING FOR THE PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON

Guy Payne, Assistant General Manager, Distribution and Engineering Services

Date:_____

Exhibit H

Operational Coordination

1. Operation

- a. Seattle shall operate its 230kV equipment and system at North Mountain substation in accordance with this Agreement, Good Utility Practice, and any other applicable local, state, and federal codes and requirements.
- b. The District shall operate its 230-12.5kV transformer and 12.5kV distribution system at the North Mountain substation in accordance with this Agreement, Good Utility Practice, and any other applicable local, state, and federal codes and requirements.
- c. If, in Seattle's opinion, the District's or its customers' operation or maintenance of their facilities in or connected to the Substation is unsafe or may otherwise adversely affect Seattle's power equipment, personnel or service to its customers, Seattle may physically interrupt the flow of energy to the Substation or take any other steps the City deems appropriate.

2. Dispatching

- a. Under normal conditions, the Seattle's Senior Power Dispatcher has authority and the responsibility for operation of the 230-kV components of the North Mountain Substation and the District's Power Dispatcher has authority and the responsibility for operation of the 12.5kV components of the Substation. Seattle's Senior Power Dispatcher shall act as the intermediary between the District's Power Dispatcher and Bonneville Power Administration's Transmission for the purpose of North Mountain Substation transmission operations
 - i. Seattle's Senior Power Dispatcher shall have the right to require switching changes within the capability of the North Mountain Substation by telephone request to the District's Power Dispatcher.
 - ii. Voltage Control - The Parties' Power Dispatchers shall mutually establish standing orders to require the 7.25 MW Hampton Lumber Generator (the "Generating Project") to absorb reactive power (i.e., volt-amperes reactive or "VAR") upon request by the Seattle's Power Dispatcher. The purpose is to reduce excessive voltage in Seattle's 230kV system. The amount of reactive power that the Generating Project may be required to absorb shall be limited to the Generating Project's safe and stable operating limits. Seattle's Power Dispatcher, at his/her sole discretion may verbally request that the District's Power Dispatcher assist Seattle in altering the 230kV voltage and the District's Power Dispatcher shall use

his/her best efforts to accommodate such request. The District shall provide Seattle's Power Dispatcher with the Generating Project's current generation capability curve, which will be used to determine the safe and stable operating limits.

- iii. Switchyard Control - North Mountain 230-kV transformer bushings (high side) shall be recognized as the interconnection point between the District and Seattle. Switches labeled "Disconnect 240 Bank 11" and "Disconnect 240 Bank 12" and all equipment on Seattle's side of the jurisdictional boundary shall be under control of the Seattle's Power Dispatcher. All equipment associated with the District's distribution system on the District's side (i.e., the 12.5kV or "low" side) of the transformer shall be under control of the District's Power Dispatcher.
- iv. Emergency Operations - The District's Power Dispatcher and Seattle's Senior Power Dispatcher shall establish standing orders that provide that under certain emergency conditions, Seattle may, in its sole discretion, make verbal requests directly to the District's Substation Operator to change the distribution station configuration to assist in arresting emergency conditions.
- v. System Priorities - If the emergency condition results in a system blackout or separation of Seattle's Skagit generation. The first priority of the Parties' Power Dispatchers shall be to restore the electric system and bring voltage and frequency into acceptable operating ranges. During the system restoration, Seattle's Senior Power Dispatcher may, in his/her sole discretion, verbally request that the District's Power Dispatcher shut down or separate the Hampton Generation Project from the District's distribution system and the District's Power Dispatcher shall promptly comply with such request. During the system restoration process, Seattle may adjust its generation schedules appropriately.
- vi. Seattle's Senior Power Dispatcher in an emergency, shall have the right to curtail or interrupt the operation of the Generating Project, in part or in whole, to prevent overload of Seattle's facilities due to (a) failure of a sectionalizing breaker at Seattle's Bothell Substation, (b) scheduled or unscheduled outages of multiple 230kV lines between the City's Skagit generating plants and Bothell Substation, or (c) multiple 115kV line outages in the City's electric system
- vii. The District's Power Dispatcher shall immediately notify Seattle's Senior Power Dispatcher of any abnormal distribution system switching conditions, including the closure of the District's 12.5kV interconnection to its Oso Substation.
- viii. Seattle's Power Dispatcher shall immediately notify the District's Power Dispatcher of any abnormal condition that will adversely affect North Mountain load carrying capability.

3. Outage Coordination

- a. The Party's will provide notice of planned outages of 230kV or 12.5kV equipment to the other Party's outage coordination office in accordance with the Regional Reliability Coordinator's Outage Coordination Policy requirements.
- b. The Party's will provide notice of planned outages of meter, communication, or relay equipment a minimum of 48 hours in advance of the planned outage.

4. Formal Notices of an Operating Nature

- a. Formal Notices should be communicated per Exhibit I.

5. Revisions to Exhibit H

Either Party may propose to revise Exhibit H. The revising Party shall update the Exhibit H revision history table and send the revised Exhibit H with a signed letter asking for agreement on the revision to be indicated by representative signature and return. This Agreement may be executed in several counterparts, all of which taken together will constitute one agreement and may be executed by electronic signature and delivered electronically. The parties have executed this Agreement as of the last date indicated below.

Exhibit H Revision History		
Revision #	Revising Party and Description of change	Date
0	North Mountain O&M Agreement Effective	08/01/2022

6. Revision Approval

- a. Parties' approval of revision "0" of Exhibit G Security and Access Control indicated below by signature.

ACCEPTING FOR THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT

Mike Haynes
Assistant General Manager

Date:_____

ACCEPTING FOR THE PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON

Guy Payne, Assistant General Manager, Distribution and Engineering Services

Date:_____

Exhibit I

North Mountain Notices

1. NOTICES RELATING TO PROVISIONS OF THE AGREEMENT

Any notice required under this Agreement shall either be in writing with proof of receipt by a nationally recognized delivery service or transmitted electronically. Notices are effective when received by the Party's Representative of delegate.

For purposes of this agreement, the District's Representative shall be:

Guy Payne
Assistant General Manager, Distribution & Engineering Services
Public Utility District No. 1 of Snohomish County Washington
P.O. Box 1107 Everett, WA 98206
Email: gopayne@snopud.com
Phone: 425-783-4201

For the purposes of this agreement, Seattle's Representative shall be:

Andrew Strong
Director of Power Management
700 5th Avenue, Suite 3300
Seattle, WA 98104
Email: Andrew.Strong@seattle.gov
Phone: (206) 684-3806

2. Notices of an Operating Nature

The Parties will provide contact information for high level coordination of operational activities. Such operational activities shall include, but are not limited to outage coordination, system dispatch, and safety.

For purposes of this agreement, the District's Operations Coordinator shall be:

System Operations 24/7 Contact
Public Utility District No. 1 of Snohomish County Washington
P.O. Box 1107 Everett, WA 98206
Email: energycontrolcenter@snopud.com
Phone: 425-783-5040

Paige Olson
Energy Control Superintendent
Public Utility District No. 1 of Snohomish County Washington
P.O. Box 1107 Everett, WA 98206
Email: plolson@snopud.com
Phone: 425-783-5034

For purposes of this agreement, Seattle's Operations Coordinator shall be:

System Operations 24/7 Contact
Phone: 206-706-0204

Kurt Pullman
System Operations Director
Email: Kurt.Pullman@seattle.gov
Phone: (206) 743-4347

Written correspondence should be sent to Seattle's Representative for internal forwarding.

3. **Notices Regarding Invoicing and Operations and Maintenance Plan, (O&M Plan)**

The Parties will provide contact information for ongoing correspondence concerning invoices, the O&M Plan and emergent North Mountain Substation issues.

The District's primary and copied backup contact shall be:

John Liang
Senior Regional Transmission Engineer
Public Utility District No. 1 of Snohomish County Washington
P.O. Box 1107 Everett, WA 98206
Email: JLiang@snopud.com
Phone: 425-783-5036

Robert Anderson
Manager, Substation Engineering
Public Utility District No. 1 of Snohomish County Washington
P.O. Box 1107 Everett, WA 98206
Email: RSAnderson@snopud.com
Phone: (425) 512-1329

Seattle's primary and copied backup contact shall be:

Michael Watkins
Strategic Advisor
700 5th Avenue, Suite 3300

Seattle, WA 98104
Email: Michael.Watkins@seattle.gov
Phone: (206) 684-3659

Josh Walter
Supervising Strategic Advisor
700 5th Avenue, Suite 3300
Seattle, WA 98104
Email: Michael.Watkins@seattle.gov
Phone: (206) 684-3654

4. Revisions to Exhibit I

Either Party may revise Exhibit I Notices. The revising Party shall update the Exhibit I revision history table and send the revised Exhibit I asking for agreement on the revision to be indicated by approval signature and return. This Agreement may be executed in several counterparts, all of which taken together will constitute one agreement and may be executed by electronic signature and delivered electronically. The parties have executed this Agreement as of the last date indicated below.

Exhibit I Revision History		
Revision #	Revising Party and Description of change	Date
0	North Mountain O&M Agreement Effective	08/01/2022

5. Revision Approval

- a. Parties' approval of revision "0" of Exhibit G Security and Access Control indicated below by signature.

ACCEPTING FOR THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT

Mike Haynes
Assistant General Manager

Date:_____

ACCEPTING FOR THE PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON

Guy Payne, Assistant General Manager, Distribution and Engineering Services

Date:_____

Attachment 2

NORTH MOUNTAIN SUBSTATION
TELECOMMUNICATIONS AGREEMENT BETWEEN
THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT
AND PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY, WASHINGTON

TABLE OF CONTENTS

SECTION	TERM	PAGE
1	Term of Agreement	3
2	Telecommunications Operation and Maintenance	3
3	Transfer of Rights	5
4	Expenses and Payment	5
5	Release	6
6	Indemnification Regarding North Substation	6
7	Dispute Resolution	7
8	Assignment	8
9	Review and Termination	8
10	Representatives of the Parties - Notices	9
11	No Waiver	9
12	Status of Parties	9
13	Whole Agreement	9
14	Amendment	9
15	Severability	9
16	Legal Relations	10
17	Signatures	11

EXHIBITS

Exhibit A	Expenses	

NORTH MOUNTAIN SUBSTATION
TELECOMMUNICATIONS AGREEMENT BETWEEN
THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT
AND PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY, WASHINGTON

This AMENDED AND RESTATED NORTH MOUNTAIN SUBSTATION TELECOMMUNICATIONS AGREEMENT is entered into by THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT (Seattle), and PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON (DISTRICT), municipal corporations of the State of Washington, hereinafter individually referred to as "Party" or collectively as "Parties."

RECITALS

WHEREAS, Seattle has agreed to own, operate and maintain North Mountain Substation for the purpose of providing power transfer services to the District's Darrington area customers; and

WHEREAS, Seattle and the District have a North Mountain Substation Operation and Maintenance Agreement and a Power Transfer Agreement or successor agreement, and together with this Agreement are "the Agreements" necessary for Seattle to transfer power to the District's Darrington area customers, and

WHEREAS, Seattle has indicated willingness to use portions of its existing communication system for the control of North Mountain Substation to the extent such does not interfere with or preclude use of the Seattle communication system for its own purposes and provided that the District agrees to pay for the use of Seattle's system; and

WHEREAS, the District agrees to fund all additional components of the communication system during the term of this Agreement that are reasonably necessary for Seattle's communication and control of North Mountain Substation, as specified by the City, to be compatible with Seattle's communication design standards; and

WHEREAS, the District agrees to be responsible for the cost of its communication ties with Seattle's equipment at Snohomish Substation for transmitting North Mountain Substation data to the District communications center; and

WHEREAS, the District agrees to be responsible for the communication and control costs Seattle incurs in order to transfer Bonneville Power Administration (BPA) power for delivery to the District's Darrington area customers, as required by the City's Power Transfer Agreement or successor agreement with the District; and

WHEREAS, the District is reimbursing Seattle for all other costs the City will incur for the operation and maintenance of the North Mountain 230kV system and control of North Mountain substation under the terms of the Operation and Maintenance Agreement between the Parties, and

WHEREAS, the Parties own, operate and maintain their own data communications equipment, and

WHEREAS, in order to provide for the communication system described above,

NOW, THEREFORE, the Parties agree as follows:

1. Terms of Agreement

- a. This Agreement shall take effect at 0000 hours on August 1st, 2022, and shall expire at 2400 hours on July 31st, 2042, unless terminated by agreement of the Parties.
- b. This Agreement may be extended, amended, or terminated upon mutual agreement of the Parties.
- c. In the event the Agreement is terminated, all liabilities incurred hereunder are hereby preserved until satisfied.
- d. On its effective date, this Agreement terminates and replaces in its entirety, the prior 1991 Agreement. All Obligations incurred under the prior agreement shall be preserved until fully satisfied.

2. Telecommunication Operations & Maintenance

- a. The District Shall
 - i. Perform placement and modification of the District's future communication equipment in a timely and workmanlike manner and subject to the approval, general guidance, and direction of Seattle's representative or designee. The District's communication equipment shall not be placed so as to electrically or physically interfere with the City's use of the site, building, towers or road.
 - ii. The installation, operation, maintenance and removal of the District's communication equipment shall be without cost and under the general

supervision of Seattle, and subject also to such rules and regulations as it may from time to time prescribe. The District assumes all risk of loss or damage, to their own communication system, or injury resulting from the malfunction of the District's communication facilities.

- iii. In the event that interference should result from the District's installations or connections to Seattle's facility, the District shall be responsible for immediately ceasing such operation, and eliminating the interference to the satisfaction of Seattle before resuming operations.
- iv. In case interference results from the District's operations or owned communication equipment at North Mountain Substation, Seattle may order corrective measures to be taken immediately and interference eliminated within five days from receipt of notice. In the event operation of equipment or other actions by the District render Seattle's equipment unusable the District, upon notification by Seattle, shall immediately cease such operations or actions. The District will be responsible and will assume the cost of the corrective measures needed to eliminate the interference or modify the District's owned facilities to the satisfaction of Seattle.
- v. Elimination of interference shall be accomplished first by modification of the District's equipment, and then, if not corrected, by modification to Seattle's equipment at the expense of the District. In the event that Seattle determines an existing incompatibility between Seattle and the District's communication at North Mountain, the District will cease operations immediately.

b. Seattle Shall

- i. Operate and maintain all Seattle owned communication and control equipment at North Mountain substation, for the purpose of serving the District's Darrington area load.
 - 1. This specifically includes the communication equipment and support systems used to communicate operational data to BPA regarding North Mountain Substation.

- c. Neither Party shall perform any operation or maintenance procedures on the equipment owned by the other Party, except those pursuant to the emergency operating procedures outlined in the North Mountain Operation and Maintenance Agreement.

3. Transfer of Rights

- a. The District's use of the City's Telecommunication and control system at North Mountain Substation and lease of other City facilities is limited to the purpose of the operation and maintenance and control of North Mountain Substation, and is not transferrable or to be used for any other purpose.

4. Expenses and Payment

- a. The District shall pay all of the costs of operating and maintaining the District owned communication system that is used for communication and control of North Mountain Substation.
- b. The District shall pay all of the costs of operating and maintaining the Seattle owned communication system that is used for communication and control of North Mountain Substation.
- c. The District shall pay all of the costs of operating and maintaining the BPA owned communication equipment, if any charges are levied on the District, or Seattle by BPA for the operation and maintenance of communications at North Mountain Substation.
- d. The District shall pay to Seattle a monthly lease charge for space to locate District owned communications equipment installed in the Seattle control room at North Mountain Substation.
- e. These expenses are outlined in Exhibit A, North Mountain Telecommunication Expenses.
- f. Seattle's representative shall periodically and not to exceed once per year, update Exhibit A to reflect Seattle's cost of providing communication for North Mountain substation. This periodic update shall occur during the first quarter of each year.

- i. Seattle shall advise the District sixty, 60 days prior to an updated Exhibit A being used to charge the District.
 - ii. The District may request a meeting to discuss changes to Exhibit A withing thirty (30) days of receiving an updated Exhibit A.
- g. Billing and payment will occur monthly in accordance with the following:
 - i. The accounting period for billing under this Agreement shall be the first day of the calendar month to the last day of the calendar month unless otherwise agreed in writing between the Parties' Representative.
 - ii. The District shall pay Seattle the amount due under any invoice no later than thirty days after the date of the invoice. Seattle shall transmit via email or other acceptable means the invoice no later than 5 days after the date on the invoice.
 - iii. In the event any invoice, or part thereof, is disputed, payment of the invoice as rendered shall be made when due, with subsequent invoice being adjusted for any amount found to be in error.
 - iv. Seattle may combine invoices for this Agreement with other bilateral District-City Agreements into one monthly billing, but the itemized cost of each Agreement will be identified separately.

5. Release

- a. Each Party releases the other from liability for loss or damage to it which shall include, but not be limited to, consequential damages and the loss of use or profit, which arises out of or in connection with the negligence of a Party, or negligence any officer, agent, or employee of a Party, under this Agreement.

6. Indemnification Regarding North Substation

- a. To the maximum extent allowed by law, including R.C.W. 25.32A.090, each Party shall defend, indemnify and hold harmless the other Party, its successors and assigns, and the respective directors, officers, employees and agents of the other Party and its successors and assigns (collectively referred to as the "Indemnitees") from any and all claims, losses, costs, liabilities, damages and expenses (including but not limited to, reasonable attorneys' fees) caused by the negligence of the other Party or anyone acting on the other Party's behalf

- b. A Party shall not be liable to the other Party's customers for any interruption to the service or property damage caused by the provision of service, and each Party hereby indemnifies, protects and saves harmless the other Party against any and all such claims or demands, suit or judgment for loss, liability, damages and expenses.
- c. Indemnity, protection and hold harmless shall include any demand, claim, suit or judgment for damages to property or injury to or death of persons, including officers, agents, and employees of either party hereto including payment made under or in connection with the Workers' Compensation Law or under any plan for employees' disability and death benefits.
- d. It is further specifically and expressly understood that, solely to the extent required to enforce the indemnification provided herein, the District and Seattle waive their immunity under RCW Title 51 as provided in RCW 4.24.115; provided, however, the foregoing waiver shall not in any way preclude either Party from raising such immunity as a defense against any claim brought against a Party by any of its employees. This waiver has been mutually negotiated by the Parties.

7. Dispute Resolution

- a. The Parties recognize that cooperation and communication are essential to resolving issues quickly and efficiently. If any dispute arises in regard to the terms or conditions of this Agreement, then the parties shall meet and engage in good faith discussions with the objective of settling the dispute within thirty (30) days after either party requests such a meeting.
- b. If the dispute remains unresolved at the end of thirty (30) days, the matter shall be referred to designated senior managers from each Party, who shall meet and engage in good faith discussions with the objective of settling the dispute.
- c. If the parties cannot resolve the dispute within ninety (90) days from commencing dispute resolution, the parties shall refer the dispute to mediation using a mediator mutually agreeable to the parties. If these representatives cannot resolve the dispute within fourteen (14) calendar days after referral of the dispute to mediation, either party may seek resolution of the dispute through litigation or other judicial proceedings in Superior Court of King County.

8. Assignment

- a. This Agreement shall not be assigned by either Party without the prior written approval of the other.

9. Review and Termination

- a. The District may terminate this Agreement at any time upon twelve (12) months prior written notice to Seattle, and provided that similar notices of termination are provided by it with respect to the Power Transfer and Telecommunications Agreements.
- b. The District may terminate this Agreement upon prompt written notice to Seattle in the event of catastrophic loss or damage to the Substation which precludes transfer of power to the District.
- c. Seattle may terminate this Agreement at any time upon (120) days prior written notice to the District in the event of nonpayment of charges. If payment of such charges is made by the District within the 120-day notice period, this agreement shall not be terminated.
- d. Seattle may terminate this Agreement at any time upon twelve (12) months prior written notice to the District, for the District's failure to comply with any material provision of this Agreement, unless the District rectifies the violation to the satisfaction of Seattle.
- e. The Parties agree that on or before February 1, 2040, they will begin to discuss appropriate terms and conditions which could be incorporated into a new or extended Agreement in view of all applicable factors including existing and prospective Darrington area load and use of Seattle's Gorge to Snohomish transmission system.
- f. Six months prior to the expiration of this Agreement, and following the procedures agreed to by the Parties, Seattle will offer to extend this Agreement provided hereunder for a term and on conditions then deemed to be just and reasonable by both Parties
- g. The provisions of this Article shall not limit any remedy at law or equity otherwise available to either Party.

10. Representatives of the Parties and Notices

- a. Representatives of the Parties and Notices shall be same as those maintained as part of the North Mountain Operations and Maintenance Agreement between Seattle and the District.

11. No Waiver

- a. The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect.

12. Status of Parties

- a. Each Party to this Agreement will perform services as an independent contractor with respect to the other. Any work or service performed by either Party is deemed performed for that Party, and no person employed by one Party shall be deemed an employee of the other.
- b. Work will be performed by each Party in accordance with its own methods.
- c. Each Party will perform work in accordance with this Agreement, applicable laws, and regulations.

13. Whole Agreement

- a. The terms, covenants and conditions of this Agreement, together with any exhibits or other such documents incorporated therein, or written amendments constitute the entire agreement between the Parties, and no understandings or obligations not therein expressly set forth will be binding upon them.

14. Amendment

- a. This Agreement may be amended at any time upon mutual written or digital agreement of the Parties.

15. Severability

a. If any part of this Agreement shall prove to be unenforceable, such unenforceability shall not extend beyond the part affected. The unaffected part of the Agreement will continue in full force and effect and will be binding upon the Parties hereto.

16. Legal Relations

- a. The Parties will perform and comply with all applicable laws or other governmental regulations.

- b. The Agreement will be construed and interpreted in accordance with the laws of the State of Washington and the Venue of any action brought hereunder will be the Superior Court of King County.

17. Signatures

ACCEPTING FOR THE CITY OF SEATTLE, CITY LIGHT DEPARTMENT

Debra Smith

General Manager/CEO Date: _____

ACCEPTING FOR THE PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON

John Haarlow

Chief Executive Officer, General Manager

Date: _____

Exhibit A

North Mountain Telecommunications Expenses

Expenses

1. The costs of operating and maintaining the Seattle owned communication equipment and system that is used for communication and control of North Mountain Substation is addressed in the North Mountain Operations and Maintenance Agreement between Seattle and the District.
2. The costs of data bandwidth associated with and used for communication and control of North Mountain Substation is addressed through Transmission charges.
3. There are currently no costs of operating and maintaining BPA owned communication equipment at North Mountain substation charged directly to Seattle or the District.
4. Lease charges for District owned communications equipment installed in the Seattle control room at North Mountain Substation shall be for adequate space for the following equipment:
 - a. One (1) 2ftx2ftx6ft RTU cabinet and associated conduit
 - b. Two (2) rack mounted equipment spaces and associated conduit
 - c. The lease space is approximately 50sqft.
5. The annual lease charge shall be $50\text{sqft} \times \$50.40\text{yr/sqft} = \$2,520$. The monthly charge amount will be \$210.00

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle City Light	Michael Watkins/ 360-990-0650	Greg Shiring/ 206-386-4085

** 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: AN ORDINANCE related to the City Light Department; authorizing the General Manager and Chief Executive Officer of City Light to execute an operation and maintenance agreement and a telecommunications agreement, both with Public Utility District No. 1 of Snohomish County; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: The legislation renews agreements from 1991, (Ordinance 115624) authorizing the negotiations and agreements concerning North Mountain Substation operations and maintenance, power transfer, and telecommunications. City Light has a long-standing relationship with Public Utility District No. 1 of Snohomish County (“District”) both as a neighbor and Public Power entity. City Light building and maintaining North Mountain substation was and continues to be the most cost-effective means for the District to service its Darrington, Washington area customers.

This Ordinance will continue the Agreements executed in 1991 and will obligate City Light to maintain North Mountain Substation and facilitate telecommunication services until August 1, 2042. The arrangement enables the District to serve its Darrington area load in the most cost effective manner. The Agreements provide a mechanism for the District to reimburse City Light’s costs. This legislation continues the principle that the District pays the costs City Light incurs to maintain North Mountain Substation. As such, costs are passed through to the District. The main difference with the updated agreement is that the District will be directly billed for work as it occurs instead of a estimate based on a previous years costs.

The District is in the process of approving the proposed Agreements with their elected board with final approval expected by June 30th, 2022.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes 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 District's Darrington Washington customers are dependent on City Lights North Mountain Substation for electrical service. Not renewing the agreements would force the District to build an environmentally impactful alternative at great expense. Not renewing the agreements would also damage a longstanding relationship with a Public Power neighbor.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

This legislation does not affect any departments besides City Light.

b. Is a public hearing required for this legislation?

No

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 legislation continues City Light facilitating the District in serving a small rural community in a least cost manner. No public communication regarding this legislation is required or planned.

f. Climate Change Implications

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

This legislation will not increase or decrease carbon emission in any way.

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 legislation will not increase or decrease Seattle's resiliency to climate change in a material way.

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)?

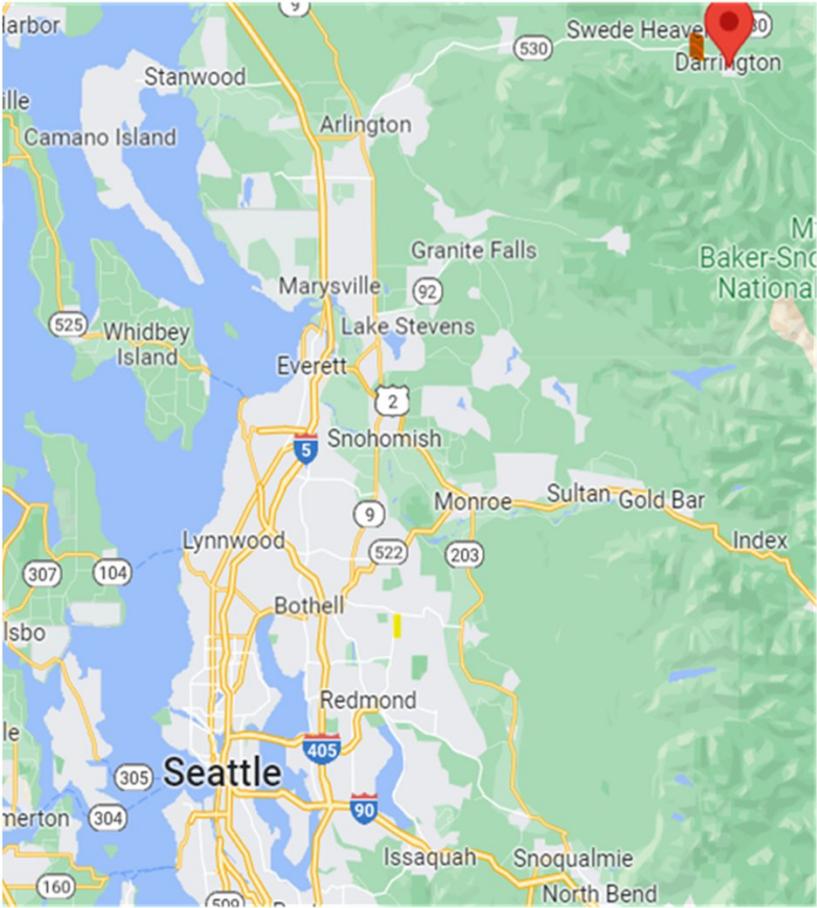
This legislation does not include a new initiative or major programmatic expansion.

Summary Attachments: N/A

North Mountain Operations & Maintenance Agreement

EDTCL Committee – Wednesday, July 27, 2022

North Mountain Substation near Darrington, WA



History

- In the 1980s Snohomish County Public Utility District (SnoPUD)'s town of Darrington customer load grew
- City Light Skagit Transmission was the least cost option for SnoPUD to serve the town of Darrington
- Relationship: City Light provides bulk power service to SnoPUD; SnoPUD serves customers in Darrington, WA with their resources.
- 1991 Original North Mountain agreements signed
- Principle of the North Mountain O&M agreement: SnoPUD reimburse City Light for costs associated with North Mountain

New North Mountain O&M Agreement

- 20-year contract that updates and improves the relationship between City Light and SnoPUD
- Cost recovery mechanism is now direct billing to SnoPUD for work performed by City Light
 - Provides transparency to SnoPUD
 - Ensures cost recovery for City Light using monthly accounting and invoicing
- Continues agreement that SnoPUD reimburse City Light for operations & maintenance costs associated with North Mountain substation

THANK YOU





Seattle City Light

seattle.gov/city-light



Mission, Vision & Values

Mission

Seattle City Light provides our customers with affordable, reliable and environmentally responsible energy services.

Vision

Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

Values



Customers First



Environmental Stewardship



Equitable Community Connections



Operational and Financial Excellence



Safe and Engaged Employees



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

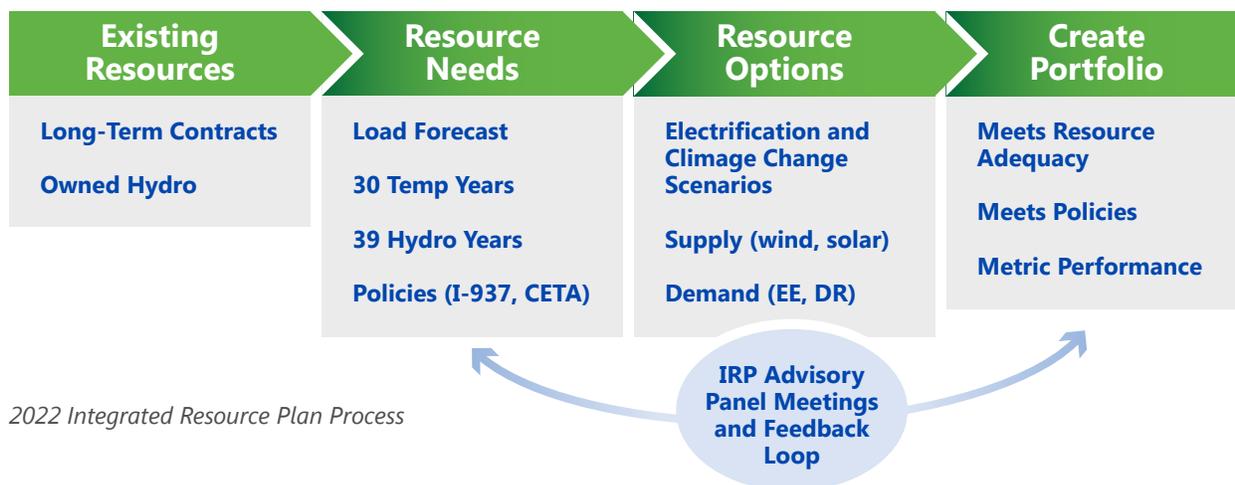
The IRP is a long-term decision support tool designed to educate and support stakeholder participation in achieving City Light’s energy future. It is also a Washington Utilities and Transportation Commission requirement to develop and update integrated resource plans, make them available to the public 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.

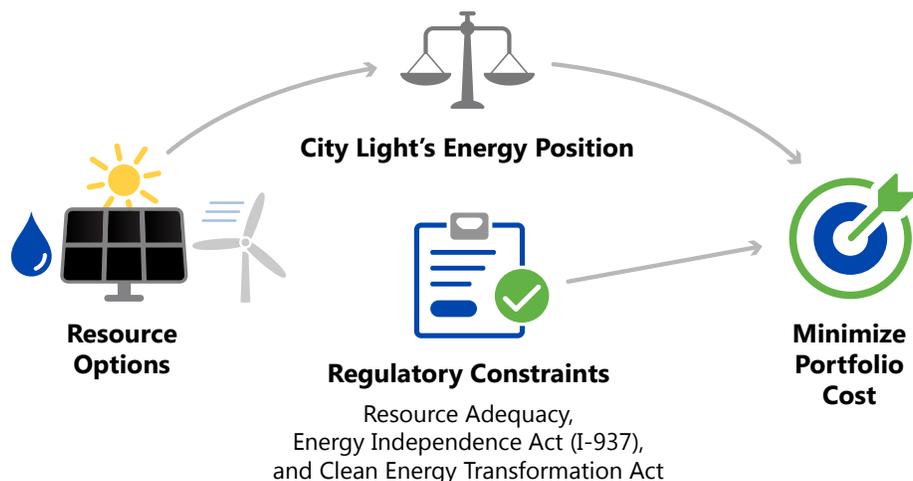
City Light and its stakeholders recognize there are other metrics to consider besides cost when determining the best mix of resources. For the 2022 IRP, City Light ranked and evaluated more than 20 resource strategies to develop a robust plan against six performance metrics:

- 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

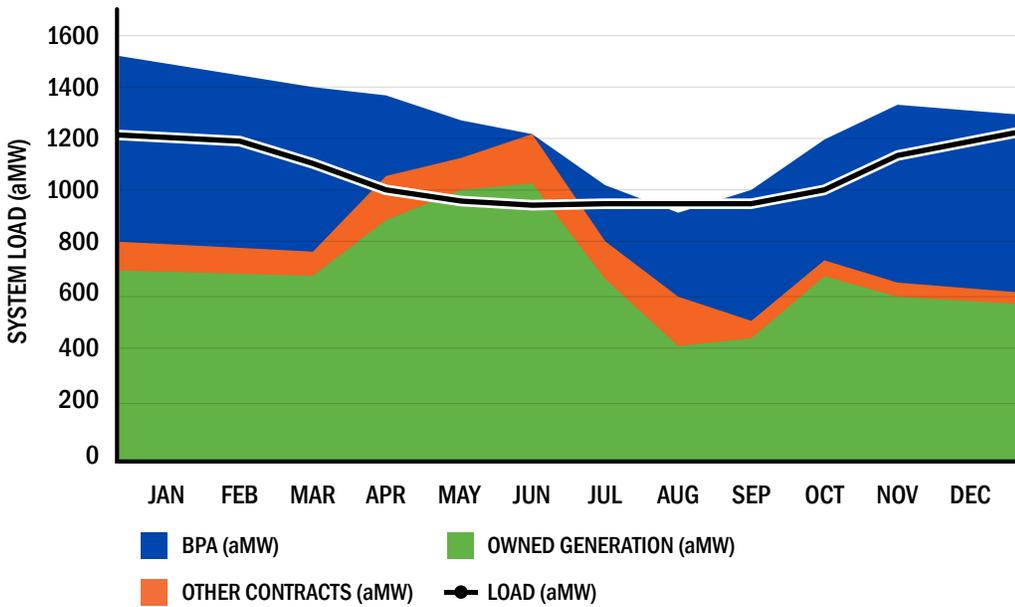
Goal: Design best mix of resources to meet City Light's needs over next 20 years



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.

2022 City Light Load-Resource Balance



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

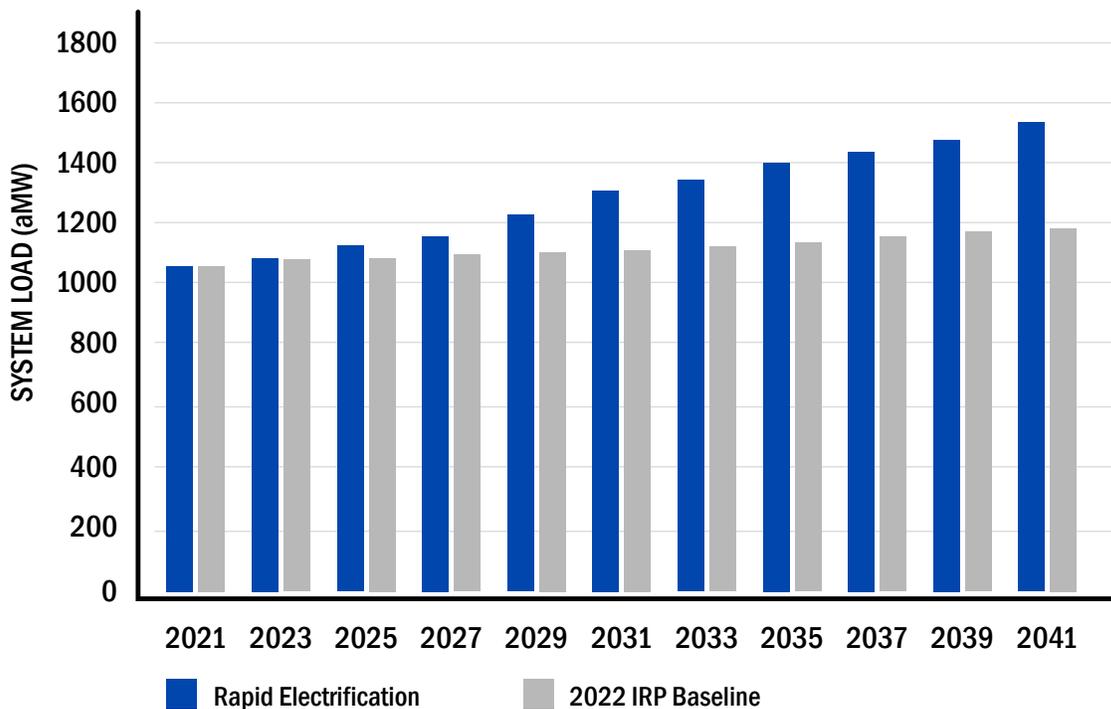
- By 2026, three power purchase contracts/exchanges are set to expire.
- In 2026, City Light hopes to begin operating under a new long-term license for the three dams on the Skagit River.
- In 2028, City Light will begin a new long-term contract with BPA to purchase energy from the federal hydroelectric 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



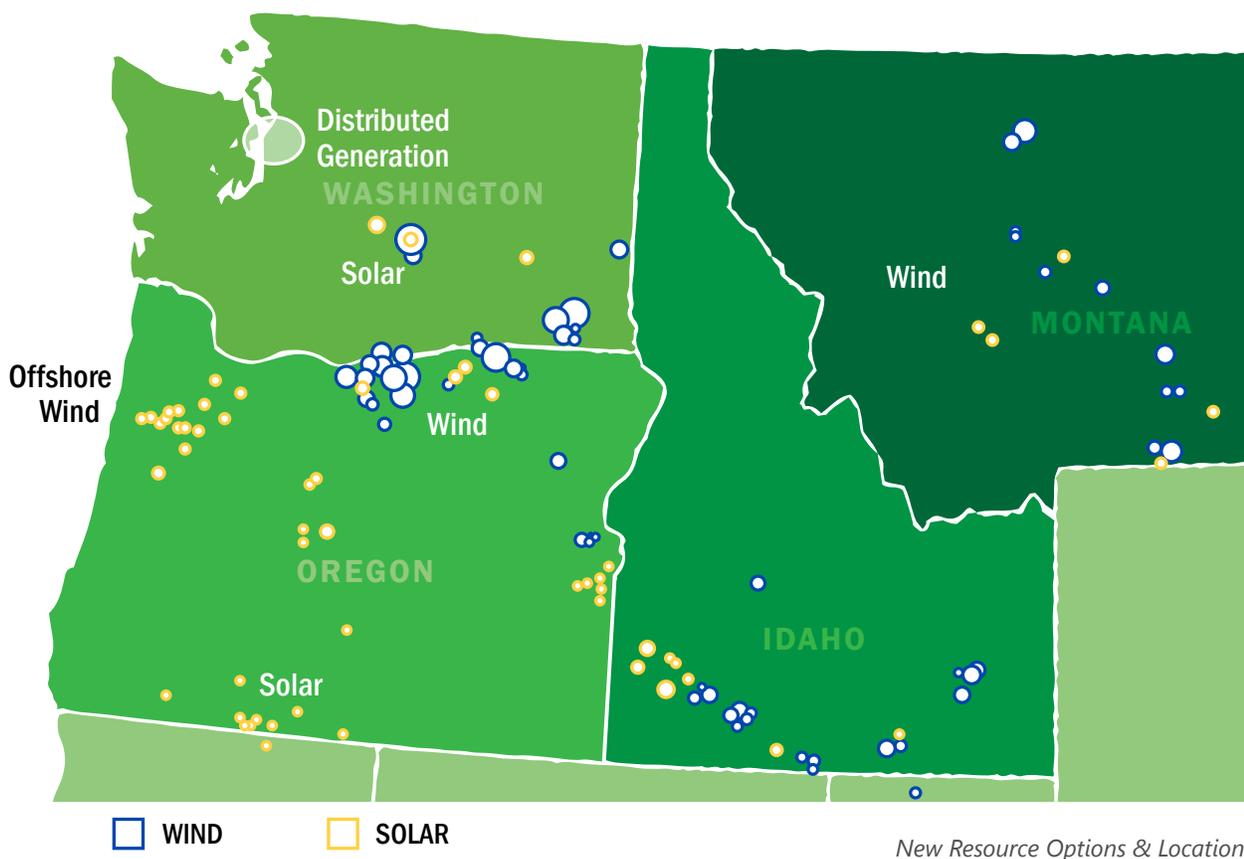
RESOURCE NEEDS

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.

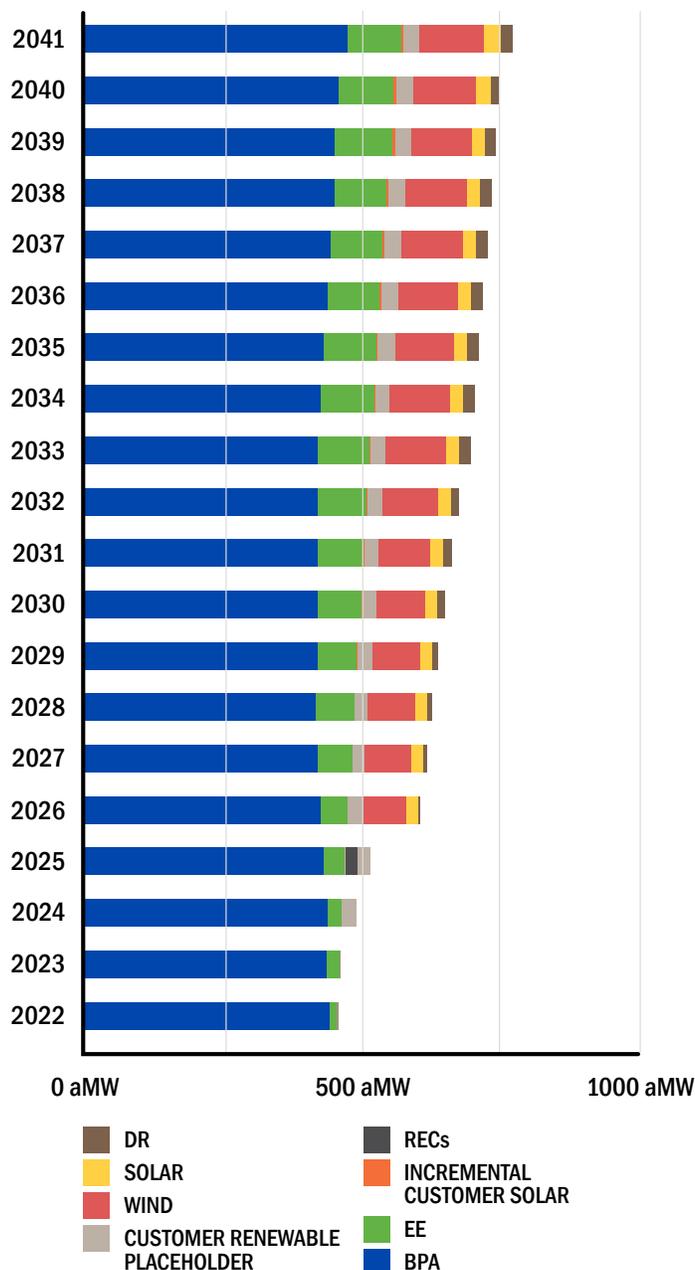


Decreasing materials costs and improvements in hardware efficiencies has led to significant decreases in the cost of solar energy over the last several years.

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.
 - Stateline Wind, Columbia Basin Hydro, Lucky Peak Exchange.
- Clean energy policies forcing coal plant retirements.
 - 2,150MW coal retirements by 2027 in the Northwest.
 - 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.

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:

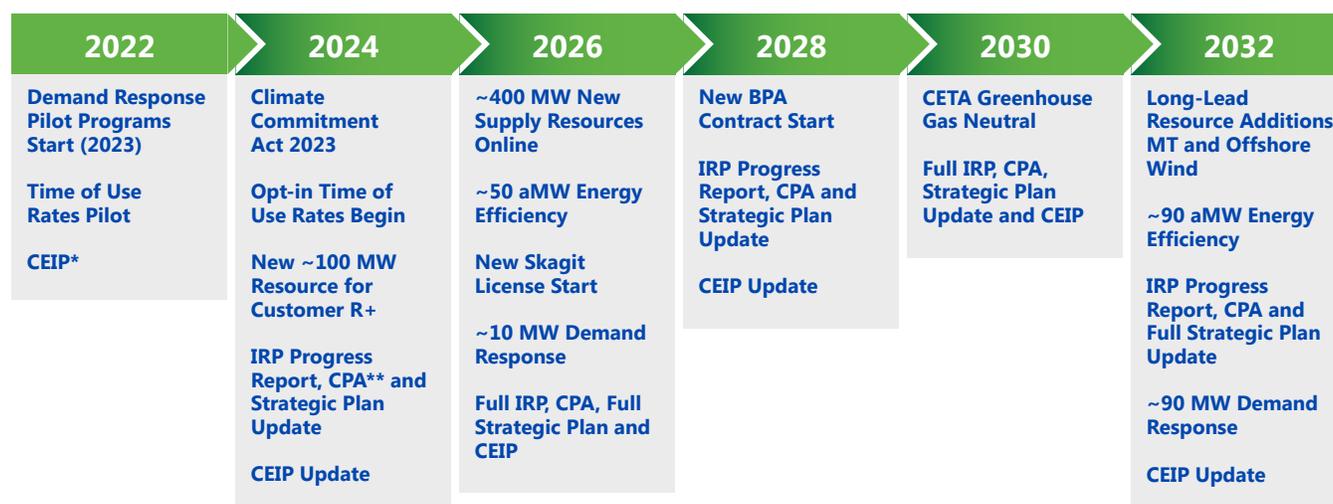
- City Light expects modest load growth due to continued electrification of transportation and certain heating and cooling applications in buildings.
- City Light should continue to engage and educate customers about energy efficiency and demand response programs.
- City Light should continue to participate 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



*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

700 5th Avenue
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.



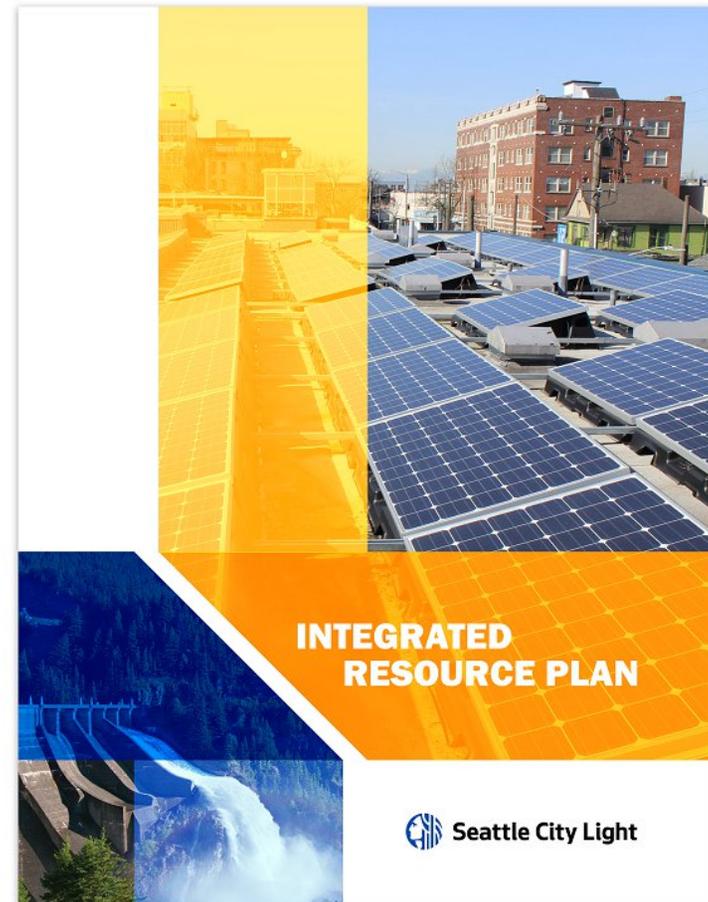
2022 Integrated Resource Plan

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?

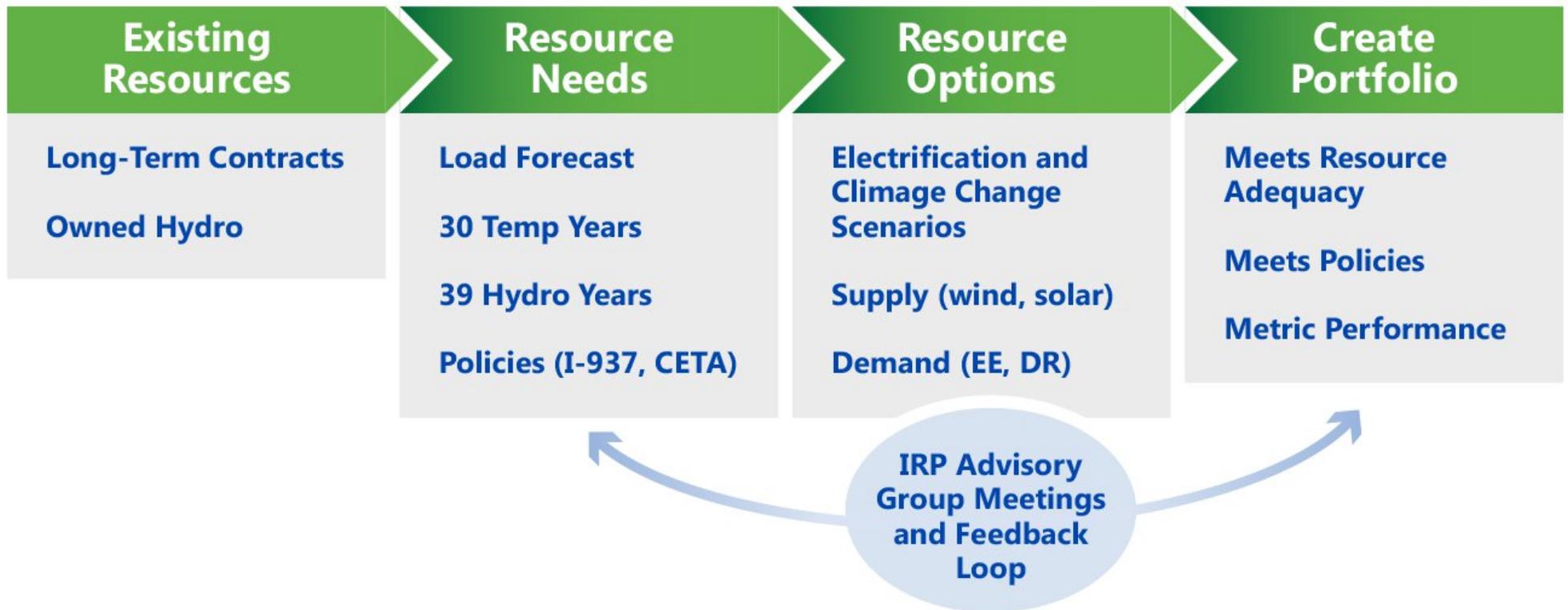
- Biennial plan describing a path to meet the SCL service area's electric power needs for next 20 years
- An opportunity for customers and stakeholders to share their vision for our future power supply mix
- Reviewed and updated every two years
- Must be approved by Seattle City Council
- Not intended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

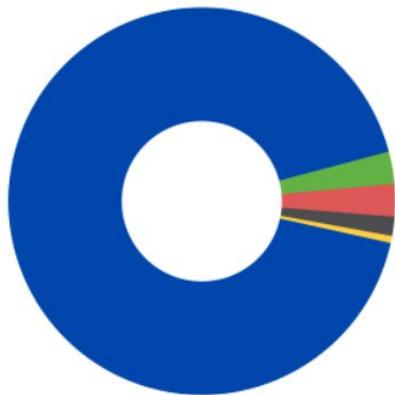
- Steve Gelb, Emerald Cities Collaborative
- Paul Munz, Bonneville Power Administration (BPA)
- Jeremy Park, P.E. University of Washington
- Yuri Rodrigues, Seattle Pacific University
- Mike Ruby, Ph.D., P.E., Envirometrics, Inc.
- Joni Bosh, NW Energy Coalition
- Amy Wheelless, NW Energy Coalition
- 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%
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.

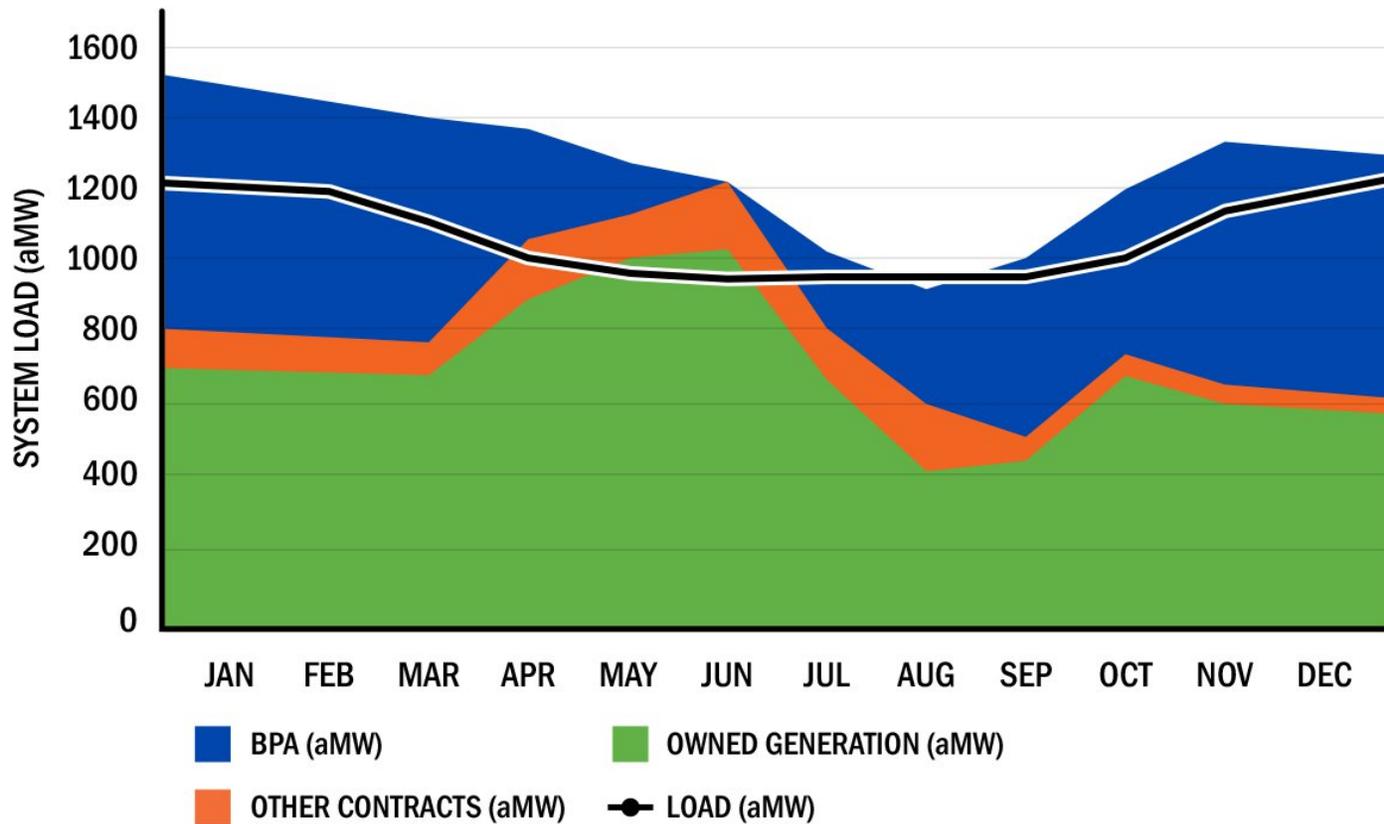
**This fuel represents a portion of the power purchased from BPA.

ENERGY RESOURCES

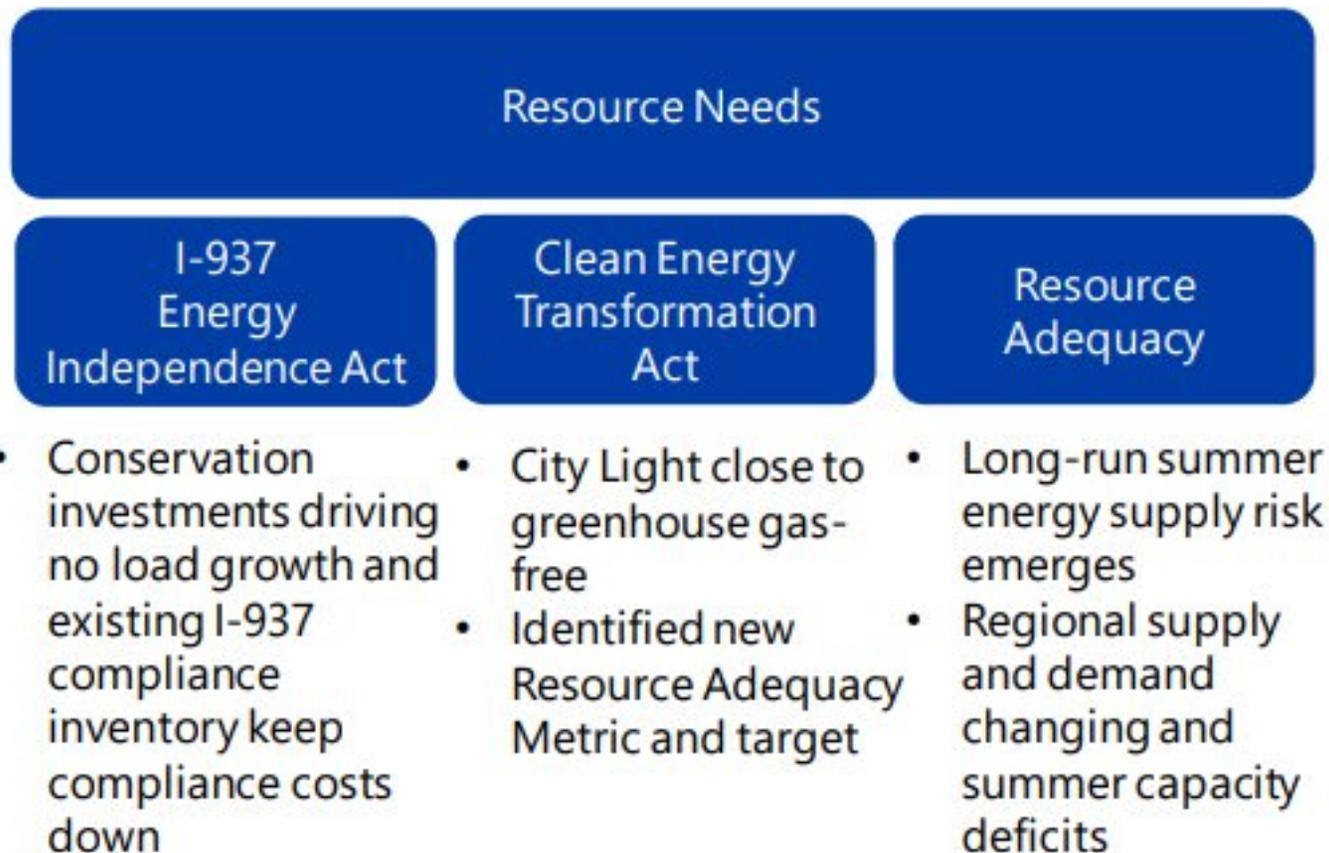


- Owned Hydro
- Treaty Rights From British Columbia
- Long-Term Hydro Contracts (CBH is the Columbia Basin Hydropower)
- Other Long-Term Contracts

2022 IRP Existing Resources



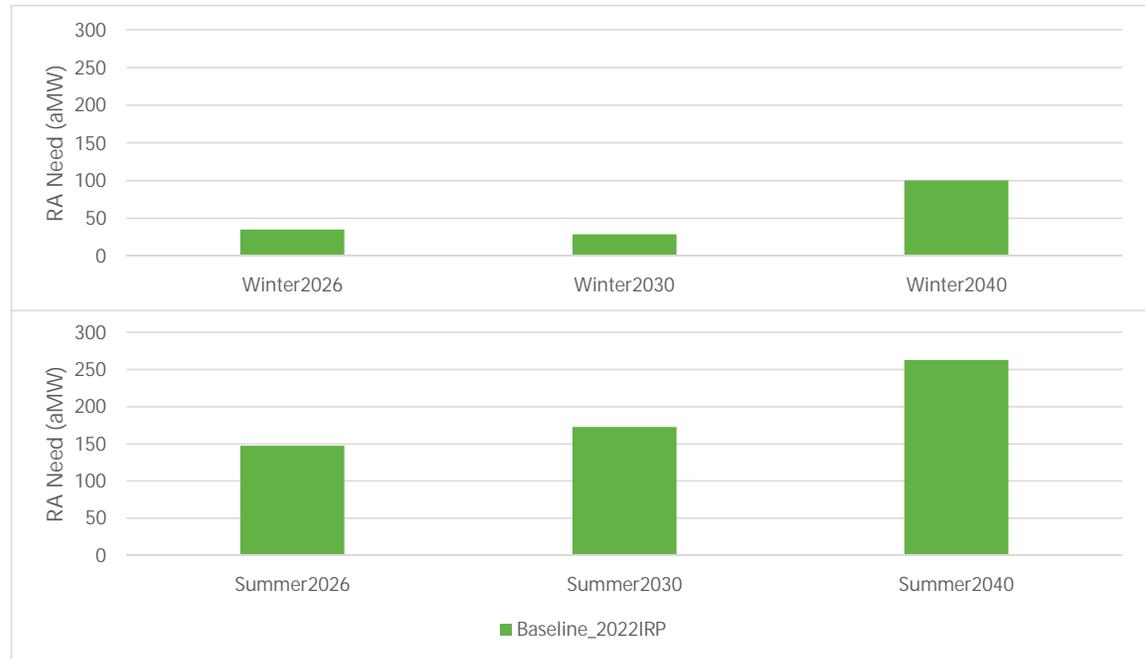
2022 IRP Portfolio Resource Needs



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

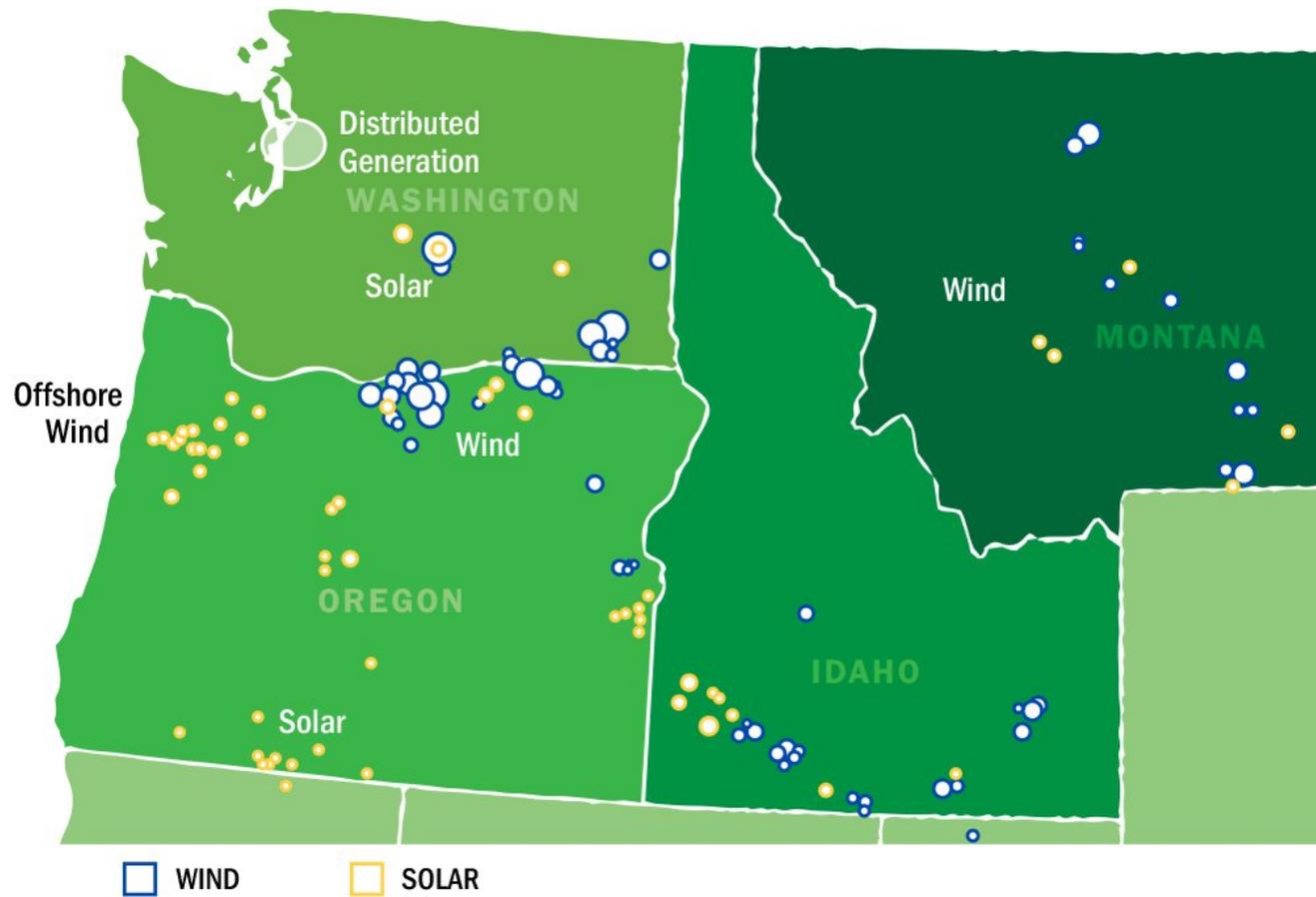


2022 IRP Portfolio Needs: Clean Energy Policies

- 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

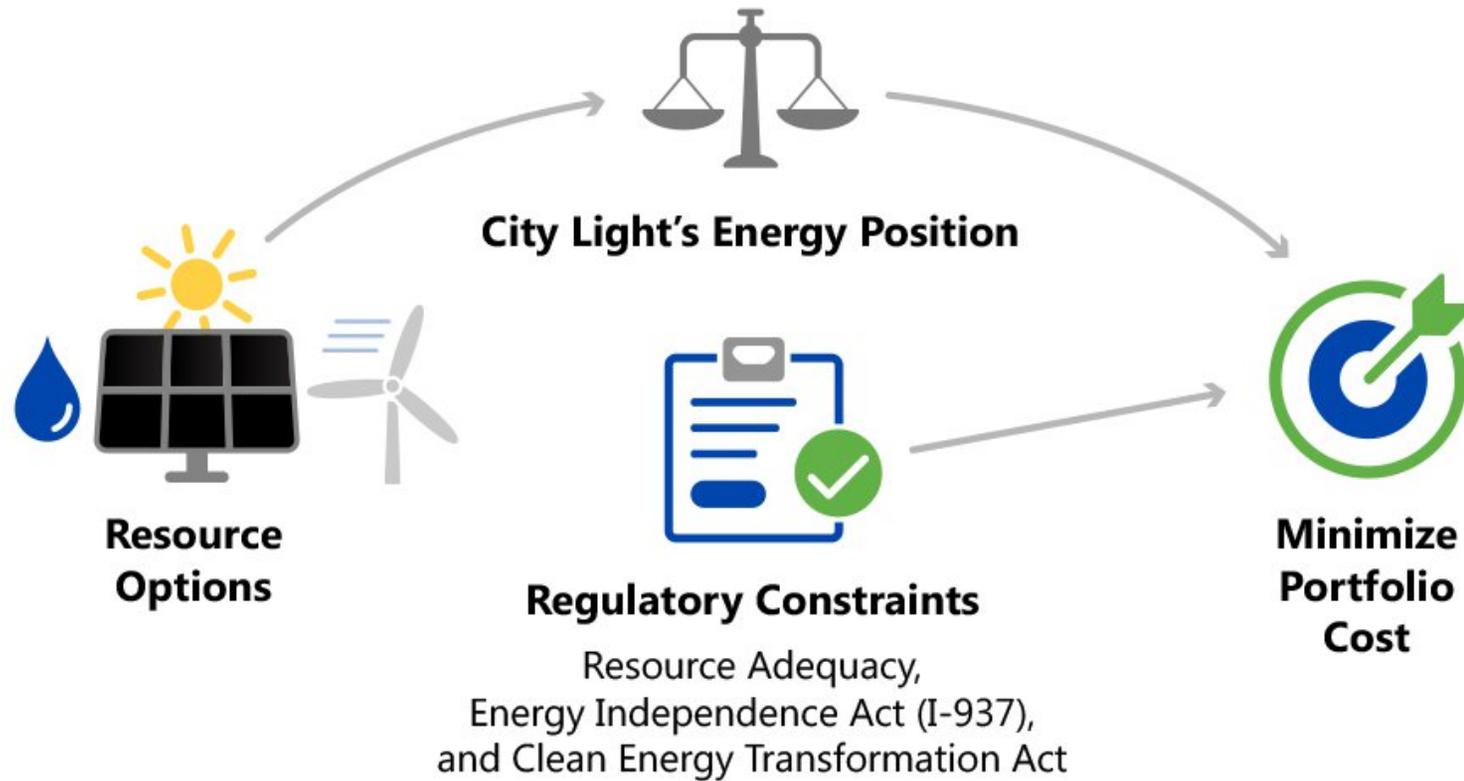


2022 IRP Resource Options Considered



2022 IRP Framework

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



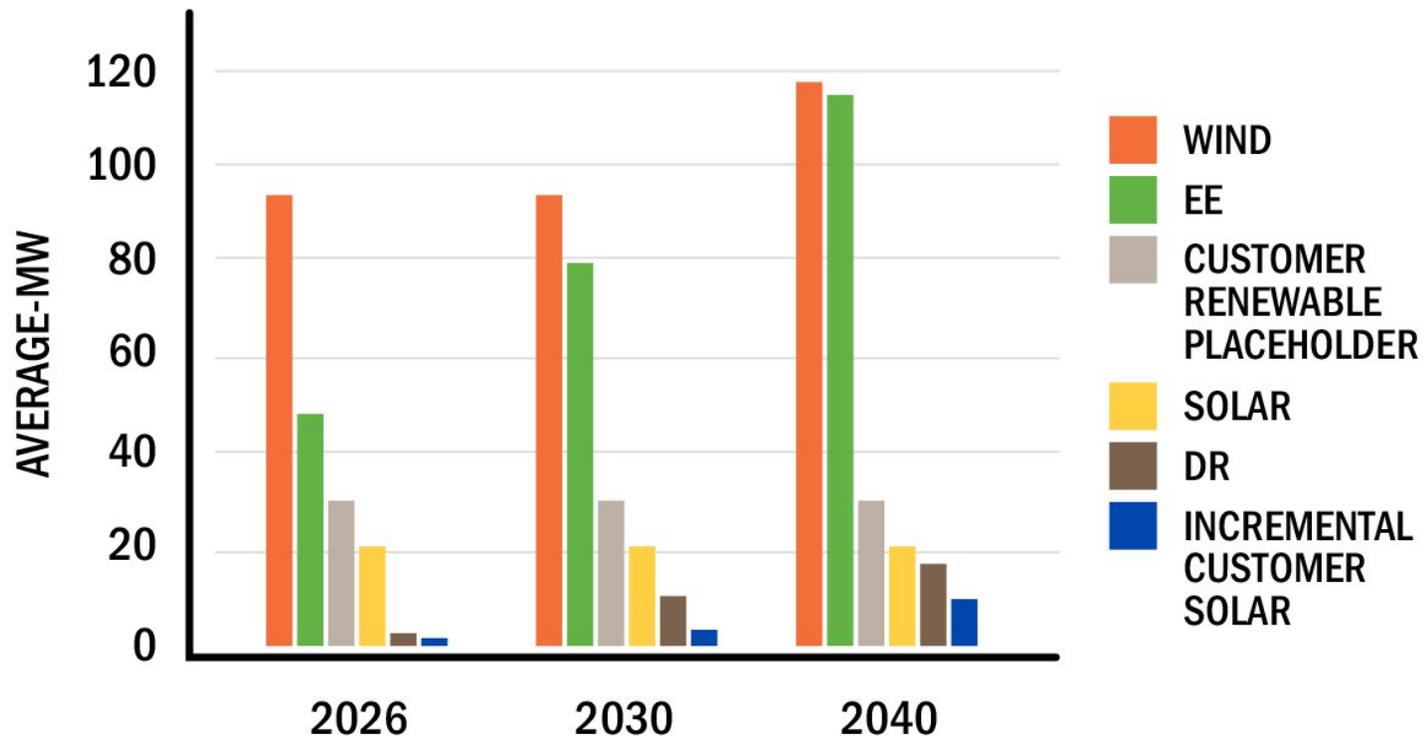
2022 IRP Portfolio Strategies Matrix

 <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
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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 #: CB 120379, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to regulations of food delivery platforms; establishing requirements for food delivery platforms providing delivery services to restaurants; and amending Chapter 7.30 of the Seattle Municipal Code.

WHEREAS, Seattle has over 4,000 active business licenses for restaurants, caterers, and other businesses in the food industry; and

WHEREAS, the 2016 Annual Survey of Entrepreneurs estimates that nearly 48 percent of the owners of firms in the accommodation and food services industry in the Seattle metropolitan area identify as Black, Indigenous, and People of Color; and

WHEREAS, many restaurants use food delivery platforms to access the growing share of consumers who rely on delivery platforms to obtain meals from restaurants and these food delivery platform charge restaurants fees to facilitate pick-up and delivery of food and/or beverage orders; and

WHEREAS, beginning in early 2020, to reduce the spread of COVID-19 and protect public health, the Washington Governor issued a series of restrictions on indoor dining capacity that caused Seattle restaurants to rely more on takeout and delivery to serve consumers; and

WHEREAS, on April 27, 2020, the Council adopted a modified civil emergency order issued by the Mayor on April 24, 2020, prohibiting food delivery platforms from charging restaurants a commission fee exceeding 15 percent of the purchase price of an online pick-up or delivery order; and

WHEREAS, on November 25, 2020, the Washington Governor enacted Proclamation 20-76, prohibiting food delivery platforms from charging restaurants, or similar food establishments, a delivery fee totaling

more than 15 percent of the purchase price of an online order or a total fee amount for the use of all food delivery platform services totaling more than 18 percent of the purchase price of an online order; and

WHEREAS, on June 21, 2021, the Washington Governor rescinded Proclamation 20-76 in anticipation of easing restrictions on indoor dining capacity and other activities on June 30, 2021, while remaining in a state of emergency; and

WHEREAS, without further action by the City, the Mayor's civil emergency order restricting restaurant pick-up and delivery commission fees will expire upon the Mayor's termination of the civil emergency and restaurants could again face exorbitant fees for use of food delivery platform services; and

WHEREAS, recognizing the ongoing need to protect the interests of restaurants and consumers, other jurisdictions, including Minneapolis, New York City, Philadelphia, and San Francisco, have passed ordinances permanently capping delivery service fees and establishing other regulations for food delivery platforms; and

WHEREAS, the City intends to establish permanent regulations for food delivery platforms providing pick-up and delivery services to Seattle restaurants to protect the interests of restaurants and consumers; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council ("Council") finds and declares that:

A. In the exercise of The City of Seattle's (City's) police powers, the City is granted authority to pass regulations designed to protect and promote public health, safety, and welfare.

B. This ordinance protects and promotes public health, safety, and welfare by clarifying requirements for food delivery platforms to obtain agreements with restaurants for food delivery platform services and regulating fees for delivery services that food delivery platforms charge restaurants to protect the interests of consumers and restaurants.

C. Restaurants are vital to the character and community fabric of Seattle, reflecting and nurturing the cultural diversity of the community; offering access to food, an essential foundation of human health and basis for social connection; and serve as important engines of the local economy by providing jobs and operating as commercial anchors in neighborhoods across Seattle.

D. Many consumers, eager to support local restaurants and obtain ready access to food, use food delivery platforms to place food and/or beverage orders with restaurants.

E. Food delivery platforms charge restaurants commission fees for use of their services, sometimes totaling up to 30 percent or more of the purchase price of the food and/or beverage order, which can drastically impact restaurant profits.

F. The net profit margin for many restaurants is about ten percent and can be as low as three to five percent for full-service restaurants, leaving little room for fees that food delivery platforms charge for their services.

G. Before the pandemic, food delivery platform sales were increasing at roughly twice the pace of the U.S. restaurant industry growth.

H. The use of food delivery platforms by consumers is predicted to continue growing at a steady rate after the pandemic ends and many restaurants have limited bargaining power to negotiate lower commission fees with food delivery platforms due to the limited number of food delivery platform companies in the marketplace.

I. Data shows that sales for pick-up and delivery services have grown eight percent year over year, collectively, from 2018 through May 2022, and that the food delivery market is dominated by a small number of companies with just three food delivery platforms providing about 96 percent of U.S. meal delivery sales in May 2022.

J. According to multiple sources, online food delivery sales are climbing and becoming a standard business operation for restaurants: 77 percent of restaurants offer services through food delivery platforms;

food delivery platforms account for 21 to 30 percent of current restaurant sales; and continued growth is expected at a rate of eight percent each year through 2026.

K. To remain competitive, restaurants are contracting with food delivery platforms to access the growing number of consumers who expect the convenience and safety that take-out and delivery offers and who rely on food delivery platforms for delivery services, but the market dominance of a few food delivery platforms gives these companies disproportionate leverage to negotiate high fees for delivery services that diminish the already narrow profit margins of restaurants.

L. Nationally, food delivery platforms offer delivery services, the most logistically demanding and resource-intensive service provided to restaurants, at levels within the fee limitations of the Mayor's civil emergency order capping food delivery platform fees at 15 percent of the purchase price of the food and/or beverage order.

M. Sample contracts and advertisements show that leading food delivery platforms offer baseline delivery services for 15 percent of the purchase price of the food and/or beverage order and offer additional services to increase sales and provide more marketing opportunities for higher commission fees of 25 to 30 percent or more.

N. Economic disruptions caused by COVID-19 have placed a severe financial strain on businesses, families, and individuals in Seattle, and have increased the likelihood of restaurants struggling to meet existing financial commitments and remain open.

O. The Washington Hospitality Association reports that the average full-service restaurant in Washington incurred \$160,000 in debt because of the pandemic, an amount equivalent to more than three years of profit based on industry averages, and nearly 2,500 restaurants closed across Washington during the pandemic.

P. According to data from OpenTable, the online booking platform, restaurant bookings in Seattle have yet to return to pre-pandemic levels and two and one-half years later are noticeably lower than restaurant

bookings statewide or across the country, indicating more reliance on delivery services or lower numbers of consumers in general.

Q. As more consumers choose take-out and delivery rather than in-house dining in the near and long term, it is critical for restaurants to stay open and flourish.

R. The availability of reasonably priced options for delivery services will support a vibrant and diverse restaurant scene where all restaurants can thrive and respond to evolving consumer needs and interests, including those that have unequal bargaining power to negotiate acceptable fees with food delivery platforms and those that would be less likely to stay in business under the weight of high fees.

S. It is in the public's interest to maximize restaurant revenue from pick-up and delivery orders to help these businesses earn a profit, support a diverse and healthy workforce, and continue contributing to the vitality of the community.

T. As the use of food delivery platform services grows and evolves, clarifying requirements for agreements between food delivery platforms and restaurants and establishing permanent yet flexible caps on delivery service fees charged to restaurants will accomplish the legitimate government purpose of easing the financial burden on struggling restaurants and will ensure that restaurants can exercise appropriate control over their businesses.

U. Requiring food delivery platforms to retain records on food delivery platform agreements and charges will support the City's efforts to verify compliance with food delivery platform requirements.

Section 2. Chapter 7.30 of the Seattle Municipal Code, enacted by Ordinance 126367, is amended as follows:

7.30.010 Scope and purpose

This Chapter 7.30 applies to all food delivery platforms operating within Seattle. The purpose of this Chapter 7.30 is to ~~((require that food delivery platforms establish an agreement with restaurants prior to offering pick-up or delivery from such restaurants on the food delivery platform and delivering orders from such restaurants to~~

consumers, with the goal of protecting)) require food delivery platforms to engage in agreed-upon, reasonable, and transparent business transactions when operating in Seattle to protect the interests of the City’s consumers and restaurants purchasing or relying upon food delivery platform services.

7.30.020 Definitions

“Agreement” means a written contract between a restaurant and a food delivery platform.

“Consumer” means any person or persons purchasing a food and/or beverage order from a restaurant using a food delivery platform.

“Delivery services” means services provided by a food delivery platform that (1) list the restaurant and make the restaurant discoverable on the food delivery platform’s modalities or platforms and (2) facilitate and/or perform delivery of food and/or beverage orders to locations within Seattle city limits. Delivery services do not include other services that may be provided by food delivery platforms to restaurants, including but not limited to advertising services, search engine optimization, business consulting, or credit card processing.

“Director” means the Director of Finance and Administrative Services.

“Fee” means any fee, commission, cost, or monetary payment charged to restaurants or consumers by food delivery platforms.

“Food and/or beverage order” means an order for food and/or beverages from a restaurant that is placed by a consumer through a food delivery platform for pick-up or delivery to locations within Seattle city limits.

“Food delivery platform” means a person that provides a means through which a consumer may submit a food and/or beverage order to a restaurant((;)) and arranges for the delivery of the order from the restaurant to the consumer.

“Person” means any individual, firm, corporation, association, partnership, governmental entity, or their agents.

“Purchase price” means the menu price of a food and/or beverage order, excluding taxes, tips, or any other fees that may comprise the total cost to the consumer of a food and/or beverage order.

“Restaurant” means a business in which food and/or beverage preparation and service is provided for individual consumption either on- or off-premise, and in which any service of alcoholic beverages is accessory to the service of food.

“Written” means a printed or printable communication in physical or electronic format, including but not limited to a communication that is transmitted through email, text message, or a computer or mobile system, or that is otherwise sent and maintained electronically.

7.30.030 Agreement required

A. A food delivery platform shall not offer consumers pick-up or delivery services from a restaurant or charge a restaurant any fee for services related to pick-up or delivery services, without first obtaining an agreement with the restaurant expressly authorizing the food delivery platform to ~~((take orders and offer delivery or pick-up of the food and/or beverages prepared by the restaurant))~~ engage in such actions.

B. The agreement required by subsection 7.30.030.A shall be terminated upon the restaurant's written request to the food delivery platform. The food delivery platform shall remove the restaurant from its list of participating restaurants within 72 hours of receiving the request for termination.

7.30.032 Fees and charges

A. Subject to subsection 7.30.032.B, a food delivery platform shall not charge a restaurant a fee for delivery services that totals more than 15 percent of the purchase price of each food and/or beverage order.

B. A restaurant may opt out of the fee limitation in subsection 7.30.032.A and enter into an agreement with a food delivery platform charging higher fees for food delivery platform services contingent upon the following conditions:

1. The food delivery platform offers the restaurant a service package option that includes delivery services and meets the fee limitations in subsection 7.30.032.A;
2. The food delivery platform provides a service package option that includes delivery services and meets the fee limitations in subsection 7.30.032.A, without refusing service or otherwise penalizing the

restaurant, within 30 days of receiving the restaurant's written request for this option; and

3. The food delivery platform charges fees that exceed the fee limitations in subsection

7.30.032.A only for services in addition to delivery services.

7.30.034 Food delivery platform records

Food delivery platforms shall retain records that document compliance with this Chapter 7.30 for a period of two years.

7.30.040 Remedies

A. Violations of this Chapter 7.30 shall be a Class 1 civil infraction under chapter 7.80 RCW, for which the maximum penalty is \$250 plus statutory assessments. The civil infraction shall be processed under chapter 7.80 RCW and notices of infraction for such violations may be issued by the Director (~~or the Director's designees~~). Each day of noncompliance shall be a separate violation of this Chapter 7.30.

B. Any person or class of persons that suffers injury as a result of a violation of this Chapter 7.30 may bring a civil action in a court of competent jurisdiction against the person violating this Chapter 7.30 and, upon prevailing, may be awarded reasonable attorney fees and costs and such legal or equitable relief as may be appropriate to remedy the violation.

C. An account shall be established in the City's General Fund to receive revenue from penalties under this Section 7.30.040. Revenue from penalties under subsection 7.30.040.A shall be used to support outreach and education to restaurants on this Chapter 7.30 (~~with five or fewer employees operating in Seattle~~). The Director of the Office of Economic Development shall recommend to the Mayor and City Council how these funds should be allocated.

7.30.042 Severability

The provisions of this Chapter 7.30 are declared to be separate and severable. If any clause, sentence, paragraph, subdivision, section, subsection, or portion of this Chapter 7.30, or the application thereof to any

food delivery platform, restaurant, person, or circumstance, is held to be invalid, it shall not affect the validity of the remainder of this Chapter 7.30, or the validity of its application to other persons or circumstances.

Section 3. This ordinance shall take effect and be in force upon the later of: the termination of the civil emergency proclaimed by the Mayor on March 3, 2020; or 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 _____, 2022, and signed by me in open session in authentication of its passage this _____ day of _____, 2022.

President _____ of the City Council

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

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2022.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Karina Bull / 206-715-2460	N/A

** 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: AN ORDINANCE relating to regulations of food delivery platforms; establishing requirements for food delivery platforms providing delivery services to restaurants; and amending Chapter 7.30 of the Seattle Municipal Code.

Summary and Background of the Legislation: A growing number of consumers use food delivery platforms to place food and/or beverage orders with restaurants. Restaurants that lack in-house capacity for delivery services rely on food delivery platforms to meet consumer demand for delivery. Food delivery platforms charge restaurants fees for their delivery services of up to 30 percent or more of the purchase price of the food and/or beverage order. As the net profit margin for many restaurants is about ten percent and can be as low as three to five percent for full-service restaurants, these fees can drastically impact restaurant profits. Further, many restaurants have limited bargaining power to negotiate lower fees due to the limited number of food delivery platform companies in the marketplace.

During the COVID-19 emergency, consumer use of food delivery platform services sharply accelerated. To ease the financial burden on restaurants struggling to pay high fees for delivery services and support consumer access to food, the Washington Governor and Mayor separately issued emergency orders¹ restricting food delivery platforms fees for delivery services. In June 2021, the Governor rescinded the state emergency order and the Mayor's emergency order will expire upon the termination of the Mayor's civil emergency.

After the pandemic ends, consumer use of food delivery platforms is predicted to continue growing at a steady rate. Data shows that sales for pick-up and delivery services have grown eight percent year over year, collectively, from 2018 through May 2022 and similar growth is projected through 2026. About 77 percent of restaurants offer services through food delivery platforms and purchases through these services account for 21 to 30 percent of restaurant sales. Without further action by The City of Seattle (City), the temporary restrictions on food delivery platform fees will expire and restaurants could again face exorbitant fees for delivery services.

This legislation would amend existing regulations of food delivery platforms in [Seattle Municipal Code \(SMC\) 7.30](#) to establish permanent caps on fees for delivery services.

¹ See [Washington Governor's Proclamation 20-76 Food Delivery Fees](#) and [City of Seattle Mayor's Emergency Order Restricting Restaurant Delivery and Pick-up Commission Fees](#).

Food delivery platforms operating in Seattle would be required to:

1. Obtain an agreement with a restaurant before charging any fees related to pick-up or delivery services; and
2. Cap fees for delivery services at 15 percent of the purchase price of each food and/or beverage order.

Restaurants could opt out of the fee limitations and pay higher fees if the food delivery platform:

1. Offers a service package option that includes delivery services for 15 percent of the purchase price of each order;
2. Provides this service package option, without penalty, within 30 days of the restaurant's written request for the option; and
3. Charges higher fees only for services in addition to delivery services (e.g., advertising, business consulting).

These requirements would take effect on the later date of:

1. The termination of the Mayor's civil emergency proclaimed on March 3, 2020; or
2. Thirty days after the Mayor approves the legislation (or when the legislation would otherwise take effect under SMC 1.04.020).

The Consumer Protection division in Finance and Administrative Services (FAS) would enforce these requirements. Violations would be a Class 1 civil infraction with a maximum penalty of \$250 plus statutory assessments. Each day of non-compliance would be a separate violation. FAS would process infractions under the procedure established by [RCW 7.80](#). Revenue from penalties would be used to provide support implementation (e.g., outreach, technical assistance for restaurants).

In addition to filing claims with FAS, restaurants could file a civil action against the food delivery platform and, upon prevailing, could be awarded attorney fees plus costs.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes 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?

Enforcement of this legislation would affect three departments: the Consumer Protection division in FAS, the City Attorney's Office (CAO), and Seattle Municipal Court (Municipal Court). As the designated enforcement agency for conducting investigations and assessing penalties, FAS would likely absorb the bulk of work associated with enforcement. Currently, FAS estimates that the Consumer Protection division would not have capacity to conduct investigations without adding staffing resources or reducing compliance efforts elsewhere.

FAS states that adding as few as two or three cases a month could require many staff hours as investigations would require navigating the complexities of new legal requirements, contacting witnesses, and following-up with businesses.

Central Staff is gathering information to better understand the financial implications of this legislation on FAS, including contacting other jurisdictions with permanent restrictions on delivery service fees to learn about their enforcement. Thus far, the Seattle Police Department has indicated that the department has not received complaints of food delivery platforms violating the Mayor's emergency order restricting delivery and pick-up commission fees and FAS has confirmed that the department has not received complaints of food delivery platforms violating existing requirements in SMC 7.30 (in effect since September 15, 2021). If Council passes this legislation and the workload for FAS is significantly more than anticipated or otherwise exceeds the department's capacity, Council could consider adding resources to FAS during supplemental or annual budget deliberations.

In addition to incurring enforcement costs, the legislation could generate revenue from penalties. Each violation would constitute a Class One Civil Infraction with a maximum penalty of \$250 plus statutory assessments. Revenue² from these penalties would support outreach and education to restaurants on the legislation's requirements. The amount of revenue that would be generated by violations cannot be estimated at this time.

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

There are no financial costs to the City of not implementing the resolution. However, without this legislation, the Mayor's civil emergency order restricting restaurant delivery and pick-up commission fees will expire upon the Mayor's termination of the civil emergency and restaurants could again face exorbitant fees for use of food delivery platform services

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes, this legislation would require FAS to enforce new regulations. There would be an undetermined number of legal referrals to the City Attorney. Municipal Court would hear appeals from respondents.

Additionally, the Office of Economic Development (OED) and other departments, such as the Department of Neighborhoods and Office of Immigrant and Refugee Affairs, could be involved in conducting outreach and education to restaurant owners on the new regulations. The Director of OED would advise the Mayor and City Council on how to use any revenues from penalties to support outreach and education to restaurants.

² Notably, the City must remit a portion of any penalty revenue to the state. See [Non-Judicial Information System Courts Remittance Guide](#).

b. Is a public hearing required for this legislation?

No.

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 legislation is intended to support a vibrant, diverse restaurant scene in Seattle and protect the interests of consumers and businesses purchasing and/or relying upon food delivery services. Establishing requirements for food delivery platforms to engage in agreed-upon, reasonable, and transparent business transactions would support restaurant owners who identify as Black, Indigenous, and People of Color (BIPOC). Most recent available data (2016) shows that 48 percent of business owners in the food and accommodations industry in the Seattle area identify as BIPOC. Due to the racial and ethnic diversity of Seattle's restaurant owners, the City and its partners would need to conduct outreach in a wide variety of different languages to inform restaurant owners of the new regulations. Some restaurants could also need translation services to assist with executing an agreement with food delivery platforms.

f. Climate Change Implications

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

N/A

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.

N/A

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)?

N/A

Summary Attachments:



SEATTLE CITY COUNCIL
CENTRAL STAFF

Cap on Delivery Service Fees

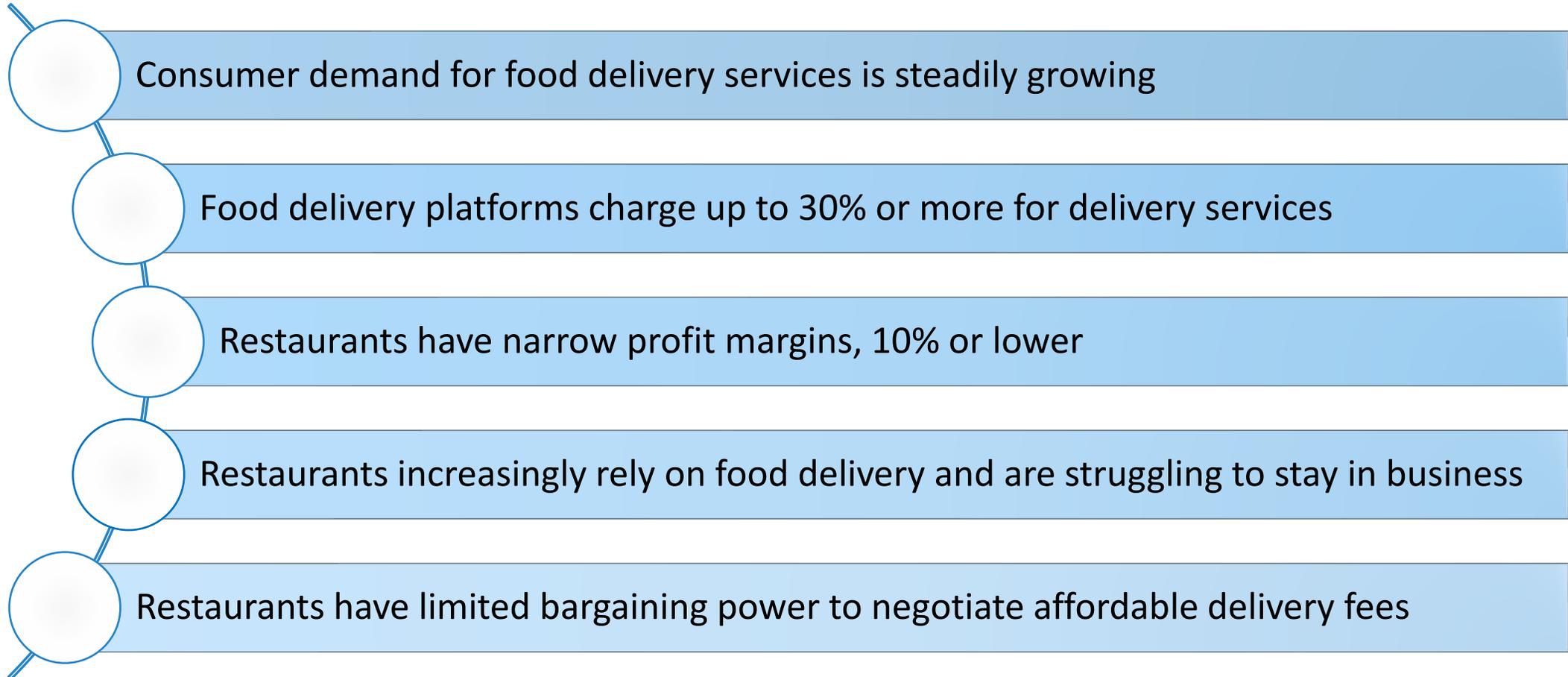
CB 120379

KARINA BULL, ANALYST
ECONOMIC DEVELOPMENT, TECHNOLOGY, AND CITY LIGHT COMMITTEE
JULY 27, 2022

Policy objective

- Amend SMC 7.30 – Food Delivery Platforms
- Require food delivery platforms to engage in agreed-upon, reasonable, and transparent business transactions when operating in Seattle to protect the interests of consumers and restaurants

Background



Timeline of emergency orders

April 24, 2020

- Mayor issued civil emergency order
- 15% cap on platform fees

June 21, 2021

- Governor rescinded proclamation

November 25, 2020

- Governor issued proclamation
- 15% cap on delivery fees
- 18% cap on all platform fees

Present

- Mayor's civil emergency order will expire upon termination of civil emergency

Trends and recent developments

1. Food delivery platform services have grown eight percent year over year from 2018 through May 2022 and similar growth is expected through 2026
2. Food delivery platform services are becoming a standard business operation for restaurants to meet consumer demand for delivery and address labor shortages
3. Three food delivery platforms earn 96 percent of U.S. meal delivery sales
4. Four cities have enacted laws that permanently cap delivery service fees: Minneapolis, New York City, Philadelphia, San Francisco

Permanent cap on delivery service fees

1. Agreement required for fees related to delivery services
2. Delivery services for no more than 15% of the purchase price of each order
3. Option for restaurant to “opt out” of fee limitations for additional services

Option for restaurant to “opt out”

Restaurants can “opt out” of fee limitations if the food delivery platform:

1. Offers a service package option that includes delivery services for no more than 15% of the purchase price of each order
2. Provides this option, without penalty, within 30 days of the restaurant’s written request
3. Charges higher fees only for services in addition to delivery services (e.g., advertising, business consulting)

Delivery services

“Delivery services” would include the following services from a food delivery platform:

1. Listing the restaurant and making the restaurant discoverable on the food delivery platform’s modalities or platforms; and
2. Facilitating and/or performing delivery of food and/or beverage orders to locations within Seattle city limits

Delivery services would not include other services provided by food delivery platforms to restaurants, including but not limited to advertising services, search engine optimization, business consulting, or credit card processing

Enforcement

1. Consumer Protection Division, Finance and Administrative Services
2. Civil infraction, Class One (max penalty \$250)
3. Civil action (individual or class)
4. Penalty revenue account to support outreach and education to restaurants

Effective date

The legislation would take effect on the **later date** of:

1. Mayor's termination of the civil emergency proclaimed on March 3, 2020; **or**
2. 30 days after Mayor approves the legislation
(or when the legislation takes effect under SMC 1.04.020)

Possible timelines

1. **Council vote 08/02** = effective date between 09/01 – 09/11
2. **Council vote 08/09** = effective date between 09/08 – 09/18
3. **Council vote 08/16** = effective date between 09/15 – 09/25

Questions?

July 22, 2022

MEMORANDUM

To: Economic Development, Technology & City Light Committee
From: Karina Bull, Analyst
Subject: CB 120379: Cap on Delivery Service Fees

On July 27, 2022, the Economic Development, Technology & City Light Committee (Committee) will discuss and possibly vote on [Council Bill \(CB\) 120379](#), that would permanently cap food delivery platform fees for delivery services. This memo provides background and a summary of the legislation, including an analysis of impacts, and identifies next steps. The Committee received a briefing and discussed a pre-introduction draft of the legislation on July 13, 2022.

Background

A growing number of consumers use food delivery platforms to place food and/or beverage orders with restaurants. Restaurants lacking in-house capacity to perform deliveries or grappling with labor shortages rely on food delivery platforms to meet consumer demand for these services. Food delivery platforms charge restaurants commission fees of up to 30 percent or more for delivery services. As the net profit margin for many restaurants is about ten percent and can be as low as three to five percent for full-service restaurants, these fees can drastically impact restaurant profits.¹ Further, some restaurants have limited bargaining power to negotiate lower fees due to the restaurant's size and the limited number of food delivery platform companies in the marketplace.²

During the COVID-19 emergency, consumer demand for food delivery platform services sharply accelerated. To ease the financial burden on restaurants struggling to pay high fees for delivery services and support consumer access to food during stay-at-home orders and other pandemic-related public health restrictions, the Mayor and Governor separately issued emergency orders restricting delivery fees charged by food delivery platforms to 15 percent of the purchase price of the order.³ In June 2021, the Governor rescinded the State's emergency order and the Mayor's emergency order will expire upon the termination of the Mayor's civil emergency.

After the pandemic ends, consumer use of food delivery platforms is predicted to continue growing at a steady rate. Sales for pick-up and delivery services have grown eight percent year over year, collectively, from 2018 through May 2022 and similar growth is projected through

¹ Popper, Nathaniel. [As Diners Flock to Delivery Apps, Restaurants Fear for Their Future](#). *The New York Times*, June 9, 2020; Walters, Stefon. [The Average Profit Margin for a Restaurant](#). *AZCentral*, August 22, 2019.

² In May 2022, DoorDash, UberEats, and GrubHub earned 96 percent of U.S. consumers' meal delivery sales. Larger partners, such as top chain restaurants, generally paid lower fees for delivery services than other restaurants. Perri, Janine. [Which Company is Winning the Restaurant Food Delivery War?](#) *Bloomberg Second Measure*, June 15, 2022.

³ [Mayor's Civil Emergency Order \(as modified by City Council\) Restricting Delivery and Pick-Up Commission Fees](#), April 27, 2020. [Proclamation the Governor 20-76 – Food Delivery Fees](#), November 25, 2020.

2026.⁴ Recognizing an ongoing need to protect the interests of restaurants and consumers, other jurisdictions, including Minneapolis, New York City, Philadelphia, and San Francisco, have passed ordinances permanently capping delivery services fees and establishing other regulations for food delivery platforms. In a similar spirit, this legislation recognizes that without further action, Seattle’s temporary restrictions on food delivery platform fees will expire and restaurants could again face exorbitant fees for delivery services.

CB 120379

Legal Requirements

This legislation would amend existing regulations of food delivery platforms in [Seattle Municipal Code \(SMC\) 7.30](#) to establish permanent caps on fees for delivery services.

The legislation would define “delivery services” to focus on the core aspects of delivery and the most logistically demanding and resource-intensive services provided by food delivery platforms. “Delivery services” would mean services provided by a food delivery platform that (1) list the restaurant and make the restaurant discoverable on the food delivery platform’s modalities or platforms and (2) facilitate and/or perform delivery of food and/or beverage orders to locations within Seattle city limits. Delivery services would not include other services provided by food delivery platforms to restaurants, including but not limited to advertising services, search engine optimization, business consulting, or credit card processing.

Food delivery platforms operating in Seattle would be required to:

1. Obtain an agreement with a restaurant before charging any fees related to pick-up or delivery services; and
2. Cap fees for delivery services to locations within Seattle city limits at 15 percent of the purchase price of each order.

Restaurants could opt out of the fee limitation and pay more than 15 percent of the purchase price of the order if the food delivery platform:

1. Offers a service package option that includes delivery services for 15 percent of the purchase price of each order;
2. Provides this service package option, without penalty, within 30 days of the restaurant’s written request for the option; and
3. Charges higher fees only for services in addition to delivery services (e.g., advertising, business consulting).

These requirements would take effect on the later date of:

1. The termination of the Mayor’s civil emergency proclaimed on March 3, 2020; or
2. Thirty days after the Mayor approves the legislation (or when the legislation would otherwise take effect under [SMC 1.04.020](#)).

⁴ Perri, [Which Company is Winning the Restaurant Food Delivery War?](#); Dalin-Kaptzan, Zahava. [Food Delivery: Industry Trends for 2022 and Beyond](#). BRINGG, 2022; [Online Food Delivery](#). Statista, 2022.

Enforcement

Consistent with SMC 7.30, the Consumer Protection division in Finance and Administrative Services (FAS) would enforce this legislation. Violations would be a Class 1 civil infraction with a maximum penalty of \$250 plus statutory assessments. Each day of non-compliance would be a separate violation. FAS would process infractions under the procedure established by [RCW 7.80](#) and remit a portion of penalty revenue to the State.⁵ In addition to filing claims with FAS, restaurants could file a civil action against the food delivery platform and, upon prevailing, could be awarded attorney fees plus costs.

Outreach

Revenue retained by the City from penalties would support outreach and education to restaurants. The Director of the Office of Economic Development (OED) would make a recommendation to the Mayor and Council on how to spend these funds.

Potential Impacts of CB 120379

This legislation is intended to support a vibrant, diverse restaurant scene in Seattle, helping business owners to afford basic delivery services, support a diverse and healthy workforce, and continue contributing to the vitality of the community. Below is an analysis of potential impacts, including racial equity impacts, of the proposal.

Restaurants

Restaurants were among the most hard-hit businesses during the height of the pandemic, and continue to experience challenges, particularly labor shortages, as the economy recovers. Establishing requirements for food delivery platforms to engage in agreed-upon, predictable, and transparent business transactions for delivery services could help restaurant owners respond to consumer demands for delivery, address chronic understaffing, and provide a foundation for long-term recovery.

Setting a price ceiling for basic delivery services could especially help BIPOC business owners. Most recent available data (2016) shows that 48 percent of business owners in the food and accommodations industry in the Seattle area identify as Black, Indigenous, and People of Color (BIPOC). Prior to the pandemic, BIPOC small business owners, in aggregate, faced greater challenges than white-owned firms.⁶ According to surveys of small business owners, the COVID-19 pandemic exacerbated these challenges. The highest rates of small business owners reporting financial hardship during the pandemic were reported by Black business owners: 92 percent, followed by 89 percent of Asian-American-owned firms, 85 percent of Latino- or Hispanic-owned firms, and 79 percent of white-owned firms.⁷

⁵ [Non-Judicial Information System Courts Remittance Guide](#). August 22, 2008.

⁶ [Small Business Credit Survey: 2021 Report on Firms Owned by People of Color](#). Federal Reserve Banks, 2021.

⁷ Perry, Andre M.; Seo, Regina; Barr, Anthony; and Broady, Kristen. *Id*; [Black-owned businesses in U.S. cities: The challenges, solutions, and opportunities for prosperity](#). Brookings, February 14, 2022

Workers

Impacts on workers in the food delivery and restaurant industry could vary. If this proposal goes into effect, food delivery platform workers, who are disproportionately Black and Latinx,⁸ could experience similar levels of food delivery work if restaurants continue to purchase delivery services at the same rate and customer demand remains stable. There could also be an increase in job opportunities if more restaurants elect to use food delivery services due to long-term predictability of delivery costs. Under legislation recently passed by Council ([Ordinance 126595](#)), food delivery platform workers would also have a right to minimum payment from food delivery platforms beginning in January 2024.

Workers who are directly employed by restaurants could experience fewer employment opportunities if restaurants choose to reduce in-house dining and outsource labor needs to delivery services. Conversely, a permanent cap on delivery fees could help restaurants stabilize spending on delivery services, allowing them to maximize revenue from in-house dining and create more employment opportunities. Notably, workers of color, who represent 46 percent of the employed restaurant workforce and 30 percent of the employed population in Seattle, would be disproportionately impacted by significant changes to employment opportunities.⁹

Consumers

Permanently capping fees charged to restaurants for delivery services could help restaurants to meet consumer demand for these services. Consumers relying on or preferring delivery would benefit from restaurants continuing to offer delivery services for the long-term. However, food delivery platforms could charge consumers higher fees or add surcharges to recoup lost revenue. Following a national wave of temporary orders capping delivery service fees, food delivery platforms added surcharges of \$1.00 to \$2.50 (e.g., often called a “regulatory response fee”) to consumer bills.¹⁰ The proposal’s inclusion of a “restaurant opt out” provision, allowing restaurants to pay more than the 15 percent cap by purchasing additional, non-delivery services, could mitigate the risk that food delivery platforms would offset the cost of the regulations by raising costs for consumers.

Food Delivery Platforms

Currently, the leading food delivery platforms offer a variety of service package options for restaurants, including options to purchase basic delivery services (although potentially

⁸ Black and Latinx workers comprise almost 42 percent of app-based, platform workers but less than 29 percent of the overall labor force. [Labor Force Statistics from the Current Population Survey: Electronically Mediated Employment](#). U.S. Bureau of Labor Statistics, May 2017.

⁹ [Great Service Divide: Occupational Segregation, Inequality, and the Promise of a Living Wage in the Seattle Restaurant Industry](#). Restaurant Opportunities Centers United, 2020.

¹⁰ Farivar, Cyrus. [DoorDash pushes back against fee delivery commissions with new charges: NBC News discovered 68 jurisdictions that imposed food delivery caps; DoorDash tacked on additional fees in 57 of them](#). NBC News, March 28, 2021.

restricted to certain delivery areas) for 15 percent or less of the purchase price of the order.¹¹ Thus, food delivery platforms have shown some capacity to operate within the proposed limitations of this legislation. Further, allowing restaurants to pay higher fees for non-delivery services would give food delivery platforms the flexibility to adjust pricing for certain services. However, food delivery platforms could use this flexibility to charge restaurants significantly higher fees for non-delivery services.

Enforcement

Enforcement of this legislation would affect three departments: the Consumer Protection division in FAS, the City Attorney's Office (CAO), and Seattle Municipal Court (Municipal Court). As the designated enforcement agency for conducting investigations and assessing penalties, FAS would absorb the bulk of enforcement work. The CAO would receive an undetermined number of legal referrals to support FAS's enforcement. Municipal Court would hear appeals of FAS findings from respondents.

Currently, FAS estimates that the Consumer Protection division would not have capacity to conduct investigations without adding staffing resources or reducing compliance efforts elsewhere. FAS states that adding as few as two or three cases a month could require many staff hours as investigations would require navigating the complexities of new legal requirements, contacting witnesses, and following-up with businesses.

To better understand the potential financial implications of this legislation on FAS, Central Staff gathered information on enforcement of similar regulations: (1) the Mayor's emergency order restricting delivery and pick-up commission fees, (2) regulations of food delivery platform in SMC 7.30, and (3) permanent caps on delivery service fees in other jurisdictions.¹² Table 1 summarizes enforcement information.

¹¹ [DoorDash Products and Pricing](#), [UberEats Pricing for Merchants: Pricing Tailored for Your Business](#), [GrubHub Profit Calculator](#).

¹² Central Staff is seeking enforcement information on the Governor's Proclamation 20-76.

Table 1. Enforcement information

Jurisdiction	Effective Date	Enforcement	Resolution
Minneapolis	December 10, 2021	Four complaints	No findings of violation or citations
New York	January 24, 2022	Fewer than five complaints	n/a
Philadelphia	January 18, 2022	No complaints	n/a
San Francisco	December 21, 2020	Two complaints	<ul style="list-style-type: none"> One finding of violation with no penalty (the food delivery platform reimbursed the restaurant) One investigation is on-going
Seattle Mayor's emergency order	April 27, 2020	No complaints	n/a
Seattle Regulations of food delivery platforms in SMC 7.30	September 15, 2021	No complaints	n/a

This information reveals no complaints in Seattle and few complaints in other jurisdictions, suggesting that enforcement costs could be low to negligible. If Council passes this legislation and the workload for FAS exceeds the department's capacity, Council may want to consider adding resources to FAS during supplemental or annual budget deliberations.

Outreach

Since enforcement would be complaint-driven, outreach to restaurants on the new regulations would be an important aspect of implementation. Due to the racial and ethnic diversity of Seattle's restaurant owners, providing the outreach in a wide variety of languages would have the greatest impact. City departments that regularly engage with restaurants (e.g., OED, Department of Neighborhoods, Office of Immigrant and Refugee Affairs) could potentially incorporate outreach (e.g., details on the fee limitations, information on how to report a violation¹³) into their existing contacts with restaurants.

During the pandemic, OED provided substantial outreach to businesses, including restaurants, on emergency orders that could impact their operations. OED reports that the office is interested in new, sustainable outreach strategies and is seeking to standardize language access services (i.e., translation, interpretation, ethnic media ad placements) with existing resources. OED also reports that with additional resources, the office could leverage relationships with partners and provide language access services for new regulations. Revenue generated from

¹³ The FAS "Business Regulations" webpage provides information on how to report violations of food delivery platform requirements in SMC 7.30. [Filing a complaint – Food Delivery Platforms](#).

penalties is intended to offset any costs for outreach. However, the amount of revenue would be negligible if food delivery platforms are largely compliant as indicated by enforcement in other jurisdictions, resulting in the City issuing few fines (a portion of which must be remitted to the State).

Related, the Seattle Restaurant Alliance (SRA), a localized/chapter member organization of the Washington Hospitality Association (WHA), represents about 2,700 restaurants in Seattle and provides regular updates on issues impacting the industry in weekly newsletters, monthly meetings, and online toolkits. The SRA has indicated plans to distribute information on any forthcoming regulations that would impact restaurants and has expressed interest in partnering with the City on outreach efforts.

Next Steps

If the Committee votes to recommend approval of CB 120379 on July 27, the City Council could consider the legislation on August 2. If passed by Council, the legislation would likely go into effect between September 1 and 11.

If the Committee extends deliberations of CB 120389 until the next Committee meeting on August 10, Council could consider the legislation on August 16. If passed by Council, the legislation would likely go into effect between September 15 and 25.

Please contact me if you have questions about this proposed legislation.

cc: Esther Handy, Director
Aly Pennucci, Deputy Director
Yolanda Ho, Lead Analyst