



# SEATTLE CITY COUNCIL

## Parks and City Light Committee

### Agenda

Wednesday, July 1, 2026

2:00 PM

Council Chamber, City Hall

600 4th Avenue

Seattle, WA 98104

Debora Juarez, Chair  
Robert Kettle, Vice-Chair  
Maritza Rivera, Member  
Rob Saka, Member  
Dan Strauss, Member

Chair Info: 206-684-8805; [Debora.Juarez@seattle.gov](mailto:Debora.Juarez@seattle.gov)

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**SEATTLE CITY COUNCIL**  
**Parks and City Light Committee**  
**Agenda**  
**July 1, 2026 - 2:00 PM**

**Meeting Location:**

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

**Committee Website:**

<https://seattle.gov/council/parks-and-city-light>

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*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. Please register in advance in order to be recognized by the Chair. Details on how to register for Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <https://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting.

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.

Please submit written comments no later than four business hours prior to the start of the meeting to ensure that they are distributed to Councilmembers prior to the meeting. Comments may be submitted at [Council@seattle.gov](mailto:Council@seattle.gov) or at Seattle City Hall, Attn: Council Public Comment, 600 4th Ave., Floor 2, Seattle, WA 98104. Business hours are considered 8 a.m. - 5 p.m. Comments received after that time will be distributed after the meeting to Councilmembers and included as part of the public record.

*Please Note: Times listed are estimated*

**A. Call To Order**

**B. Approval of the Agenda**

**C. Public Comment**

*Members of the public may address items on the agenda and matters within the purview of the committee. Please register in advance to be recognized by the Chair.*

**D. Items of Business**

1. [Res 32210](#) **A resolution relating to the City Light Department; adopting a 2027-2032 Strategic Plan for the City Light Department and endorsing the associated rate path.**

Attachments: [Att 1 - SCL 2027-2032 Strategic Plan and Appendices](#)  
[Att 2 - City Light Review Panel Comment Letter on Proposed 2027-2032 SCL Strategic Plan](#)

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

**Briefing, Discussion, and Possible Vote** (10 minutes)

**Presenters:** Rob Santoff, Interim General Manager and CEO, Angela Bertrand, and Kirsty Grainger, Seattle City Light; Eric McConaghy, Council Central Staff

2.     [CB 121231](#)     **An ordinance relating to the City Light Department; establishing new retail rate schedules; establishing a new customer class and conditions of service for data centers whose electricity demand constitutes a new large load; modifying customer charges for service connections; modifying customer eligibility for residential rate assistance; augmenting the rate stabilization account mechanism; amending Sections 21.49.020, 21.49.030, 21.49.040, 21.49.052, 21.49.055, 21.49.057, 21.49.058, 21.49.060, 21.49.065, 21.49.083, 21.49.086, 21.49.110, and 21.49.130 of the Seattle Municipal Code; adding a new Section 21.49.059 to the Seattle Municipal Code; and repealing Section 21.49.081 of the Seattle Municipal Code.**

*Supporting Documents:*

[Summary and Fiscal Note](#)

[Central Staff Memo](#)

[Presentation](#)

**Briefing and Discussion** (30 minutes)

**Presenters:** Rob Santoff, Interim General Manager and CEO, Angela Bertrand, and Kirsty Grainger, Seattle City Light; Eric McConaghy, Council Central Staff

3.     [CB 121241](#)     **An ordinance relating to the City Light Department; authorizing the Department to enter into long-term agreements for the acquisition of electric power, including attributes, transmission, or ancillary services; and amending Section 21.49.130 of the Seattle Municipal Code.**

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

**Briefing, Discussion, and Possible Vote** (25 minutes)

**Presenters:** Rob Santoff, Interim General Manager and CEO, and Siobhan Doherty, Seattle City Light; Eric McConaghy, Council Central Staff

**E. Adjournment**



## Legislation Text

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**File #: Res 32210, Version: 1**

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Screen Reader Instruction Placeholder

The City of Seattle

Resolution

..title

A resolution relating to the City Light Department; adopting a 2027-2032 Strategic Plan for the City Light Department and endorsing the associated rate path.

..body

Recitals:

In consultation with the Mayor and the City Council, the City Light Department (City Light) initiated the strategic planning process in 2010 to provide more transparency and accountability for decision-making within City Light.

Per Ordinance 123256, the City Light Review Panel (Review Panel) is charged with representing City Light ratepayers and with reviewing and assessing City Light's strategic plans.

Resolution 31383, adopted July 2012, approved City Light's 2013-2018 Strategic Plan and six-year rate path, and directed the utility to review and update the Strategic Plan every two years, adding two years to the Strategic Plan and re-evaluating the remaining four years of the existing Strategic Plan.

Since 2013 the Review Panel has reviewed City Light's progress in carrying out the Strategic Plan and has also reviewed the Utility's proposed 2027-2032 Strategic Plan.

City Light continues the two-year update planning cycle and is delivering the 2027-2032 Strategic Plan (Attachment 1 to this resolution).

City Light's rates and revenue requirement are governed by financial policies adopted in Resolution 31187.

The Strategic Plan is foundational to the development of City Light's budget and establishing a rate path that protects long-term affordability by prioritizing the most critical work.

City Light conducted extensive outreach regarding the Strategic Plan, with customer and stakeholder group meetings, customer surveys, and employee engagement groups.

The US electric sector is experiencing significant load uncertainty influenced by economic conditions, technological advancements and policy decisions.

This uncertainty also arises from the variability in timing, type and rate of load growth and power demand expected from building and transportation electrification, computing services, and data center operations making it increasingly difficult to forecast long-term rate increases.

The resulting 2027-2032 Strategic Plan, which includes a rate path, centers on outcomes the utility is committed to delivering in alignment with the Mayor's Vision for Seattle, allowing for flexibility in the path forward.

The 2027-2032 Strategic Plan identifies six focus areas. The six areas are: 1) Customer Experience, 2) Power Supply, 3) Reliability, 4) Sustainability, 5) Technology and 6) Workforce.

The Review Panel, in its letter dated May 7, 2026 (Attachment 2 to this resolution), endorses the Strategic Plan and associated rate path, noting that increasing operational costs, potential power shortages, the need to adopt customer-facing technologies that shift and reduce demand, and the challenge of meeting decarbonization goals without federal grants and tax incentives all support the need for a significant rate increase to maintain service and system reliability; The City Council has reviewed the Strategic Plan, the associated rate path, the recommendation of the Review Panel, and the results of customer and stakeholder engagement. Therefore,

Be it resolved by the City Council of The City of Seattle, the Mayor concurring:

Section 1. The City Council adopts the City Light Department's 2027-2032 Strategic Plan (Strategic Plan), a copy of which is attached to this resolution as Attachment 1 and incorporated by reference.

Section 2. To achieve the goals of the Strategic Plan, the annual rate increases for 2027 and 2028 are shown below are endorsed:

2027: 9.5 percent

2028: 9.5 percent

Due to the increased load and power demand uncertainties faced by City Light, for the remaining four years of the 2027-2032 Strategic Plan (2029-2032) the rate increases are forecasted in the range of seven percent to 11 percent annually.

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**File #: Res 32210, Version: 1**

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Attachments:

Attachment 1 - Seattle City Light 2027-2032 Strategic Plan and Appendices

Attachment 2 - City Light Review Panel Comment Letter on Proposed 2027-2032 Seattle City Light Strategic Plan

Adopted by the City Council and signed in open session in authentication of its adoption on .

President of the City Council

Signed in concurrence on .

Katie B. Wilson, Mayor

Attested on .

Scheereen Dedman, City Clerk

Seal

SCL 2027-2032 Strategic Plan RES

Angela Bertrand

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Seattle  
City Light

# 2027-2032 STRATEGIC PLAN





*Seattle Mayor Katie Wilson with Seattle City Light Interim General Manager and CEO Rob Santoff.*

### To Our Customers and Community:

The energy industry is at a turning point, and so is Seattle City Light. How we use energy, where it comes from, and what it costs are changing quickly, creating uncertainty across the board.

In the Northwest, electricity demand is projected to grow 30% over the next decade, driven by rapid electrification, shifting climate conditions, and expanding digital demand. This surge could outpace regional supplies, with experts warning of potential power shortages during extreme cold snaps or other peak demand events by 2030.

City Light is a leader in clean energy and environmental stewardship, maintaining carbon-neutral status for more than 20 years. But the broader shift from fossil fuels to cleaner sources like solar and wind presents significant challenges. This transition is essential. It's also complex, expensive, and requires a shared commitment to building a carbon-free future together.

The 2027-2032 Strategic Plan is our roadmap for tackling these challenges. It outlines how we will deliver an affordable, reliable, safe, and environmentally responsible energy future. The plan highlights our commitment to upgrading our system, expanding our energy resources, incorporating new technologies, enhancing cybersecurity, partnering with customers to manage demand, preparing our workforce for evolving energy needs, and improving customer service.

City Light is here to serve, not make a profit. As a public utility, we are focused on delivering value to our customers. We invest ratepayer dollars in reliable power, renewable energy, and critical upgrades to our aging system. We recognize that bill increases can be challenging, and we remain committed to affordability, predictable rates, and providing financial assistance.

*"Clean energy shouldn't be a privilege. Seattle City Light is how we make sure every Seattle resident has access to reliable, affordable power, no matter their income or neighborhood. I'm proud to work alongside Seattle City Light to make that a reality."*

*-Seattle Mayor Katie Wilson*

This is a pivotal time, and I am confident in the path ahead. Together, we can create a more equitable, sustainable future while navigating the tradeoffs required. Thank you for your partnership as we continue powering our region and adapting to a changing energy landscape.

Rob Santoff  
Interim General Manager and CEO

# MISSION VISION VALUES



Seattle City Light’s mission, vision, and values help to define our purpose, identify our long-term goals, and outline the core principles that guide our work.

## MISSION

Seattle City Light provides our customers with affordable, reliable, safe, 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

**Dream big. Be brave. Improve. Never stop learning.**

We continuously improve by approaching every challenge with curiosity and a growth mindset, proactively seeking opportunities to innovate, learn, and improve.

**Collaborate intentionally, listen deeply, achieve more together.**

We share ownership and responsibility for outcomes, the best of which are achieved together through authentic collaboration, active listening, alignment on goals, and commitment to action.

**We serve with care.**

We show up for our customers, communities, and colleagues with empathy and intention, making equitable and thoughtful decisions, and delivering valuable, friendly service that earns trust.

**My voice matters: I can make a difference.**

Everyone is empowered and encouraged to speak up. Different experiences and diverse perspectives help us make meaningful change. Even if things don’t go my way, I am heard and respected.

**Safety and integrity—no exceptions.**

In every setting, we are uncompromising in our commitment to physical and psychological safety and to exercising honesty, accountability, and transparency.

**Accountability in every action, pride in our craft.**

We bring our skills, expertise, and commitment to deliver work we can be proud of, celebrating our successes and addressing our failures.

**Protect the people, preserve the planet, power the future.**

We are committed to making sustainable choices today that ensure a healthier planet and a stronger future for generations to come.

**Grace guides us, empathy connects us, respect unites us.**

We support the mission and one another by exercising patience, kindness, and understanding. We treat everyone with dignity, honoring our differences and elevating our shared ideals to create a space where we all belong.



## OUTREACH

Seattle City Light puts customers and community at the core of everything we do.

We are working toward a reliable, affordable, and environmentally responsible energy future in the face of unprecedented uncertainty. We know we will need to make tradeoffs, and we remain committed to ensuring our work and the decisions we make reflect what matters most to the community.

Over the past year, we partnered with the Seattle Department of Neighborhoods to hear from customers across our service area to align our priorities.

### Starting with what we already knew

Before reaching out, we reviewed findings from past outreach work and reflected on feedback we've already received from customers and community. Identifying existing themes and information gaps helped us shape an outreach plan focused on gathering new information rather than repeating old questions.

### Connecting with diverse communities

We met people at community events, gathered input through feedback forms and online surveys, and hosted a three-day online focus group with participants from communities throughout Seattle, franchise cities, and unincorporated King County. Much of this outreach was done in partnership with Community Liaisons who helped us connect with customers in their preferred language.



*City Light employees and community liaisons engaged community members in four different languages at the Community Play Day in Tukwila, a City Light franchise city.*



*Employees provided input through field visits, cross-functional workshops, team discussions, and leadership engagement.*

### Listening to those who are often left out

In addition to this broad outreach, we held community conversations and focus groups with priority populations and key partners, including:

- Communities historically underrepresented in planning processes
- Youth and young adults
- Business customers
- Community-based organizations
- City Light employees

### What we heard

- **Reliability is the top priority.** Customers count on City Light to keep the power on, restore it quickly when it goes out, and provide timely updates so they know what to expect.
- **Affordability is critical.** Customers want electricity bills that are steady and affordable, without unexpected increases.
- **A healthy environment matters.** Our community cares deeply about the environment and is depending on us to provide energy in a way that limits harm to our planet.
- **The transition to clean energy must be fair.** Customers expect City Light to improve access to programs and services to ensure benefits are shared across all communities.

By incorporating this feedback into our strategic planning efforts, we will be better positioned to deliver outcomes that benefit everyone.

We will continue checking in with customers and community partners to understand what success looks like and partner on solutions to get there, together.



# ACCOMPLISHMENTS

The following accomplishments highlight our ongoing commitment to improving the reliability of our systems, building trust among the communities we serve, and partnering with our customers to meet today's challenges while building a stronger energy future.

## Making our electric system more reliable and resilient

- City Light is committed to restoring power to our customers as quickly as possible. After a severe windstorm impacted 64,000 customers in February 2025, our crews safely restored power to 98% of affected customers within 24 hours.
- Our new voluntary demand-response program invites our largest customers to use less power when demand spikes, like during extreme hot or cold weather. This allows City Light to avoid costly market purchases and/or receive higher prices for surplus energy sales. The program delivers value to the utility, program participants, and the broader community by helping keep electricity affordable, reliable, and environmentally responsible.
- City Light is proud to have earned a Diamond Level Reliable Public Power Provider (RP3) designation from the American Public Power Association—the highest level possible. This recognition reflects our commitment to industry-leading reliability, safety, workforce development, and system improvement practices. Only 251 of more than 2,000 public power utilities nationwide hold an RP3 designation.
- In December 2025, City Light signed a 16-year contract with the Bonneville Power Administration (BPA) to guarantee access to the Federal Columbia River Power System. As a public preference customer within the BPA system, City Light has access to some of the lowest cost wholesale power in the region. Historically, we have received approximately 45-50% of our resource needs from BPA. The new contract, which begins in October 2028, is expected to provide a similar amount of clean energy with a higher degree of flexibility.



*Seattle City Light is committed to providing our customers with the best possible service.*

## Supporting our customers and community

- Seattle City Light continues to deliver excellent customer experiences for our residential and business customers. Our accomplishments in the [JD Power](#) and [Escalent Studies](#) show our commitment to making experiences easy, accessible, and valuable to our customers.
- Working with the City of Seattle Department of Neighborhoods, we are reaching more communities that are often left out of decision making, and we are helping more people get connected to utility bill assistance programs and other energy support programs like HomeWise and Multifamily Retrofit.
- To better serve our diverse community, we partnered with Seattle Public Utilities to improve the accessibility of our customer contact center. Customers may now choose from eight language options when they call our customer service center. By offering additional language options, we are helping more customers get the assistance they need.



**Stewarding the environment and creating a sustainable energy future**

- We celebrated a successful first year at the Native Salmonid Conservation Facility in Usk, Washington, where we completed the full lifecycle of Westslope cutthroat trout, preserving genetic diversity and supporting recreational fishing. Collaborative efforts with the Kalispel Tribe and local agencies have strengthened ecosystems and community ties in the Pend Oreille River Watershed.
- In July 2025, City Light hosted Senator Patty Murray, along with clean energy and climate action leaders, for a discussion on cuts to clean energy tax credits and their far-reaching impacts on our region’s environment, economy, and energy security. Even with these challenges, City Light is continuing to invest in clean energy resources to meet growing demand.
- In September 2025, the Seattle City Council approved our 2026-2029 Clean Energy Implementation Plan, which details how we’ll meet Washington’s goal of 100% renewable and non-emitting electricity by 2045. The plan reflects months of extensive customer input and emphasizes equity, reduced energy burden, improved community health, and expanded access to green jobs.

**Preparing the workforce to meet new energy demands**

- Our Electric Vehicle Charging Installer Program (EVCIP) is helping electrical contractors who are women and minority-owned business enterprises (WMBE) thrive in the emerging EV charging market. In 2025, we supported 15 WMBE firms with tools, training, certifications, and access to business opportunities.



*Ribbon cutting ceremony for EV charging stations at Samaki Commons, an affordable housing project. The project was completed by an EVCIP contractor, Andrew’s Electric. The project was also a recipient of City Light’s public charging incentive.*

**Using technology in strategic and innovative ways**

- In 2025, we began using LiDAR to precisely map and manage vegetation along 600 miles of transmission lines, improving grid safety and wildfire prevention. Our innovative work earned us national recognition in October, when we received the Francis Upton Top Innovator in Analytics in Utility Service award.



# FOCUS AREA: RELIABILITY

Uninterrupted power is essential to our customers' lives.

By 2035, Seattle City Light will rank among the best for power reliability. In addition to consistently delivering exceptional electric service to our community, we will minimize power outages and communicate clearly when they occur.

## Measures of Success

We aim to achieve and maintain a ranking in the top 25% of utilities nationally (as measured by the American Public Power Association) across three critical reliability metrics:

- **System Average Interruption Duration Index (SAIDI)** reducing the total hours customers are without power
- **System Average Interruption Frequency Index (SAIFI)** decreasing the number of outages
- **Customer Average Interruption Duration Index (CAIDI)**—lowering the average time to restore power when outages occur

In addition to the above measures of success, investing in our infrastructure will result in fewer planned outages and faster recovery from storm-related outages.

## Outcomes

### Asset Portfolio Health

Our equipment consistently performs well, avoiding predictable and preventable equipment failures.

### Restoration Time

Outages are rare, but when they happen, we restore power quickly.

### Major Event Impact

When major disruptions like storms or earthquakes occur, we work quickly to restore essential power to our community.

## Highlights

### Protecting Our Physical Assets

City Light is increasing reliability by improving how we protect our system's physical assets. We are increasing our internal security resources and capability to improve physical security, better align with operations, and enable faster, more coordinated, incident response. We are also upgrading security technology like access controls, cameras, and lighting, and using threat intelligence to help keep our facilities secure. This work will lead to fewer security-related disruptions, faster service restoration, and safer workplaces and neighborhoods.

### Strengthening Our Distribution System

An aging grid means more power outages and longer repairs, so City Light is upgrading key parts of our system to ensure reliable power. We're replacing aging underground cables, modernizing how our grid communicates, and adding automated "self-healing" technologies to quickly detect and isolate problems. These improvements will result in fewer, shorter outages and limit disruptions to build a more resilient grid.



Seattle City Light's [outage map](#) provides current information about power outages in your neighborhood and surrounding areas.

# FOCUS AREA: POWER SUPPLY

Keeping power affordable, reliable, and sustainable—while meeting the region’s growing energy and climate needs—depends on having enough energy resources. By 2035, Seattle City Light will meet growing customer energy use through a diverse mix of demand-side resources, power, and transmission capacity.

## Measures of Success

We track our performance using a long-term reliability standard that ensures we have enough energy resources to avoid shortages. Our goal is to keep the risk of an energy shortfall to no more than one day in 10 years, a benchmark that reflects a highly reliable power supply for our customers.

We will also participate in regional programs to coordinate with utilities across the West to plan for an adequate supply of resources cost-effectively.

## Outcomes

### Maintain Existing Generation Assets

Our hydroelectric dams are relicensed, reliable, and in strong working condition for continued safe power generation.

### Acquire Generation and Transmission

We’ve secured new resources aligned with our plan, giving us confidence we can meet or exceed future peak demand.

### Manage Load Growth and Peaks

We partner with our customers to power a more resilient and affordable energy future by activating local resources like energy efficiency, rooftop solar, and demand response to manage growing demand, while reinvesting in the communities we serve.

### Optimize Power Resources

We forecast accurately and use our assets and the energy market strategically to maximize value for our customers and the region.

### Highlights

#### Acquiring Generation and Transmission Resources

Guided by our Integrated Resource Plan, we will add a mix of new generation and storage resources through competitive project bids, power purchase agreements, and third-party projects, and by strengthening the tools we use to ensure our load and power supply stay in balance.

#### Addressing Customer Demand

City Light is helping customers manage their energy use and save money through an expanded portfolio of customer energy programs including time-of-use rates, solar and battery storage, and energy-efficiency offerings. These efforts will reduce rate pressure, improve reliability, deliver environmental benefits, and support workforce development opportunities in our communities.



We’re here to help you manage your energy use!  
To learn more, contact our Energy Advisors at  
(206) 684-3800 or  
[SCL\\_EnergyAdvisor@seattle.gov](mailto:SCL_EnergyAdvisor@seattle.gov).



# FOCUS AREA: CUSTOMER EXPERIENCE



By 2035, Seattle City Light will deepen its role as a trusted energy partner, delivering positive and equitable experiences for all customers.

As a community-owned not-for-profit energy provider, we are committed to giving every customer access to the energy services they need, now and in the future.

## Measures of Success

Earning and maintaining a No. 1 ranking among all utilities across the nation as measured by JD Power's Overall Customer Satisfaction score.

## Outcomes

### Customer Trust

Customers trust us to be transparent, proactive, and solutions-focused; they hear from us first and trust our response.

### Customer Effort

Our customers consistently get fast answers, simple processes, and support that fits seamlessly into their lives.



Our Energy Heroes program partners with schools to engage students in grades 1-12 on subjects like energy conservation, electrical safety, renewable energy, sustainability, electrification, and equity.



City Light staff shared energy saving tips and resources at an "Earth Day, Every Day" event in Shoreline.

## Highlights

### Enhancing Customer Service Delivery

We're making it easier to do business with City Light. From service connections to utility assistance and outage communications, we're finding ways to be more proactive and reduce the time and effort it takes to get help. In coming years, we'll continue rolling out tools and upgrades that speed up transactions and make information easier to find.

### Partnering with Customers and Community

Our new outreach and engagement framework focuses on building lasting relationships across our service area and ensuring our programs and investments reflect community priorities. We will show up at events, offer multiple feedback channels, build neighborhood-based partnerships, and invest in community capacity building. By listening, learning, and acting on what matters most, we aim to build trust and deliver results that truly serve our customers and communities.

# FOCUS AREA: SUSTAINABILITY

By 2035, City Light will stand out as a high performer in utility sustainability by reducing carbon emissions, supporting electrification, and protecting the environment.

To us, sustainability means providing equitable clean energy services that support a healthy environment, economic opportunity, and resilient communities today and in the future.<sup>1</sup> We will embed sustainability across our planning, investments, operations, workforce, and culture.

## Measures of Success

Ranking in the top 10% of the Escalent Environmental Dedication and Engaged Customer Relationship Indexes, and demonstrating that customers see and value our sustainability efforts.

## Outcomes

### Environmental Stewardship

We steadily reduce emissions from our operations and power supply and are a recognized leader for environmental responsibility, with initiatives that support salmon recovery and restoring ecosystems.

### Strategic Partnerships

We're a trusted partner, building collaborations that benefit both our communities and our utility. We work with City departments, regional agencies, community-based organizations, and other partners to advance shared goals, including joint efforts on electrification and equitable access to clean-energy solutions such as community solar.

### Resilient Services

Our climate-resilient systems withstand and recover rapidly from disruptions, including extreme and prolonged events.

### Community Well-Being

All customers have reliable energy to heat, cool, and power their homes so they are safe and comfortable.

## Highlights

### Supporting the Transition to Electric Vehicles

City Light is expanding electric vehicle (EV) charging and incentives to make the switch easier and more equitable. We're partnering with the Seattle Department of Transportation to add curbside chargers in underserved neighborhoods and fast chargers at libraries, parks, and community centers. Customers can continue to access multifamily, workplace, and fleet charging incentives, streamlined rebate applications, integrated Clean Fuel Standard credits, and fleet electrification support. As EV adoption grows, these programs will work hand-in-hand with time-of-use rates and customer flexibility offerings to help manage system load and support a reliable grid.

### Reducing the Energy Burden

Many households face a high energy burden, spending much of their income on electricity. We're reducing energy burden by updating the Utility Discount Program with broader benefits, simple applications, and multilingual support, and boosting enrollment through proactive outreach.



Since 1999, Seattle City Light's Wildlife Research Grants Program has supported over 80 projects that help us better understand, manage, and protect wildlife resources in the North Cascades ecosystem.



<sup>1</sup> Clean energy means fully renewable or non-emitting, as defined by the Clean Energy Transformation Act.



# FOCUS AREA: WORKFORCE

By 2035, City Light will build and support a highly skilled, diverse, resilient, and agile workforce to meet the changing demands of the energy sector. We will attract and retain top talent, foster a workplace culture that reflects our values, and prepare employees for emerging technologies and roles.

By aligning our workforce strategy with our long-term goals, we enable reliable service delivery, support innovation and creativity, and strengthen the communities we serve.

## Measures of Success

Employee engagement scores reach 80% or higher in each business unit and workforce excellence drives success across reliability, customer focus, power supply, sustainability, and technology.

## Outcomes

### Model a Safe and Secure Work Environment

Employees embody a shared responsibility and proactive approach to both physical and psychological safety—and we strive to continually raise the bar.

### Intentional Workplace Culture

Our culture is aligned with our values. Employees feel engaged and see themselves in our mission.

### Skilled Workforce

Our people are well trained and prepared to meet our customers' evolving needs. Staff recognize skills needed for the future and have a pathway to develop those skills.

### Supportive Systems and Processes

Employees have the tools, clarity, and support they need to work effectively and deliver on results.



Seattle City Light employees connect with attendees at the annual Washington Women in Trades Fair at Seattle Center.

## Highlights

### Enhancing our Workforce Strategy

To deliver on our strategic plan, we need the right people, tools, and training at the right time. To make this happen, we're implementing utility-wide workforce planning and resource allocation tools, standardizing processes, and using better data to guide our decisions. Leaders will have clear performance expectations and the training they need to support their teams. We are also expanding our apprenticeship programs and industry connections to build a strong workforce pipeline.

### Ensuring Healthy Work Environments

City Light is committed to providing a safe and secure work environment for our 1,900 employees. We're making improvements to our aging facilities so employees can focus on essential work—fixing roof leaks, addressing HVAC and plumbing issues, and correcting other safety and building concerns. We're also aligning power generation sites under consistent standards to support safer, more efficient operations.



City Light's paid apprenticeships help people get the experience they need for a career in the electrical utility industry.

# FOCUS AREA: TECHNOLOGY

By 2035, Seattle City Light will use technology strategically to enhance the customer experience, improve grid performance and reliability, empower our workforce with better tools and information, and ensure our systems remain secure and resilient.

We will deliver reliable, sustainable, and secure energy to our community, while positioning Seattle City Light as a technology leader in the utility sector.

## Measures of Success

We will know our technology implementation is successful when we see improvements in customer experience, operational efficiency, and community trust driven by technological advancements that enhance reliability, support resilient grid operations, and improve the service delivery.

## Outcomes

### Modern Grid and Utility Digital Solutions

We will modernize grid management and customer-facing technologies to create a more reliable, efficient, and responsive utility. These investments will enhance real-time visibility and control across grid operations and support the integration of distributed energy resources. At the same time, these technologies will provide a seamless digital customer experience, enabling customers to access services anytime, anywhere through intuitive, connected, and user-friendly tools.

### Cyber/Physical Security and Network Modernization

We will strengthen our cybersecurity and physical security posture to reduce operational and cyber risk and better protect our critical infrastructure. Modernizing these capabilities is essential to safeguarding customer and employee data, maintaining operational continuity, and sustaining public trust. These investments will help ensure our systems and facilities remain resilient, secure, and prepared to address emerging threats.

### Data Analytics and AI Enablement

We are building data, analytics, and AI capabilities to enable faster and smarter decision-making. By improving access to reliable information and providing advanced tools, we can strengthen planning, ensure grid reliability, increase operational efficiency, support our workforce, and ultimately deliver better service to our customers.

## Highlights

### Upgrading Critical Technologies

We are upgrading key technologies to make City Light more reliable, secure, efficient, and resilient. New, integrated systems will replace outdated, fragmented tools, improving everything from billing and service requests to operational decision-making, grid management, and clean energy initiatives. These investments will improve the customer experience, strengthen grid reliability and efficiency, strengthen cybersecurity, and improve overall operations.

### Protecting Your Infrastructure

Cybersecurity is more important than ever. As cyber threats become more sophisticated and persistent, updating our cybersecurity is key to safeguarding our critical infrastructure and protecting customers' data. To ensure our cybersecurity systems are robust and effective, we will conduct internal and third-party assessments and develop a roadmap to address any necessary improvements.

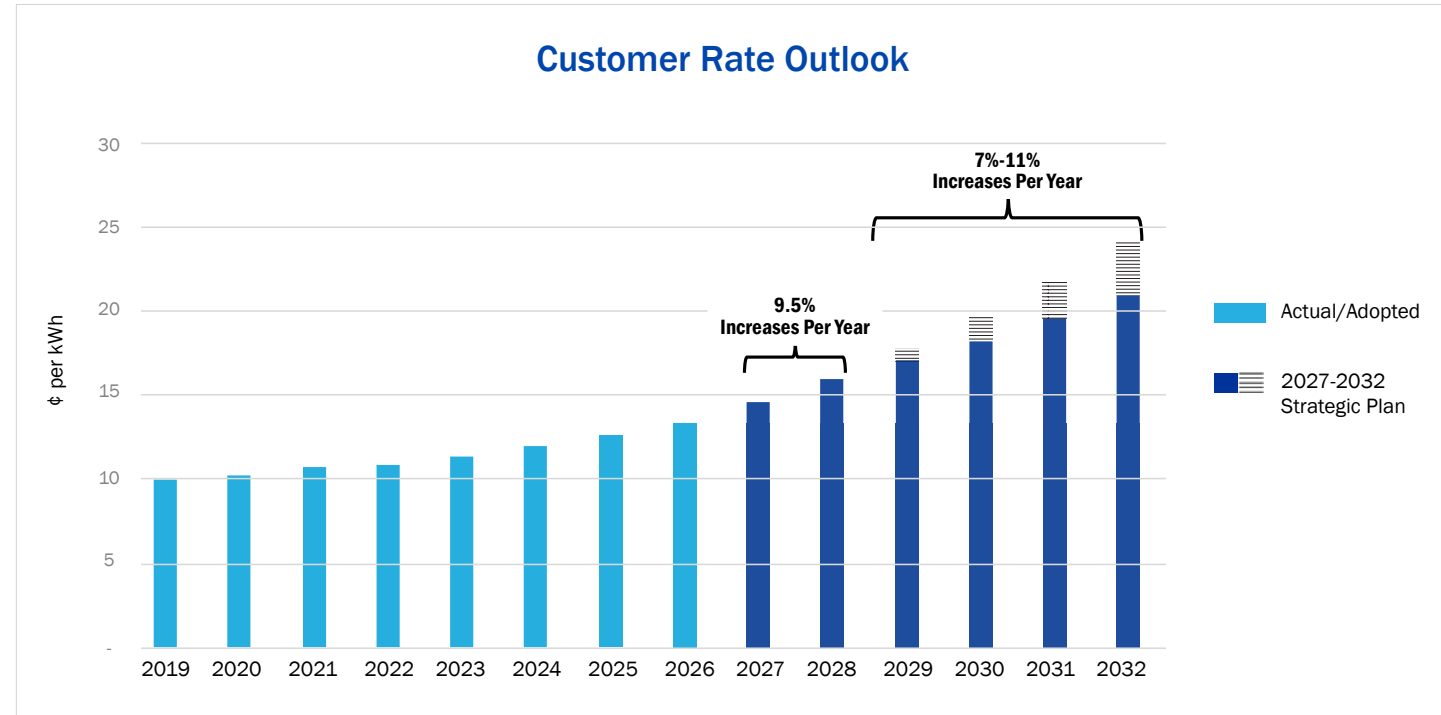


City Light's Time of Use rates encourage customers to use electricity when power is cheaper and demand is lower, helping to reduce strain on the electric grid. These rates give customers choice, flexibility, and control, with new ways to manage their energy bills while helping make our energy grid more efficient.

# RATES

## 2027-2032 Rate Path

Achieving the goals and outcomes described in this Strategic Plan will require 9.5% annual rate increases in 2027 and 2028, followed by increases in the 7% to 11% range each year for the following four years.



As a public utility, our purpose is to serve this community. We do not operate for profit or growth. Our commitment is to deliver safe, reliable, and clean electricity at the best value possible. We recognize that electricity bills are only one piece of the rising costs families and businesses are facing. As we move forward with the critical investments described in this plan, we remain firmly dedicated to managing costs responsibly and making the most of each dollar entrusted to us by you, our customers.

## Bill Impacts

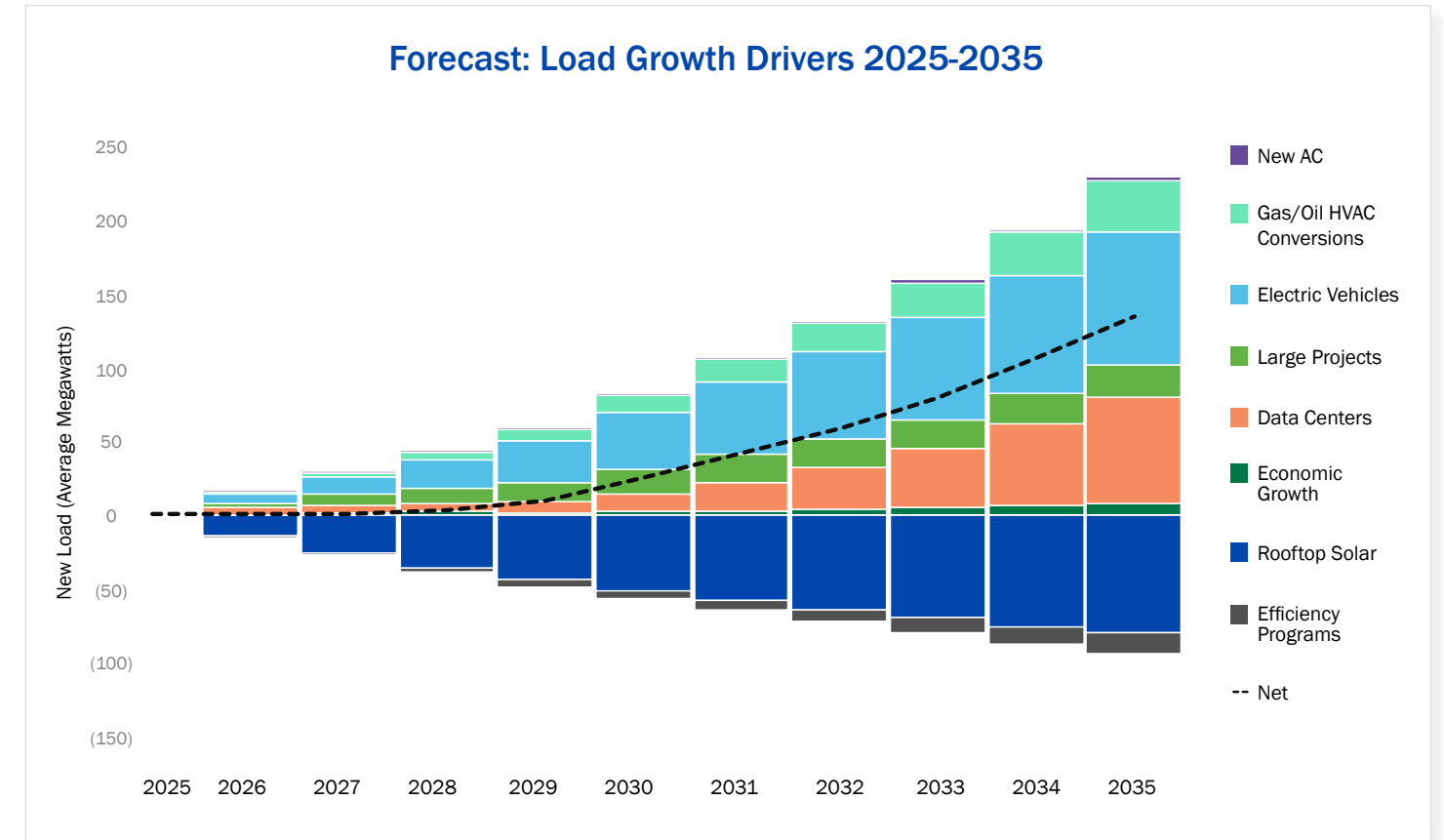
The 9.5% annual rate increase for 2027 and 2028 translates to about \$10 a month for a typical residential bill or \$4 a month for a typical residential Utility Discount Program (UDP) bill.

Example Customer	Monthly Bill (2026)	Monthly Increase (2027)	Monthly Increase (2028)
Apartment – Electric Heat	\$74	\$7	\$8
Single-Family Home – Electric Heat	\$124	\$12	\$13
UDP Single-Family Home – Electric Heat (60% discount)	\$50	\$5	\$5
Small Commercial (Small Office)	\$173	\$16	\$18
Medium Commercial (Small Grocery Store)	\$3,863	\$367	\$402
Large Commercial (Hospital)	\$162,727	\$15,459	\$16,928
Large Network (Data Center)	\$250,316	\$23,780	\$26,039

# RATES

## Factors Impacting Rates

Substantial load growth, spurred by electric vehicle adoption, building electrification, and new energy users like data centers, is driving up the cost of providing power to our customers.



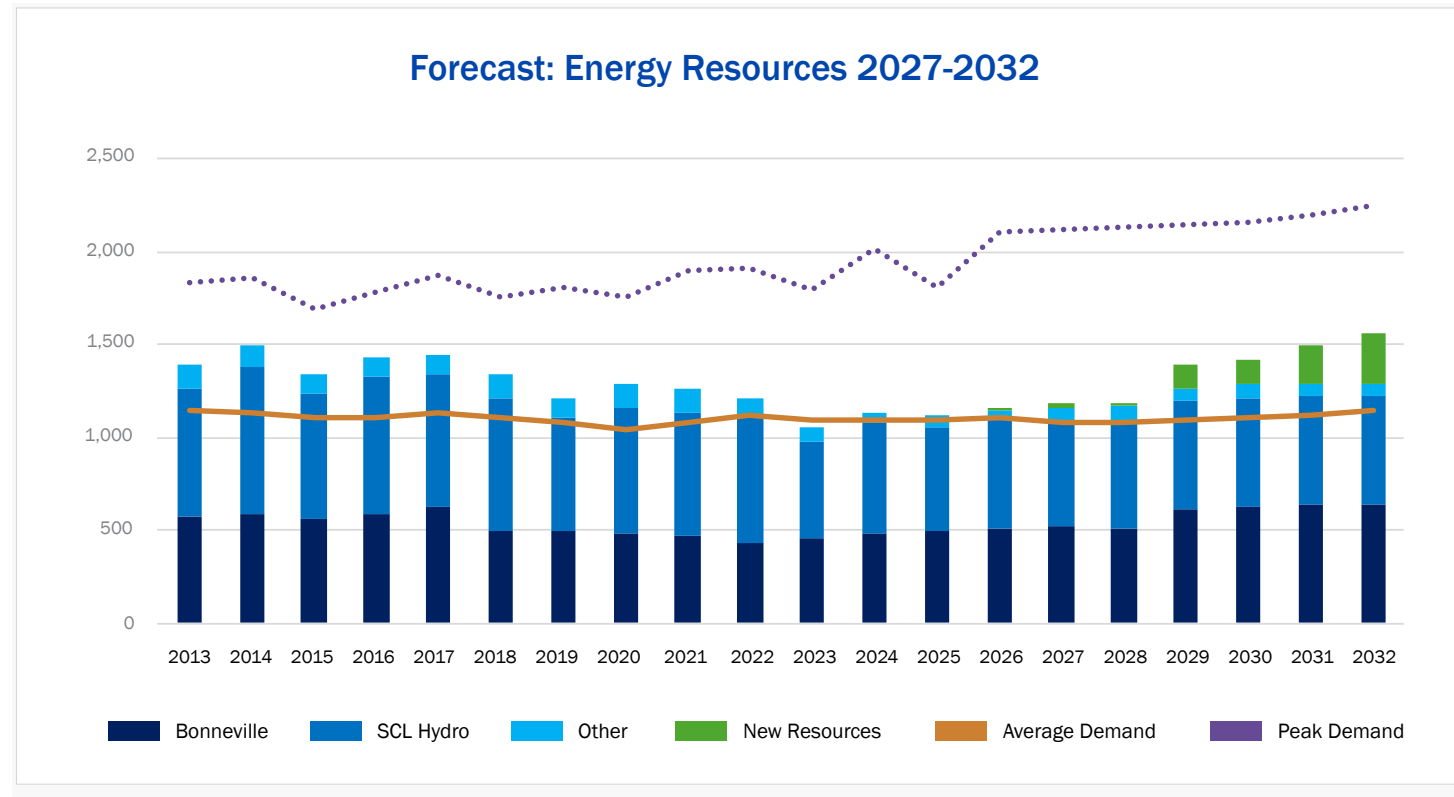
Demand for energy is expected to increase around 13% by 2035, primarily driven by transportation electrification and data centers, followed by conversions to electric heating and cooling and large infrastructure projects. Economic growth and increased use of air conditioning also play a role. New investments in energy efficiency programs and rooftop solar are expected to offset some of this growth.

Alongside rising electricity use, we are experiencing the impact of climate change on our power supply. City Light customers have benefited from low-cost hydropower for decades, but reduced snowpack and low water years have left those power supply resources on the decline.

The growth in load paired with the decrease in supply and an increasingly expensive wholesale power market has left City Light at a tipping point—a trend we’re seeing across the industry.

To power Seattle’s future, it’s time to make generational investments to enhance our hydroelectric dams, secure new clean power resources, and expand and reinforce our electric grid.

# RATES



While load growth on average is expected to rise by 13% over the next six years, peak demand in the winter is expected to increase by 19%. Ensuring reliable access to power for our customers on the coldest winter days means we can't just rely on the wholesale market. We must build new generation or enter into long-term power supply contracts. By 2032, we expect at least 18% of our power to come from new resources.

## Strengthening Financial Stability

In response to growing demand and increasing wholesale market risk, City Light is taking steps to bolster financial resilience and rate stability. These include:

### New Large-Load Policy

To responsibly manage the rising demand driven by data centers, electrification, and other major power users, City Light plans to introduce new rate classes for certain new large commercial and industrial customer uses. Creating separate rates for the businesses that plan to grow their electricity consumption helps ensure they are paying the true cost of serving them and not shifting costs or risks onto the community.

### Rate Stabilization Account Expansion

City Light's Rate Stabilization Account (RSA) is a "rainy day" fund intended to protect customers from major rate hikes due to market fluctuations. As power costs have become more unpredictable due to climate-driven swings in hydropower and increasing volatility in wholesale energy markets, our current \$100 million RSA reserve is no longer enough. Expanding the RSA keeps rates more stable and ensures reliable financial protection amid growing uncertainty.

# AFFORDABILITY

City Light is committed to ensuring all customers have access to clean, affordable, and reliable electricity no matter their financial circumstances. We offer a variety of programs and tools to help customers manage their energy use and afford their utility bills.

## Reducing Energy Costs

We provide rebates and incentives for efficient appliances and home energy solutions, such as smart thermostats and heat pump water heaters. Customers can also use our tools and resources to monitor their use and achieve their energy goals.

Learn more at [seattle.gov/city-light/energy-tips](http://seattle.gov/city-light/energy-tips)

For commercial and industrial customers, we offer innovative energy programs that can help businesses improve energy performance, reduce operating costs, and achieve sustainability goals.

Learn more at [seattle.gov/city-light/business-solutions/large-commercial-and-industrial-business-solutions](http://seattle.gov/city-light/business-solutions/large-commercial-and-industrial-business-solutions)

## Utility Assistance Programs

We offer utility bill assistance programs to help customers manage their utility bills.

- **Payment Plans** – Pay past-due balances in smaller installments, over time.
- **Utility Discount Program (UDP)** – A 60% discount for income-qualified customers.
- **Bill Assistance** – Emergency Bill Assistance and Project Share provide financial support for income-qualified customers.

We are continuously improving our assistance programs. For 2027, we are proposing to expand UDP income eligibility from 70% of state median income to 60% of area median income, making more City Light customers eligible for this support.

Learn more at [seattle.gov/UDP](http://seattle.gov/UDP)





## REVIEW PANEL

The Seattle City Light Review Panel is comprised of nine members drawn from among City Light's customers. Five members are nominated by the Mayor and four members are nominated by the City Council. The Panel is responsible for reviewing and assessing City Light's strategic plan and provides an opinion on the merits of the plan and future revisions to it to the Mayor and the City Council.

Bruce Flory, Retired Utilities Economist  
Position 1: Economist

Louis Ernst, Finance Manager, Amazon  
Position 2: Financial Analyst

Kerry Meade, Executive Director, Northwest Energy Efficiency Council  
Position 3: Non-Profit Energy Efficiency Advocate

Leo Lam, Chief Executive Officer, WEVE Design Chair;  
Position 4: Residential Customer Representative

Ryan Monson, General Manager, Sabey Data Center's Seattle Campus  
Position 5: Commercial Customer Representative

Toyin Olowu, Finance Manager and Controller, Nucor Seattle Steel Division  
Position 6: Industrial Customer Representative

Oksana Savolyuk, Energy Program Director, Multi-Service Center  
Position 7: Low-Income Customer Representative

Gina Cristina Sima, Senior Product Marketing Manager, Microsoft  
Position 8: At-Large Customer Representative

Joel Paisner, Partner, Ascent Law Partners, LLP  
Co-Chair; Position 9: Suburban Franchise Representative



**2027-2032 STRATEGIC PLAN UPDATE**

- A. FINANCIAL FORECAST
- B. OUTREACH SUMMARY

## 2027-2032 Strategic Plan - Financial Forecast

### EXECUTIVE SUMMARY

This document details the financial assumptions behind the rate path established by City Light's 2027-2032 Strategic Plan (the "Plan"). The proposed rate path provides the revenue required to deliver the strategic outcomes identified in the Plan.

Average rates are derived by dividing the revenue requirement by retail sales. City Light's revenue requirement is increasing around \$165 million (10.5%) per year, and retail sales are growing by about 1% per year. There is a considerable amount of uncertainty in the out years. This forecast yields a rate path with increases of 9.5% in 2027 and 2028 and a range of annual increases between 7% to 11% in years 2029-2032.

### RATE INCREASE SUMMARY

	2026 <sup>1</sup>	2027	2028	2029	2030	2031	2032
Revenue Requirement, \$M	\$1,203	\$1,319	\$1,453	\$1,595	\$1,773	\$1,973	\$2,202
Annual Increase		9.6%	10.1%	9.8%	11.2%	11.2%	11.6%
Retail Sales GWh	8,989	8,998	9,050	9,074	9,212	9,356	9,538
Annual Change		0.1%	0.6%	0.3%	1.5%	1.6%	1.9%
Average Rate, ¢/kWh	13.4	14.7	16.1	17.6	19.3	21.1	23.1
<b>Annual Increase</b>		9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
<b>Rate Path Uncertainty<sup>2</sup></b>				+/-1.5%	+/-1.5%	+/-1.5%	+/-1.5%
<b>Annual Increase (Rate Path)</b>		<b>9.5%</b>	<b>9.5%</b>	<b>7%-11%</b>	<b>7%-11%</b>	<b>7%-11%</b>	<b>7%-11%</b>

<sup>1</sup> Planning values as of Apr 2026 that reflect current consumption profiles and retail rates (RSA surcharge is excluded).

<sup>2</sup> Increased uncertainty in out-year load and power cost timing may drive rate path higher or lower than Annual Increase shown above.

Below is a table of bill impacts of example customers.

### MONTHLY BILL IMPACTS

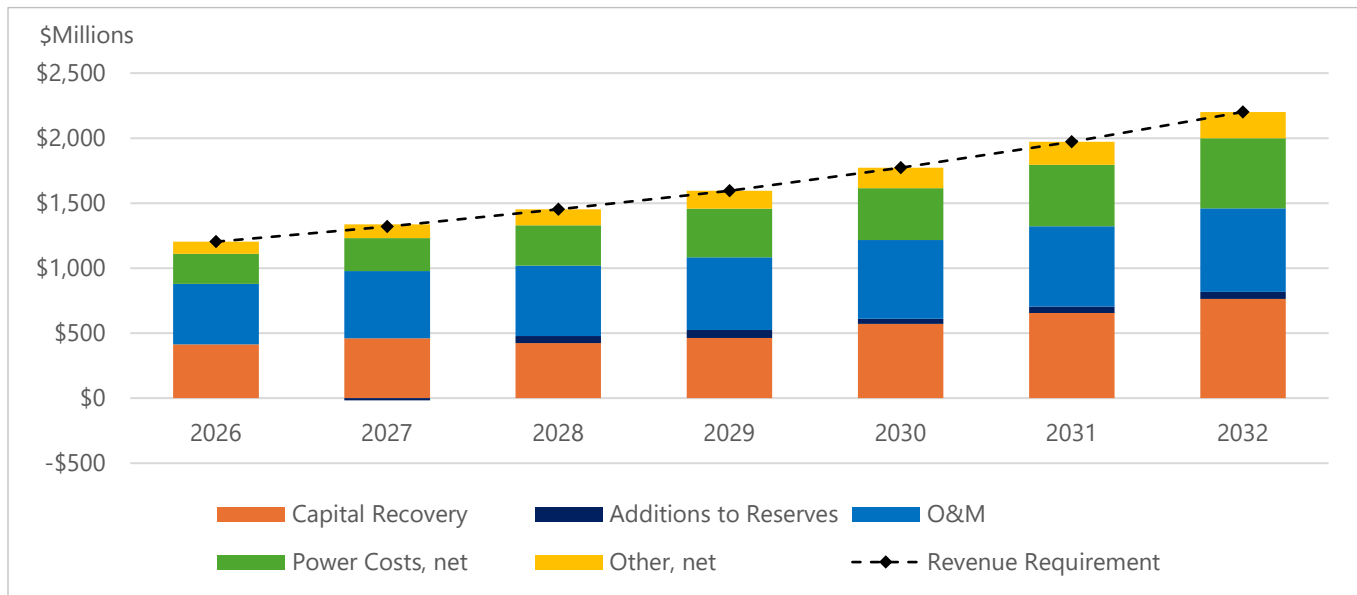
	Bill	Increase						
	2026	2027	2028	2029	2030	2031	2032	AVG
Apartment - Electric Heat	\$74	\$7	\$8	\$8	\$9	\$10	\$11	\$9
Single Family Home - Electric Heat	\$124	\$12	\$13	\$14	\$16	\$17	\$19	\$15
UDP Single Family Home - Electric Heat	\$50	\$5	\$5	\$6	\$6	\$7	\$7	\$6
Small Commercial - Office	\$173	\$16	\$18	\$20	\$22	\$24	\$26	\$21
Medium Commercial - Grocery	\$3,863	\$367	\$402	\$440	\$482	\$528	\$578	\$466
Large Commercial - Hospital	\$162,727	\$15,459	\$16,928	\$18,536	\$20,297	\$22,225	\$24,336	\$19,630
Large Network - Data Center	\$250,316	\$23,780	\$26,039	\$28,513	\$31,222	\$34,188	\$37,435	\$30,196

## A. Financial Forecast

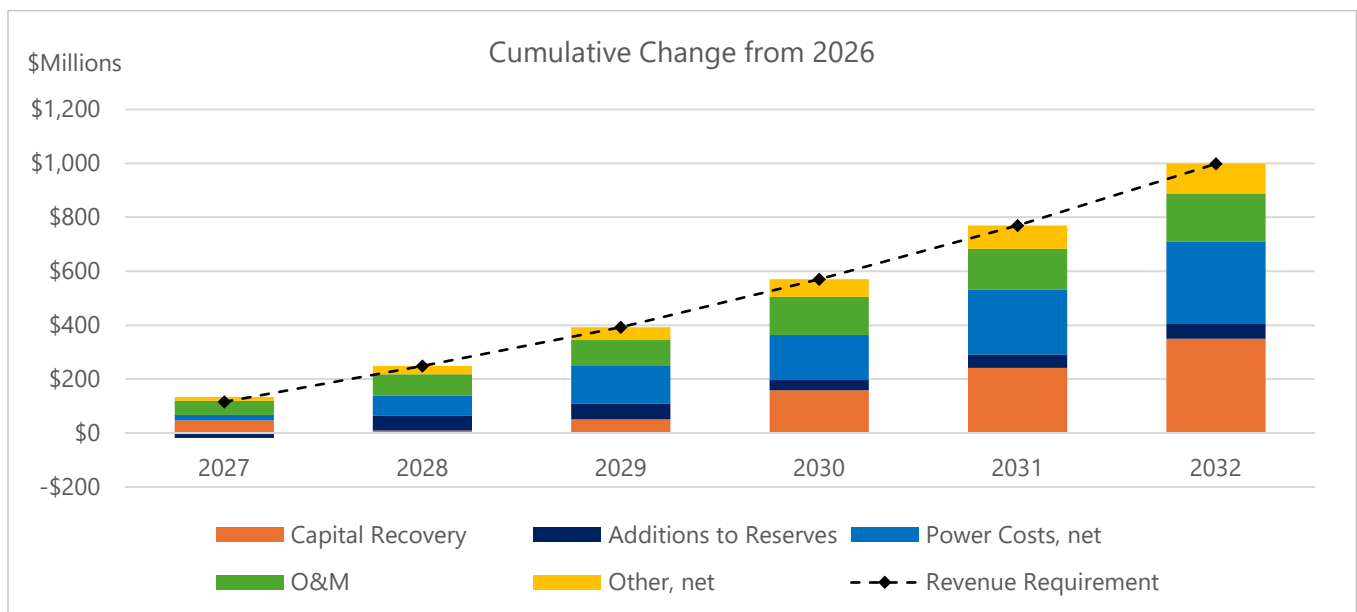
These bill impacts assume each customer has a bill increase of 9.5% and unchanged consumption. These impacts are examples only and will differ once the cost of service and rate design process is completed. Customers who decrease their consumption through energy efficiency measures will experience smaller bill impacts.

The charts and tables below summarize City Light's revenue requirements for 2027-2032.

### REVENUE REQUIREMENT 2027-2032



### REVENUE REQUIREMENT DRIVERS 2027-2032



**RETAIL REVENUE REQUIREMENT SUMMARY**

	2026	2027	2028	2029	2030	2031	2032
<b>Revenue Requirement</b>	\$1,203	\$1,319	\$1,453	\$1,595	\$1,773	\$1,973	\$2,202
<b>Capital Recovery</b>							
Debt Service	\$249	\$231	\$255	\$268	\$276	\$299	\$326
Revenue Available for Capital & Liquidity <sup>1</sup>	\$164	\$212	\$222	\$256	\$333	\$404	\$491
<b>Operations &amp; Maintenance (O&amp;M)</b>							
2026 O&M Baseline	\$465	\$465	\$465	\$465	\$465	\$465	\$465
Inflation	\$0	\$18	\$37	\$56	\$76	\$95	\$115
Existing hydro licensing (previously CIP)	\$0	\$11	\$11	\$12	\$8	\$9	\$10
Change in REC costs from 2026	\$0	-\$1	-\$2	-\$7	-\$13	-\$15	-\$16
New and expanded programs	\$0	\$24	\$32	\$35	\$70	\$64	\$69
<b>Net Power Costs</b>							
New Resources	\$9	\$20	\$25	\$105	\$106	\$173	\$241
Other Power and Wheeling Contracts	\$295	\$280	\$330	\$382	\$398	\$424	\$443
Net Wholesale Revenue (NWR)	-\$55	-\$30	-\$30	-\$100	-\$100	-\$120	-\$140
Power Related Revenues, Net	-\$16	-\$17	-\$16	-\$15	-\$4	-\$4	-\$6
<b>Other Revenues/Costs</b>							
Taxes, Payments and Uncollectibles	\$144	\$156	\$171	\$188	\$209	\$231	\$257
Miscellaneous Revenue	-\$52	-\$50	-\$48	-\$49	-\$51	-\$52	-\$54

<sup>1</sup> Operating revenue available to cash fund the capital program or add to overall liquidity (cash reserves).

**DRIVERS OF 2027-2032 REVENUE REQUIREMENTS AND RATES**

- Capital Recovery and additions to cash reserves
  - Capital requirements are expected to increase significantly, driven largely by replacement of underground infrastructure and implementation of the new Skagit License
  - 42% of 2027-2032 net capital requirements are expected to be funded with operating revenue
  - Debt service is expected to grow as the utility issues more debt
  - Around \$240 Million additions to cash to support bond reserve and to meet 150 Days Cash on Hand metric
- Operations and Maintenance (O&M)
  - Based on 2026 adopted O&M budget with inflation for the cost category expected to grow at approximately 4% per year
  - Reclassification of some existing hydro relicensing capitalized costs to O&M to follow accounting best practices (CIP reduced by the same amount)
  - New and expanded programs to support the strategic plan (see Appendix A for more details on new programs)

## A. Financial Forecast

### 3. Net Power Costs

- Bonneville (BPA) power and transmission costs are the largest single component at over \$250 million; BPA power and transmission costs are expected to increase around 5% per year on average
- New power resources are required to meet resource adequacy targets. Planning assumption is \$239 million for roughly 276 aMW by 2032 for a combination of solar, wind, battery storage and transmission
- NWR planning value is expected to gradually grow as the utility adds more renewable resources

### 4. Other Revenues/Costs<sup>1</sup>

- Not a large driver, taxes grow proportionally with revenue

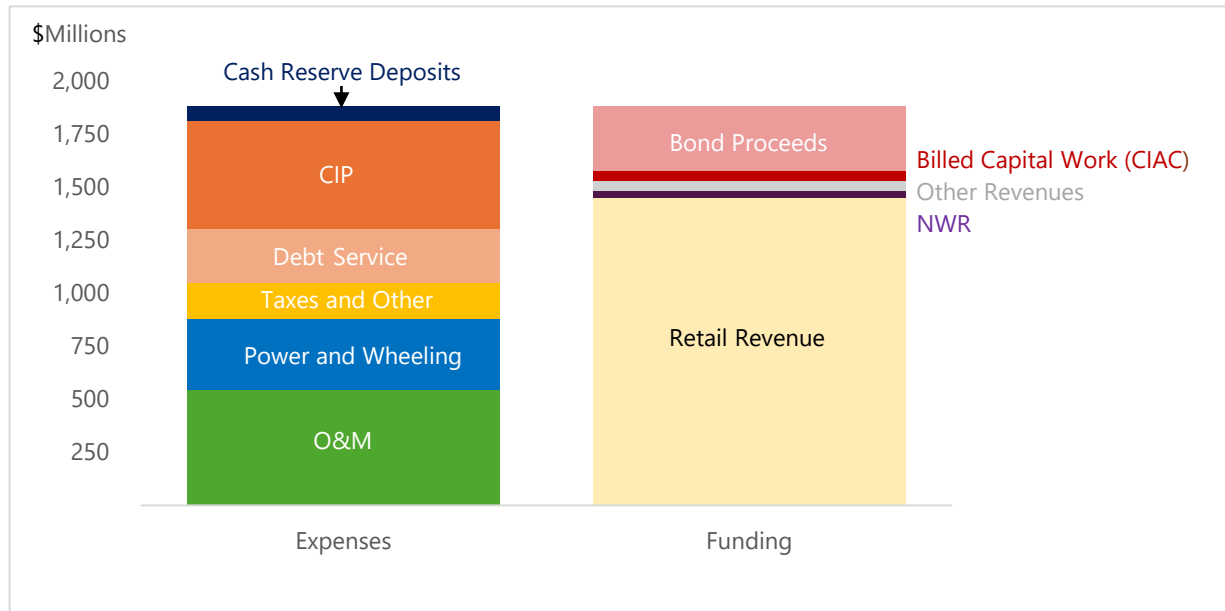
## INTRODUCTION

The 2027–2032 Strategic Plan establishes key focus areas and defines specific outcomes for each. It also identifies and prioritizes the workstreams needed to achieve those outcomes. This document details the financial assumptions behind the Plan’s outcomes and the associated 2027-2032 rate path to support it. The rate path is the annual change in the average retail rate for 2027-2032. Average retail rates are not actual billed rates but are the ratio of the revenue requirement to retail sales and represent the average impact on customer bills, assuming their consumption is constant.

$$\text{average rate} \left( \frac{\$}{kwh} \right) = \frac{\text{revenue requirement} (\$)}{\text{retail sales} (kwh)}$$

The revenue requirement is the amount of retail revenue needed to balance revenues with expenses and meet financial policies. The chart below illustrates how the revenue requirement is sized to meet expenses.

**REVENUES AND EXPENSES (2028 FORECAST)**



<sup>1</sup> Includes city and state taxes, franchise payments and uncollectible revenue, which tend to grow in proportion to retail revenue. Miscellaneous revenue comes from a variety of fees and service charges, as well as investment interest earnings.

## A. Financial Forecast

The following is a short description of what is included in each primary component of the revenue requirement. These are discussed in detail in the subsequent sections of this document.

### Capital Recovery

- Debt service payments needed to support the debt-financed portion of the current capital requirement.
- Per policy, retail revenue must be sized to achieve at least 1.80 times the annual debt service obligation.
- For this 6-year planning horizon, debt coverage is higher than 1.80x every year to meet the policy of revenue-funding greater than 40% of the 6-year CIP (See Appendix B).

### O&M

- Cash-related expenses for all O&M costs excluding taxes, purchased power and transmission wheeling.
- Non-capitalized labor costs.
- Inflation assumptions, additional program funding requirements, as well as any mitigating cost reductions.

### Power, Net

- Purchased power costs and wheeling costs, net of power revenues.
- Revenues from surplus power sales net of purchases, also called net wholesale revenue.
- Does not include costs of operating owned generation (e.g. Skagit, Boundary hydro projects), as these are part of O&M.

### Other

- Includes tax payments, franchise payments and uncollectible revenue, net of miscellaneous revenues.

This document concludes with a short discussion of the retail sales forecast, which is the denominator in the average rate formula, see page 14.

## **CAPITAL RECOVERY (CIP AND BONDS)**

Capital recovery reflects the cost of capital spending, as recovered over time. Net capital requirements are comprised of the capital improvement plan (CIP) less capital contributions, which are payments from outside sources that offset capital expenses.

$$\text{Net Capital Requirements} = \text{CIP} - \text{Capital Contributions}$$

Net capital requirements are not a direct component of the revenue requirement but, along with financial policies, determine the amount of debt (bonds) issued and the amount of net capital requirements funded with operating cash. The principal payments on outstanding debt and associated interest expense make up debt service.

Net capital requirements, along with financial policies, determine the amount of capital expenses funded by operating revenue and bond sales. City Light's current financial policies were established by Resolution 31187 and call for setting rates to yield sufficient revenue net of expenses to cover annual debt service obligations by 1.8 times and fund at least 40% of the capital programs with operating revenue over a six-year average. The revenue requirement forecast in this Plan meets both policy requirements.

The capital expense forecast is based on the 2026-2031 Adopted CIP plus additional investments to fund new initiatives related to demand response, reliability, new Skagit license, workforce and more. In addition, some CIP related to existing hydro licenses will be reclassified as O&M to follow best accounting practices. The baseline 2032 capital expense is extrapolated from 2030 and 2031. The CIP forecast used to set rates differs from the City's budget CIP. The budgeted CIP represents spending authority while the CIP forecast is reduced by 10% to reflect

## A. Financial Forecast

an assumption that only 90% of spending authority will actually be spent, and the forecast adjusts timing of spending to reflect projected cash outflows.

Table below summarizes capital requirements and funding sources. Capital contributions include third-party funding for capital expenses such as service connections and reimbursements for certain transportation projects and are included in the forecast as a credit to the total capital requirements. Capital funding from operations reflects cash drawdowns and may represent net operating proceeds from the current or previous year(s). Bond issuances during the 2027-2032 planning period total around \$2.1 billion and will bring total outstanding debt to over \$4.3 billion by 2032. The average funding for the 2027-2032 net capital requirements with operating proceeds is 42%, above the 40% target.<sup>2</sup>

### CAPITAL REQUIREMENTS AND FUNDING

<b>\$, Millions</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Capital Requirements							
Adopted CIP	\$460	\$462	\$452	\$473	\$471	\$469	\$514
Total Additions	\$16	\$31	\$53	\$93	\$206	\$325	\$352
<i>Existing Relicensing Cost Moved to O&amp;M</i>	-	-\$10	-\$10	-\$11	-\$7	-\$7	-\$8
<i>New Skagit Relicensing Cost</i>	\$16	\$2	\$1	\$6	\$95	\$87	\$96
<i>Strategic Initiatives</i>	\$0	\$38	\$62	\$98	\$119	\$245	\$264
Total CIP	\$476	\$493	\$504	\$566	\$677	\$794	\$866
Capital Contributions	-\$46	-\$47	-\$48	-\$50	-\$52	-\$49	-\$44
<b>Total Net Capital Requirements</b>	<b>\$430</b>	<b>\$446</b>	<b>\$457</b>	<b>\$516</b>	<b>\$626</b>	<b>\$744</b>	<b>\$822</b>
Capital Funding							
Bond Proceeds	\$181	\$230	\$304	\$344	\$358	\$422	\$421
Operations	\$249	\$216	\$152	\$172	\$267	\$323	\$401
<b>Total</b>	<b>\$430</b>	<b>\$446</b>	<b>\$457</b>	<b>\$516</b>	<b>\$626</b>	<b>\$745</b>	<b>\$822</b>
Total Debt Outstanding	\$2,929	\$3,056	\$3,258	\$3,499	\$3,747	\$4,048	\$4,336

<sup>2</sup> The average 2027-2032 capital funding from operations is calculated by taking the total 2027-2032 funding from operations (\$1,531 million) and dividing by the total 2027-2032 Net Capital Requirements (\$3,611 million) to get 42%.

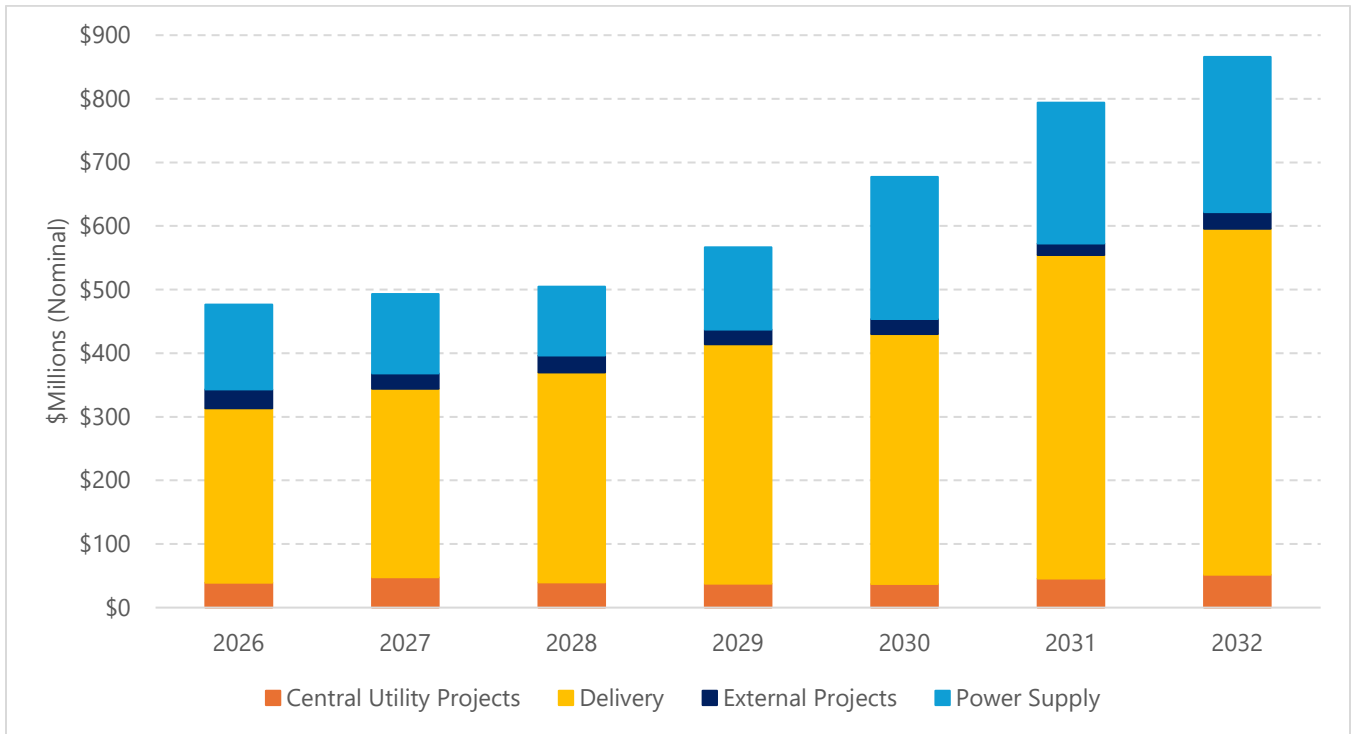
A. Financial Forecast

**MAJOR CIP PROJECTS INCLUDED IN THE 2026-2031 ADOPTED CIP<sup>1</sup>**

Master Project ID and Description	Six-year Total Spend, \$M
8351: Overhead Equipment Replacements	\$223.7
8366: Medium Overhead and Underground Services	\$220.5
2250: Energy Efficiency	\$196.6
8333: Distribution System Replacements	\$167.6
8353: Underground Equipment Replacements	\$141.8
8370: Network Services	\$131.6
8630: Network Systems	\$131.0
6987: Boundary Licensing Mitigation	\$111.2
8452: Pole Attachments	\$88.9
9969: Software Replacement Strategy	\$79.7

<sup>1</sup> Values reflect adjusted CIP after applying a 90% spending assumption.

**CAPITAL IMPROVEMENT PLAN<sup>1</sup>**



<sup>1</sup> Delivery includes programs on transmission and distribution.

Capital requirements determine the size of future bond sales and resulting debt service, and the sales are timed to ensure sufficient liquidity to provide at least 150 days of operating cash on hand. The bond sale amounts shown below are slightly higher than bond proceeds shown above because the sales amounts include issue costs and required deposits into the bond reserve fund. All bond issues are assumed to have a 30-year term. For future bond sales 2027-2032, the forecast assumes an annual sale that closes in July with an interest rate of 5.0%, with the first repayment occurring the following year. Thus, the 2032 bond issue has no impact for this forecast term. To smooth the rate path, the forecast allows debt service coverage to fluctuate year-to-year so long as the six-year target of 40% or greater capital funding from operations is met.

## A. Financial Forecast

### BOND SALES AND DEBT SERVICE, \$MILLION

	Bond Size	2027	2028	2029	2030	2031	2032
Existing <sup>1</sup>		\$219	\$228	\$221	\$207	\$207	\$206
2026 (Jul)	\$187	\$12	\$12	\$12	\$12	\$12	\$12
2027 (Jul)	\$237		\$15	\$15	\$15	\$15	\$15
2028 (Jul)	\$312			\$20	\$20	\$20	\$20
2029 (Jul)	\$346				\$22	\$22	\$22
2030 (Jul)	\$361					\$23	\$23
2031 (Jul)	\$425						\$28
Total Debt Service		\$231	\$255	\$268	\$276	\$299	\$326
Debt Service Coverage		\$521	\$564	\$619	\$716	\$822	\$948
Debt Service Coverage Ratio		2.26	2.21	2.31	2.60	2.75	2.91

<sup>1</sup>As of April 2026

### OPERATIONS AND MAINTENANCE (O&M)

Operations and maintenance expenses (O&M) are a large and diverse category of costs for day-to-day operations. It includes functions such as power production, distribution and transmission system operation and maintenance, customer services such as billing and meter reading, and administrative support. O&M as defined for this forecast does not include purchased power, wheeling and taxes; these are separate categories.

The basis for the 2027-2032 O&M forecast is the 2026 Adopted budget, which is then increased each year to reflect rising costs. The average annual cost increase is 3.8% per year, 1.2% higher than CPI inflation. The table below represents how O&M is projected to be spread across labor, benefits and other purposes; however, this is ultimately determined by the budget development process.

### BUDGET O&M INFLATION BY CATEGORY

\$, Millions	2026	2027	2028	2029	2030	2031	2032
Labor	\$206	\$215	\$225	\$235	\$246	\$257	\$268
Labor Benefits	\$102	\$107	\$111	\$116	\$120	\$125	\$129
Overhead Credit	-\$61	-\$64	-\$66	-\$69	-\$72	-\$75	-\$78
Non-Labor	\$153	\$159	\$165	\$171	\$176	\$182	\$188
Transfers to City	\$90	\$93	\$95	\$98	\$100	\$102	\$104
Total Inflated O&M Budget	\$490	\$510	\$530	\$550	\$570	\$591	\$612
Annual Change		\$20	\$20	\$20	\$20	\$21	\$21
Annual Change %		4.2%	3.9%	3.7%	3.7%	3.7%	3.6%

The following table details the adjustments made to the inflated O&M budget to yield the O&M forecast. In addition, funding for the new programs to deliver the outcomes of the Plan are added to the inflated budget (more information is included in Appendix A). The second part of the table outlines how the O&M forecast changes relative to the 2026 O&M Forecast.

**O&M ADJUSTMENTS DETAIL**

<b>\$, Millions</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Inflated 2026 Budget	\$490	\$510	\$530	\$550	\$570	\$591	\$612
Adjustments							
add intertie moved from wheeling budget <sup>1</sup>	\$1	\$1	\$1	\$1	\$1	\$1	\$1
add/subtract 1937 RECs (change from 2026 levels) <sup>2</sup>	\$1	-\$1	-\$2	-\$7	-\$13	-\$15	-\$16
subtract demand response incentives <sup>3</sup>	-\$6	-\$6	-\$6	-\$7	-\$7	-\$7	-\$7
subtract engineering OH not included in budget <sup>4</sup>	-\$6	-\$6	-\$6	-\$7	-\$7	-\$7	-\$8
subtract under-expenditure assumption <sup>5</sup>	-\$15	-\$15	-\$16	-\$17	-\$17	-\$18	-\$18
add hydro relicensing costs <sup>6</sup>	\$0	\$11	\$11	\$12	\$8	\$9	\$10
add new Skagit licensing costs <sup>7</sup>	\$0	\$0	\$0	\$0	\$24	\$18	\$19
<u>add new and expanded programs<sup>8</sup></u>	<u>\$0</u>	<u>\$24</u>	<u>\$32</u>	<u>\$35</u>	<u>\$46</u>	<u>\$46</u>	<u>\$50</u>
Total O&M	\$465	\$517	\$543	\$561	\$606	\$617	\$643
Adopted 2026 O&M Budget	\$465	\$465	\$465	\$465	\$465	\$465	\$465
Changes from 2026							
Inflation	\$0	\$18	\$37	\$56	\$76	\$95	\$115
Hydro licensing costs that were previously CIP	\$0	\$11	\$11	\$12	\$8	\$9	\$10
Lower REC costs	\$0	-\$1	-\$2	-\$7	-\$13	-\$15	-\$16
<u>New/expanded programs (includes Skagit License)</u>	<u>\$0</u>	<u>\$24</u>	<u>\$32</u>	<u>\$35</u>	<u>\$70</u>	<u>\$64</u>	<u>\$69</u>
Total O&M	\$465	\$517	\$543	\$561	\$606	\$617	\$643

<sup>1</sup> Maintenance costs associated with ownership of the 3rd AC intertie. These wheeling costs are budgeted as purchased power but are categorized as O&M in financial statements.

<sup>2</sup> Renewable Energy Credits (RECs) purchases to meet state regulations are expected to decrease as more renewable energy is added to City Light's resource portfolio. These are differences from inflated Adopted 2026 levels.

<sup>3</sup> Demand response costs have been recategorized from O&M budget to Short-term Purchased Power Budget.

<sup>4</sup> Capitalized engineering overhead costs are not included in the budget but are applied to actual costs.

<sup>5</sup> Assumes 3% of O&M budget authority will remain unspent.

<sup>6</sup> Reflects a change in accounting practice that will result in certain Boundary and Skagit relicensing costs that are currently capitalized be categorized as O&M starting in 2027.

<sup>7</sup> Cost projections for the new Skagit license (see Appendix A for more detailed information).

<sup>8</sup> Cost projections for new and expanded programs identified in the strategic plan (see Appendix A for more detailed information).

**POWER COSTS, NET**

This category includes all costs and revenue associated with wholesale power transactions. These include purchases and sales, wheeling (rented transmission) and ancillary services.

The forecast reflects key changes in the utility's resource portfolio: the expiration of the Columbia Basin Hydro contracts in 2026, the expiration of the Condon Wind contracts in 2028, and the decision to forgo election of the Priest Rapids Meaningful Priority option in 2027.

Additionally, the forecast incorporates new resource acquisitions needed to serve growing load, as outlined in the utility's Integrated Resource Plan. These additions are significantly more ambitious than those included in the 2025-2030 Strategic Plan. Resource acquisition plan continues to rely on a mix of utility-scale battery storage, wind generation, and solar generation. The cost of these new resources is also expected to be partially offset by selling surplus energy in the wholesale markets. The tables below summarize projections for net power costs.

**LONG-TERM POWER AND WHEELING CONTRACTS**

<b>\$, Millions</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
BPA Power <sup>1</sup>	\$174	\$177	\$204	\$215	\$227	\$239	\$249
BPA Wheeling <sup>2</sup>	\$76	\$79	\$83	\$123	\$126	\$139	\$146
New Resources <sup>3</sup>	\$9	\$20	\$25	\$105	\$106	\$173	\$241
Lucky Peak <sup>4</sup>	\$11	\$12	\$12	\$13	\$13	\$14	\$14
Other Wheeling <sup>5</sup>	\$5	\$4	\$5	\$5	\$5	\$5	\$5
Condon Wind <sup>6</sup>	\$3	\$3	\$1	\$0	\$0	\$0	\$0
King County West Point <sup>7</sup>	\$2	\$2	\$2	\$2	\$2	\$3	\$3
Priest Rapids <sup>8</sup>	\$22	\$2	\$22	\$23	\$24	\$24	\$25
High Ross <sup>9</sup>	\$0	\$0	\$1	\$1	\$1	\$1	\$1
Columbia Basin Hydro <sup>10</sup>	\$2	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total LT Power &amp; Wheeling Contracts</b>	<b>\$304</b>	<b>\$300</b>	<b>\$355</b>	<b>\$487</b>	<b>\$504</b>	<b>\$597</b>	<b>\$684</b>

<sup>1</sup> Assumes BPA base power rates increase by 10% between 2026 and 2028 and 5% after 2028, and a product change from Block to Block/Slice starting in October 2028.

<sup>2</sup> Assumes BPA wheeling costs increase 3% annually on average and gradual growth in purchased transmission volumes.

<sup>3</sup> New resources identified by IRP totaling 276 aMW of nameplate capacity by 2032; these include solar and wind resources, transmission, and utility-scale battery storage.

<sup>4</sup> Reflects costs growing with inflation.

<sup>5</sup> Costs are expected to grow in line with contracted terms for each wheeling provider.

<sup>6</sup> Condon Wind contract ends in May 2028.

<sup>7</sup> KC West Point contract extends through March 2033.

<sup>8</sup> Priest Rapids projection assumes that costs for the Meaningful Priority product will escalate at 4 percent a year.

<sup>9</sup> High Ross contract requires only minimal O&M payments; all capital payments were completed in 2020.

<sup>10</sup> Columbia Basin Hydro contracts expire by the end of 2026.

City Light's single largest power source is the Bonneville Power Administration (BPA). BPA power and wheeling bills are complex and based on many factors including City Light load, BPA base rates, BPA's load shaping charges and BPA's rate setting periods. City Light currently receives the Block product, which is fixed amount of energy every month. Starting in October 2028 City Light will start a new 20-year contract with BPA. City Light has elected a Slice/Block product, where the Slice Product is a "slice" of BPA's total output and will vary based on hydrological conditions.

**BPA DETAIL**

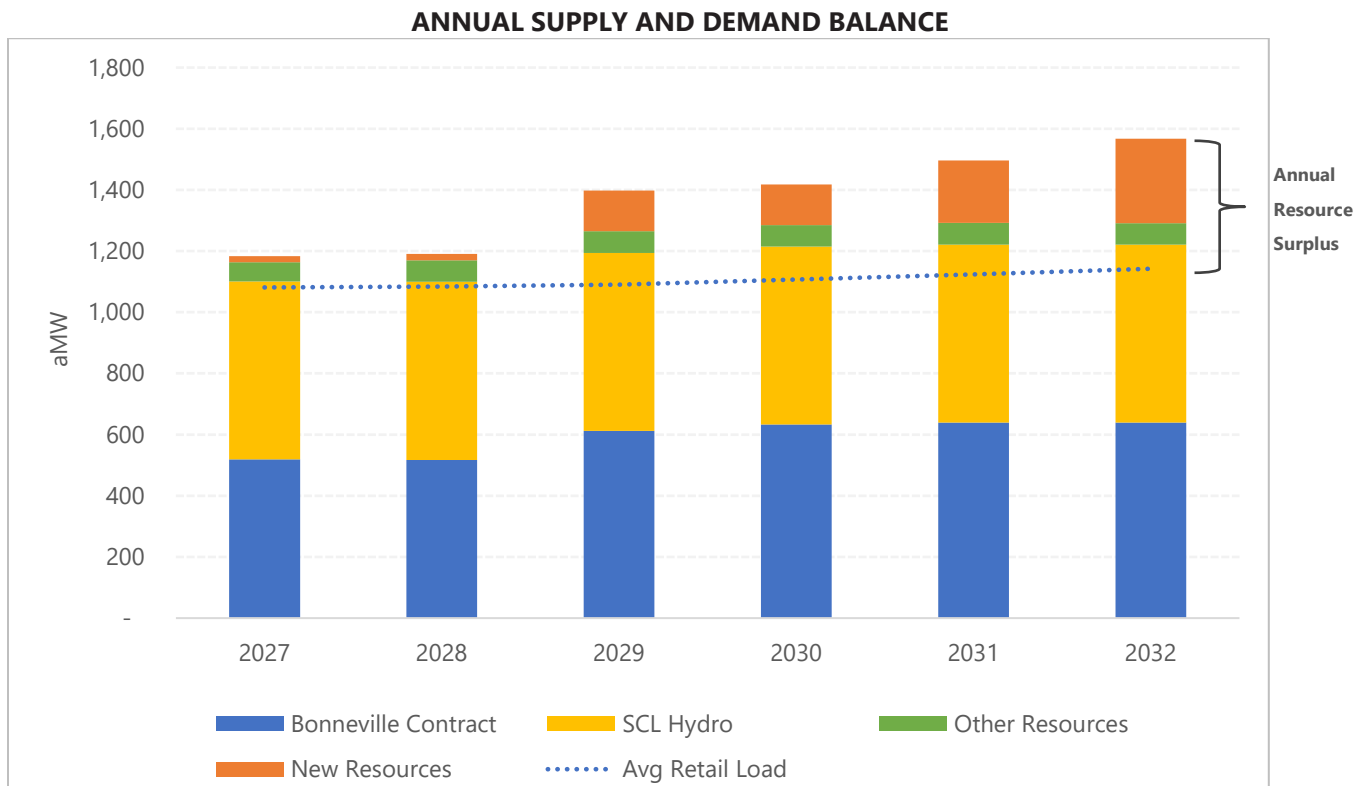
<b>\$, Millions</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Power Costs	\$174	\$177	\$204	\$215	\$227	\$239	\$249
Transmission (Wheeling) Costs	\$76	\$79	\$83	\$123	\$126	\$139	\$146
<b>Total BPA Costs</b>	<b>\$250</b>	<b>\$256</b>	<b>\$286</b>	<b>\$338</b>	<b>\$353</b>	<b>\$378</b>	<b>\$395</b>
BPA Purchases, GWh <sup>1</sup>	4,377	4,544	4,579	4,761	4,770	4,788	4,783
BPA Transmission Purchases, MW	2,361	2,481	2,581	3,614	3,614	3,718	3,822

<sup>1</sup> Starting on October 1, 2028 BPA purchases reflect an even BPA Block/Slice split, with Slice calculated using BPA's 1989-2018 10<sup>th</sup>-percentile historical water conditions.

## A. Financial Forecast

Long-term purchased power acquisitions will exceed retail load growth, on a volumetric basis. Because new wind and solar resources are intermittent, additional resources will be required to ensure that retail demand can be reliably met under varying conditions. Also, City Light’s peak load is projected to increase faster than average load, further increasing firm resource needs to reliably meet load under stress conditions like extreme weather events.

The chart below shows City Light’s annual resource mix and retail load. Production from owned hydro generation facilities varies significantly year-to-year with weather conditions. For planning purposes, this forecast of owned hydro generation is based on a 30<sup>th</sup> percentile of the past 25 years (2000-2025), and BPA Slice output is based on the 10<sup>th</sup> percentile. New power resource acquisitions are expected to increase the overall volume of surplus power available to be sold on the wholesale market. Net Wholesale Revenue is the revenue from selling surplus energy, net of purchases for load balancing.



The planning values for Net Wholesale Revenues, Net—defined as wholesale power revenues minus wholesale power sales—are summarized in the table below. These revenues are projected to grow as new resources come online, resulting in a surplus of wholesale power. The dip in 2027 and 2028 values reflects a change in assumptions since the last plan; the 2026 amount had assumed that a significant volume of new resource capacity would be online by then. In this forecast, large additions are delayed and are now expected in the 2029 timeframe.

Given evolving markets and climate change, there is considerable uncertainty around these planning values. Variations in wholesale revenues are mitigated by the Rate Stabilization Account (RSA), a cash reserve and rate mechanism designed to insulate customers from short-term wholesale market and weather risk. Any differences between actual and planning values will be transferred to/from the RSA (SMC 21.49.086).

## A. Financial Forecast

### WHOLESALE REVENUES, NET

\$, Millions	2026	2027	2028	2029	2030	2031	2032
Wholesale Revenues, Net	\$55	\$30	\$30	\$100	\$100	\$120	\$140

Power related revenues are comprised of long-term power sales, net revenues from sales of ancillary market services, and transmission sales. The following table details these assumptions.

### POWER RELATED REVENUES, NET

\$, Millions	2026	2027	2028	2029	2030	2031	2032
Power Contracts							
Delivery to Pend Oreille County <sup>1</sup>	\$4	\$4	\$4	\$5	\$0	\$0	\$0
Priest Rapids	\$5	\$5	\$6	\$6	\$0	\$0	\$0
BPA Credit for South Fork Tolt <sup>2</sup>	\$3	\$3	\$2	\$0	\$0	\$0	\$0
Power Marketing, Net <sup>3</sup>	\$5	\$4	\$4	\$4	\$4	\$4	\$4
Transmission Sales <sup>4</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Power Related Revenues, net</b>	<b>\$16</b>	<b>\$17</b>	<b>\$16</b>	<b>\$15</b>	<b>\$4</b>	<b>\$4</b>	<b>\$4</b>

<sup>1</sup> Current agreement ends in 2029.

<sup>2</sup> Current contract expires in 2028.

<sup>3</sup> Power marketing revenues (net of purchases) are earned from sales of ancillary services such as reserve capacity sales, which are supported by flexibility and excess capacity inherent in City Light's generation and transmission assets.

<sup>4</sup> Short-term transmission sales. Includes resale of BPA point-to-point transmission and 3rd AC transmission capacity.

### OTHER COSTS AND MISCELLANEOUS REVENUES

This "other" category is made up of costs and revenues such as taxes, interest income and fees for retail services.

#### OTHER COSTS (TAXES, PAYMENTS AND UNCOLLECTIBLES) DETAIL

\$, Millions	2026	2027	2028	2029	2030	2031	2032
City Taxes <sup>1</sup>	\$73	\$79	\$87	\$95	\$106	\$117	\$131
State Taxes <sup>2</sup>	\$51	\$55	\$61	\$67	\$74	\$82	\$90
Franchise Payments and Other Taxes <sup>3</sup>	\$11	\$11	\$13	\$14	\$15	\$17	\$19
Uncollectible Revenues <sup>4</sup>	\$9	\$10	\$11	\$12	\$13	\$15	\$17

<sup>1</sup> City taxes, which are 6% of retail revenues, plus some other revenues.

<sup>2</sup> State taxes are 3.8734% of retail revenues, plus some other revenues and contributions.

<sup>3</sup> City Light negotiates franchise agreements with incorporated cities and unincorporated communities within its service territory.

<sup>4</sup> Uncollectible revenue is assumed to be 0.75% of retail revenues.

A. Financial Forecast

**MISCELLANEOUS REVENUE SOURCES DETAIL**

<b>\$, Millions</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Non-Base Rate Retail Revenue <sup>1</sup>	\$7	\$7	\$7	\$7	\$7	\$7	\$8
Other Revenue <sup>2</sup>	\$22	\$22	\$22	\$23	\$23	\$24	\$24
Suburban Undergrounding <sup>3</sup>	\$2	\$2	\$2	\$2	\$2	\$3	\$3
Property Sales <sup>4</sup>	\$1	\$1	\$1	\$1	\$1	\$1	\$2
Interest Income <sup>5</sup>	\$19	\$18	\$15	\$16	\$17	\$17	\$18
Operating Fees & Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net RSA Transfers <sup>6</sup>	\$(1)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Revenue Sources</b>	<b>\$50</b>	<b>\$50</b>	<b>\$47</b>	<b>\$49</b>	<b>\$50</b>	<b>\$52</b>	<b>\$55</b>

<sup>1</sup> Non-base rate retail revenue includes revenues from retail customers for services or programs which are not dictated by the revenue requirement. Examples include elective green power programs, distribution capacity charges and power factor charges.

<sup>2</sup> Other revenue includes a broad range of income sources, such as late payment fees, payments for damages to property, transmission tower attachments, distribution pole attachments and account change fees. These revenues are forecasted using the averages of the past two to three years and are expected to grow with inflations.

<sup>3</sup> Suburban undergrounding revenues are collected from customers in certain suburban cities for the repayment of discretionary municipal undergrounding of parts of their distribution system.

<sup>4</sup> Property sales based on historical averages. No large sales are assumed in this forecast.

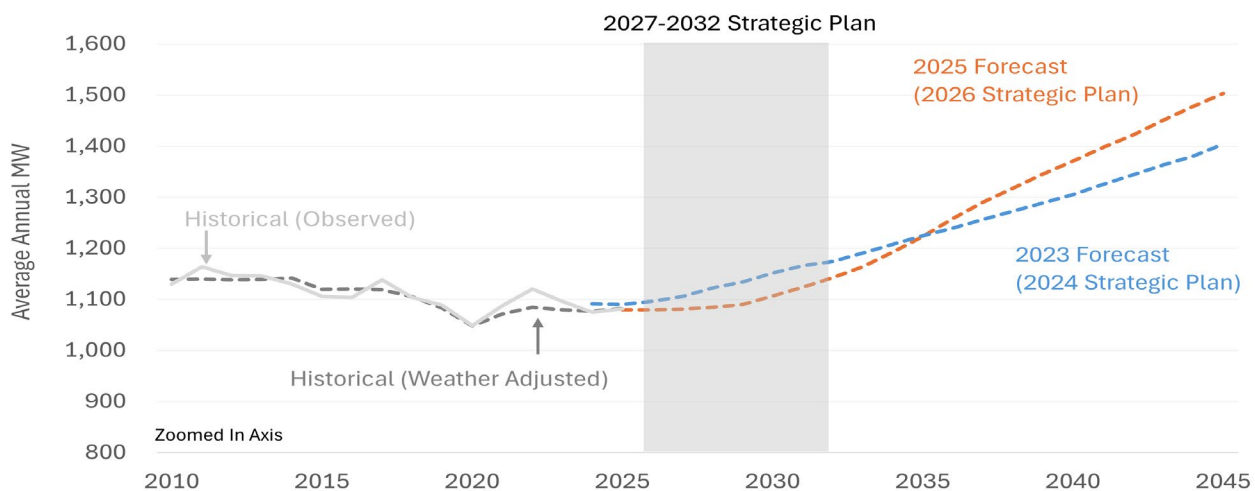
<sup>5</sup> Interest income assumes City Cash Pool cash holdings accrue interest at an annual rate of 2.0-2.5%.

<sup>6</sup> RSA surcharge revenue less RSA deposits. During Q1 2026 there was an RSA surcharge in place, this small amount shown is RSA surcharge revenue retained to pay the associated utility taxes.

**RETAIL SALES**

The forecast of retail sales is based on City Light’s 2025 official load forecast, which predicts load growth of 6.1% from 2026 to 2032. Energy efficiency is expected to continue to reduce sales, outpacing new load from economic growth. This reflects investment undertaken by customers as well as utility incentives. However, electric vehicles and heat pump conversions are expected to fuel material load growth during the strategic planning period. The amount and timing of this new electrification load is very uncertain and will continue to be studied. The chart below shows slightly slower near-term retail load growth compared to the previous strategic plan.

**RETAIL LOAD FORECAST: LONG TERM**



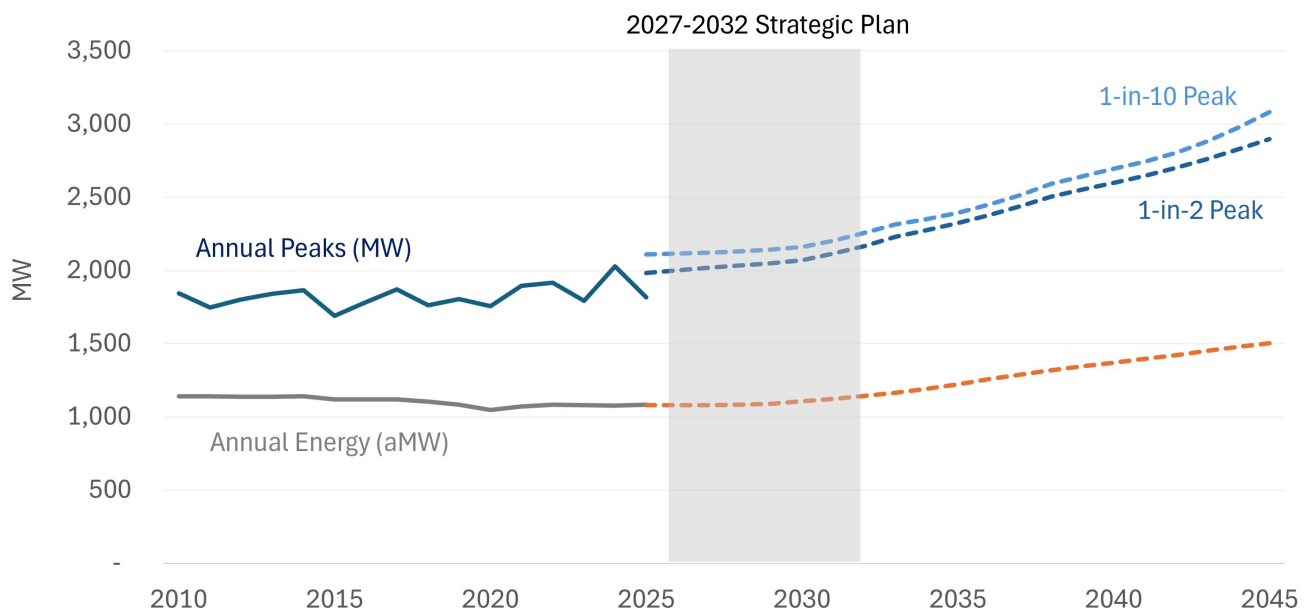
A. Financial Forecast

**RETAIL SALES FORECAST BY CUSTOMER CLASS: 2026-2032**

GWh	2026	2027	2028	2029	2030	2031	2032
Residential	3,278	3,300	3,333	3,330	3,362	3,385	3,424
Small and Medium	3,422	3,416	3,429	3,453	3,526	3,608	3,702
Large and High Demand	2,289	2,282	2,288	2,290	2,324	2,362	2,411
<b>Total</b>	<b>8,989</b>	<b>8,998</b>	<b>9,050</b>	<b>9,074</b>	<b>9,212</b>	<b>9,356</b>	<b>9,538</b>
Annual change							
Residential		0.7%	1.0%	-0.1%	0.9%	0.7%	1.1%
Small and Medium		-0.2%	0.4%	0.7%	2.1%	2.3%	2.6%
Large and High Demand		-0.3%	0.2%	0.1%	1.5%	1.7%	2.1%
<b>Total</b>		<b>0.1%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>1.9%</b>

Rising demand for electric vehicle charging and heating will push coincident peak demand to rise even more than average energy consumption, driving a need for greater energy delivery capacity in transmission and distribution lines. Given long planning and construction timelines, capacity expansions need to be in place well before peak load growth arrives. Utility revenue is primarily recovered through per-KWh energy sales so higher capacity needs add more cost pressure that is contributing to driving up retail rates. The chart below shows the growth in peak load (P50 = 50<sup>th</sup> percentile, P90 = 90<sup>th</sup> percentile and P100 = 100<sup>th</sup> percentile or max load).

**RETAIL SALES PEAK VS. ENERGY FORECAST: LONG TERM**



**APPENDIX A: NEW AND EXPANDED PROGRAMS**

As part of developing the Strategic Plan, City Light identified the critical investments required to achieve prioritized strategic outcomes. To balance service levels with affordability, multiple rounds of prioritization were conducted to right-size these investments, ensuring that only the most essential spending was advanced.

The table below outlines incremental spending additions above inflation adjustments for operations and maintenance (O&M) and the capital improvement program (CIP). A detailed description of investments for each category follows.

**INCREMENTAL STRATEGIC PLAN INVESTMENTS**

\$ Millions	O&M						CIP					
	2027	2028	2029	2030	2031	2032	2027	2028	2029	2030	2031	2032
Customer Experience	\$0.3	\$0.3	\$0.3	\$0.3	\$3.3	\$4.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Power Supply	\$7.9	\$10.5	\$13.2	\$23.7	\$18.0	\$18.1	\$13.3	\$12.2	\$12.2	\$23.2	\$25.1	\$27.8
Reliability	\$3.8	\$5.4	\$5.4	\$5.9	\$6.0	\$7.8	\$23.0	\$46.2	\$82.4	\$92.3	\$202.8	\$213.8
Sustainability	\$2.1	\$3.1	\$3.1	\$3.1	\$4.1	\$4.2	\$0.3	\$0.0	\$0.0	\$0.0	\$9.7	\$10.2
Technology	\$8.0	\$10.6	\$10.9	\$11.2	\$11.6	\$11.9	\$0.0	\$0.0	\$0.0	\$0.0	\$4.5	\$9.0
Workforce	\$1.8	\$1.8	\$1.8	\$1.8	\$3.5	\$3.6	\$1.8	\$3.2	\$3.2	\$3.2	\$3.2	\$3.2
New Skagit License	\$0.0	\$0.0	\$0.0	\$24.4	\$17.5	\$19.4	\$2.1	\$1.0	\$6.4	\$94.7	\$86.9	\$96.1
<b>Total</b>	<b>\$23.9</b>	<b>\$31.7</b>	<b>\$34.7</b>	<b>\$70.4</b>	<b>\$64.0</b>	<b>\$69.4</b>	<b>\$40.4</b>	<b>\$62.6</b>	<b>\$104.0</b>	<b>\$213.3</b>	<b>\$332.2</b>	<b>\$360.0</b>

**CUSTOMER EXPERIENCE**

Adds a dedicated expert to support enhancing data collection and research methods, ensuring real-time understanding of ratepayer needs. This will also establish a formal Community Partner Network that will deepen collaboration with community-based organizations, enabling ongoing, two-way engagement that informs program design and delivery. Expanded coordination with City departments and partner agencies will further improve outreach to vulnerable populations and highly impacted communities, ensuring services are accessible, equitable, and responsive.

**POWER SUPPLY****Acquiring Generation and Transmission Resources**

Investments in staffing, advanced planning tools, and specialized expertise will position the utility to meet growing energy demand and increasing system complexity. Expanded capabilities in resource planning, market participation, and policy development will support the acquisition of new generation resources, particularly renewable energy and optimize participation in regional energy markets. Modernized modeling and analytics will improve forecasting and risk management, ensure reliable and cost-effective power supply while supporting the transition to a cleaner energy portfolio.

**Customer Energy Resources**

Investments in programs, staffing, and enabling technologies will expand customer participation in energy efficiency, demand response, and customer-owned renewable generation. Additional staff and improved systems will support program delivery, customer engagement, and faster integration of distributed energy resources. These efforts will help customers reduce and shift energy use, lower system costs, and contribute to grid reliability.

## A. Financial Forecast

By integrating customer-side resources into system planning, the utility can reduce the need for large-scale infrastructure investments while building a more flexible and resilient energy system.

### **Transmission Access**

Enhanced staffing, consulting expertise, and system investments will modernize transmission policies, processes, and tools to improve access and utilization. Updated contracts, pricing structures, and operational protocols will support transparent and equitable access to transmission capacity. Improved systems for scheduling, tracking, and billing transmission use will increase efficiency and enable broader participation in wholesale markets. These investments will maximize the value of existing infrastructure, generate new revenue opportunities, and enhance overall grid reliability without requiring significant new construction.

## **RELIABILITY**

### **Asset Data Management**

Investments in asset data and work management practices, including additional specialized staff and modernized systems, will enable a more proactive and standardized approach to managing utility infrastructure. Expanding internal expertise will support implementation of best practices in asset lifecycle management, improve data quality, and enhance coordination across workgroups. These improvements will lead to more informed capital planning, reduced emergency repairs, and lower long-term costs for ratepayers.

### **Physical Asset Security**

Targeted investments in both staffing and infrastructure will strengthen the utility's ability to prevent, detect, and respond to evolving physical security threats. Dedicated security personnel will provide continuous monitoring and rapid response capabilities, while upgrades to surveillance, access controls, and site hardening at critical facilities will improve system resilience. Together, these efforts reduce operational risk and help ensure uninterrupted delivery of essential services.

### **Fleet Management**

Increased investment in fleet renewal and supporting staff capacity will improve the reliability and availability of vehicles and equipment essential to utility operations. Replacing aging vehicles with modern, lower-emission alternatives will reduce maintenance demands and downtime, enabling field crews to complete work more efficiently. These investments also advance environmental objectives by lowering greenhouse gas emissions and improving air quality in the communities served.

### **Strengthen Distribution System**

Enhanced capital and staffing investments will accelerate the replacement and modernization of critical transmission and distribution infrastructure. Additional engineering, project management, and field resources will support the design and delivery of system upgrades, including advanced protection, control, and automation technologies. Expanded programs to replace aging underground cables and other high-risk assets will improve system performance, reduce outage frequency and duration, and enhance overall grid resilience.

### **Generation Facilities**

Focused investments and technical staffing in generation facilities will address aging infrastructure, reduce operational risks, and improve long-term asset performance. Engineering, construction, and maintenance resources will support critical upgrades, including structural reinforcements, seismic improvements, and enhanced debris management systems. These efforts will help ensure continued reliable and efficient energy production while minimizing unplanned outages and maintenance costs.

### **Wildfire Risk Reduction and Vegetation Management**

Expanded funding and staffing for wildfire mitigation and vegetation management will strengthen the utility's ability to proactively manage this important risk. Additional arborists, field crews, and program support staff will enable increased inspection cycles, hazard tree removal, and compliance with regulatory requirements. These investments will reduce the likelihood of wildfire-related outages, protect public safety, and preserve system reliability.

## **SUSTAINABILITY**

### **Vehicle Electrification**

Investments in staffing and infrastructure will accelerate the deployment of a public electric vehicle charging network. Dedicated personnel will support planning, design, and construction of charging sites, ensuring timely delivery and effective integration with the electric grid. Expanding access to reliable, affordable charging infrastructure will support transportation electrification, reduce emissions, and improve equitable access for customers without home charging options.

### **Reduce Energy Burden**

Additional staffing and system enhancements will strengthen the delivery of customer assistance programs designed to keep energy costs affordable. Investments in modernized application and processing systems, combined with permanent program staff, will improve efficiency, reduce wait times, and ensure consistent access to benefits. These efforts help stabilize household energy costs and support broader economic resilience within the community.

### **Building Electrification**

Expanded technical staffing across multiple teams will provide customers with the expertise needed to transition to electric technologies in homes and businesses. Engineers, planners, and customer advisors will assist with system capacity assessments, equipment selection, and service upgrade planning. These investments will enable more efficient electrification, reduce emissions, and help customers make cost-effective energy decisions.

## **TECHNOLOGY**

Significant investments in technology systems and skilled personnel will modernize core utility operations and enhance service delivery. Expanded cybersecurity staffing and tools will strengthen protection of critical infrastructure and reduce enterprise risk. Additional IT professionals across key functional areas - including data management, system implementation, and geographic information systems - will restore and sustain essential institutional capabilities.

Investments in customer-facing platforms will improve accessibility, allowing customers to manage accounts, request services, and engage with the utility through flexible, digital channels. At the same time, modernization of grid management, asset management, and power supply systems will improve operational visibility, enable advanced analytics, and support faster, more informed decision-making. Together, these investments create a more resilient, efficient, and customer-responsive utility.

## **WORKFORCE**

Strategic investments in workforce planning, staffing, and training will ensure the utility is equipped to meet current and future service demands. Additional resources will support comprehensive evaluation of job roles, compensation structures, and career pathways to remain competitive in attracting and retaining talent.

## A. Financial Forecast

Expanded training programs and dedicated instructional staff will strengthen technical skills development, improve safety outcomes, and accelerate workforce readiness. Increased staffing and program support will also enhance workplace safety initiatives, including broader participation in safety-sensitive programs.

Investments in facilities and maintenance staff will shift operations from reactive repairs to proactive asset stewardship, addressing deferred maintenance and improving the reliability of critical infrastructure. Collectively, these efforts will build a skilled, resilient workforce capable of delivering safe, reliable, and cost-effective service to customers.

### **SKAGIT RELICENSING**

The Skagit Relicensing Project has reached a milestone with a Comprehensive Settlement Agreement being finalized during Q1 and Q2 of 2026. This comprehensive settlement agreement sets forth a unified strategy for overseeing the Skagit watershed, including restoring salmon habitat, protecting tribal cultural resources, managing flood risk in downstream communities, enhancing public recreation, and continuing to deliver reliable, carbon-free energy for decades to come. This settlement will become part of the City's formal license application to the Federal Energy Regulatory Commission (FERC) for a new 50-year license to operate the Skagit Project.

**APPENDIX B: RATE SETTING TARGETS AND GUIDELINES**

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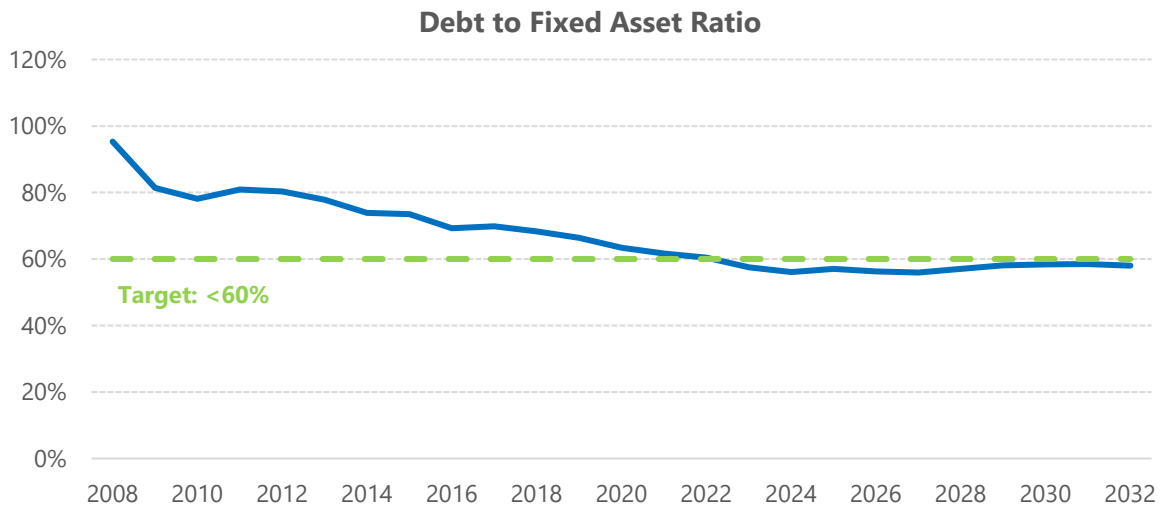
**Council-Adopted Financial Policies, established in 2010 by Resolution 31187**

1. Rate Setting Guideline: It is the policy of the City of Seattle to set electric rates for the City Light Department at levels sufficient for it to achieve a debt service coverage ratio of 1.8x.
2. Debt Policy: The City Light Department will manage its capital improvement program so that on average over any given six-year capital improvement program it will fund 40% of the expenditures with cash from operations.

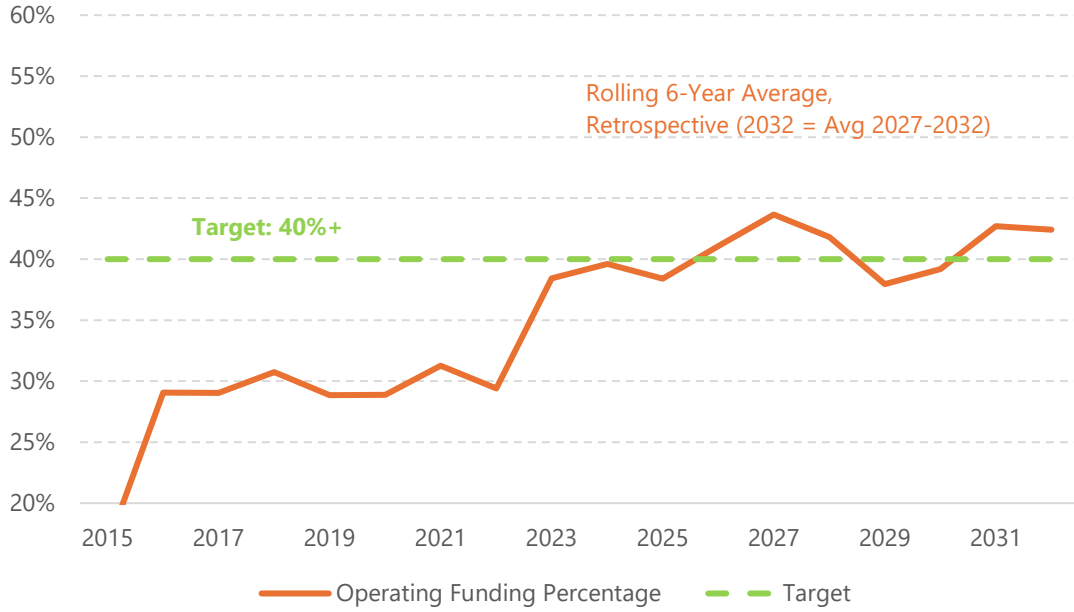
**Supplemental Targets and Guidelines, approved by City Light Review Panel in 2024**

1. Assurance to cover debt payments: At least 1.80x debt service coverage in any given year, and a 6-year rolling average greater than 1.90x.
2. Target for funding of the capital plan: Six-year average operating cash funding of net capital requirements greater than 40%.
3. Debt leverage target: Debt-to-fixed asset ratio less than 60%.
4. Liquidity target: Days cash on hand greater than 150 days.

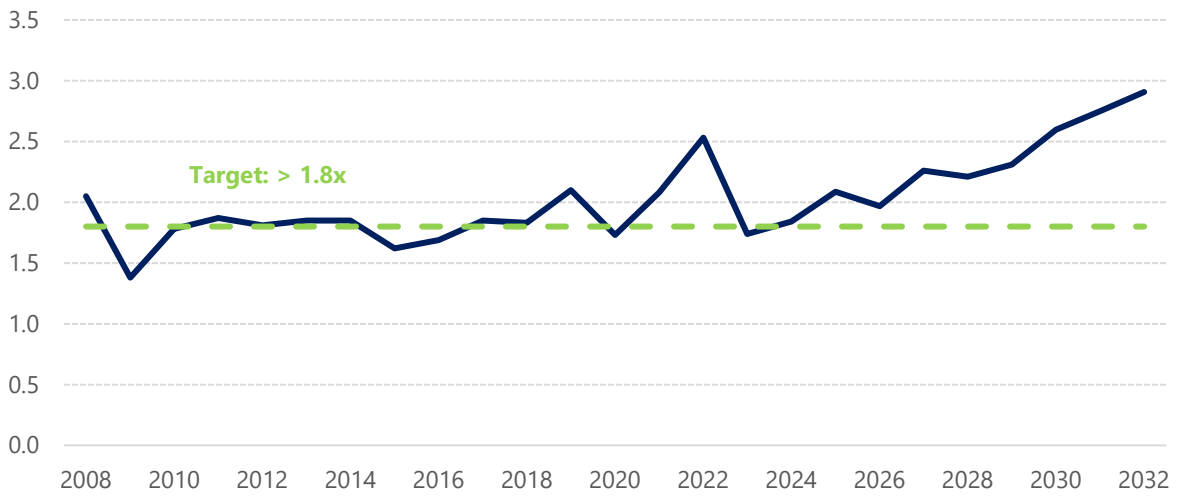
The charts below show the history and forecast of financial metrics. The revenue requirements and associated rate path outlined in this report meet all the financial targets.



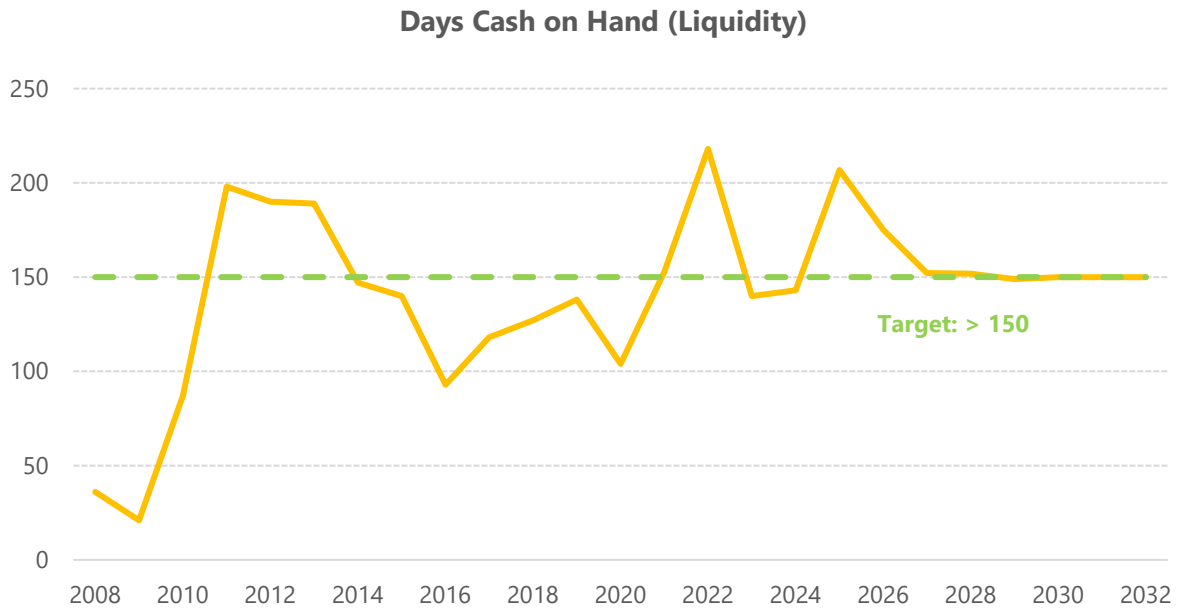
### Capital Funding with Operating Cash



### Debt Service Coverage



A. Financial Forecast



### METRIC CALCULATIONS

Debt Service Coverage = (Operating Revenues – Operating Expenses + Cash Adjustments + City Taxes\*)/ Debt Service

Debt-to-Fixed Asset Ratio = Long-Term Debt / (Plant in Service net of Accumulated Depreciation + Construction Work in Progress)

Capital Funding from Operations = 6 Year Operating Funding / (6 Year CIP – 6 Year Contributions)

Days Cash on Hand = (Operating Account + RSA) / ((Operating Expenses – Depreciation and Amortization\*\*) / 365)

\* Because City Light is part of the City of Seattle, taxes paid to the City of Seattle are considered junior lien to debt service and are not included in the taxes category for the purposes of calculating debt service coverage.

\*\* Also includes amortization (non-cash) amounts in operating expenses (i.e., hydro relicensing, energy efficiency)



**APPENDIX C: DOCUMENTATION FOR THE RATE STABILIZATION ACCOUNT**

**2027 and 2028 Planning Values for the RSA**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>2027</b>													
Total Net Variable Power Costs (\$000's)	\$19,000	\$19,000	\$17,000	\$23,000	\$20,000	\$22,000	\$24,000	\$34,000	\$19,000	\$19,000	\$15,000	\$21,000	\$252,000
Total Retail Sales (MWh)	915	808	804	703	671	634	692	696	651	713	797	914	8,998
<b>Net Variable Power Price (\$/MWh)</b>													<b>\$28</b>
<b>2028</b>													
Total Net Variable Power Costs (\$000's)	\$26,000	\$28,000	\$23,000	\$23,000	\$19,000	\$17,000	\$17,000	\$27,000	\$28,000	\$23,000	\$35,000	\$45,000	\$311,000
Total Retail Sales (MWh)	918	842	807	705	673	635	692	696	651	714	800	918	9,051
<b>Net Variable Power Price (\$/MWh)</b>													<b>\$34</b>

**Net Variable Costs - Strategic Plan 2027**

Power Cost Adjustment Input	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Variable Power Costs (net)													
Long-term Power Contracts	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$216,684
Wheeling	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$83,323
Other Power and Transmission Revenue	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$1,378	-\$16,538
NWR	-\$4,989	-\$4,394	-\$6,337	-\$436	-\$3,278	-\$1,153	\$762	\$10,445	-\$4,721	-\$4,434	-\$9,016	-\$2,450	-\$30,000
Net Variable Power Costs (\$000's)	\$19,000	\$19,000	\$17,000	\$23,000	\$20,000	\$22,000	\$24,000	\$34,000	\$19,000	\$19,000	\$15,000	\$21,000	\$252,000
Total Retail Sales (GWh)	915	808	804	703	671	634	692	696	651	713	797	914	8,998
<b>Net Variable Power Price (\$/MWh)</b>													<b>\$28</b>

A. Financial Forecast

**Net Variable Power Costs - 2027 details**

<b>LT Power &amp; Wheeling</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
<b>Power</b>	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$18,057	\$216,684
BPA Power	\$14,782	\$14,782	\$14,782	\$14,782	\$14,782	\$14,782	\$14,782	\$14,782	\$14,782	\$14,782	\$14,782	\$14,782	\$177,379
Priest Rapids	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$1,881
Condon Wind	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$237	\$2,840
Lucky Peak	\$963	\$963	\$963	\$963	\$963	\$963	\$963	\$963	\$963	\$963	\$963	\$963	\$11,552
New Resources	\$1,686	\$1,686	\$1,686	\$1,686	\$1,686	\$1,686	\$1,686	\$1,686	\$1,686	\$1,686	\$1,686	\$1,686	\$20,227
King County West Point	\$193	\$193	\$193	\$193	\$193	\$193	\$193	\$193	\$193	\$193	\$193	\$193	\$2,314
High Ross	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$41	\$492
<b>Wheeling</b>	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$6,944	\$83,323
BPA Wheeling	\$6,569	\$6,569	\$6,569	\$6,569	\$6,569	\$6,569	\$6,569	\$6,569	\$6,569	\$6,569	\$6,569	\$6,569	\$78,830
Other Wheeling	\$374	\$374	\$374	\$374	\$374	\$374	\$374	\$374	\$374	\$374	\$374	\$374	\$4,493
<b>Power &amp; Wheeling (\$000's)</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$25,001</b>	<b>\$300,007</b>

<b>Power &amp; Transmission Revenues</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Delivery to Pend Oreille County	\$351	\$351	\$351	\$351	\$351	\$351	\$351	\$351	\$351	\$351	\$351	\$351	\$4,212
Priest Rapids	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$5,342
BPA Credit for South Fork Tolt	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$2,627
Power Marketing Net	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$4,358
Transmission Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Power Revenues, net (\$000's)</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$1,378</b>	<b>\$16,538</b>

<b>Net Wholesale Revenue</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Planned Net Revenue (\$000's)	\$4,989	\$4,394	\$6,337	\$436	\$3,278	\$1,153	-\$762	-\$10,445	\$4,721	\$4,434	\$9,016	\$2,450	\$30,000

<b>Retail Power Sales</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Customer Sales (GWh)	915	808	804	703	671	634	692	696	651	713	797	914	8,998

A. Financial Forecast

**Net Variable Costs - Strategic Plan 2028**

Power Cost Adjustment Input	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Variable Power Costs (net)</b>													
Long-term Power Contracts	\$25,908	\$26,282	\$24,012	\$17,979	\$15,836	\$12,316	\$11,088	\$12,200	\$26,273	\$21,463	\$33,916	\$39,911	\$267,185
Wheeling	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$87,315
Other Power and Transmission Revenue	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$1,326	-\$15,910
NWR	-\$6,120	-\$4,504	-\$7,029	-\$888	-\$2,933	-\$1,189	-\$482	\$8,477	-\$4,313	-\$4,787	-\$4,907	-\$1,325	-\$30,000
Net Variable Power Costs (\$000's)	\$26,000	\$28,000	\$23,000	\$23,000	\$19,000	\$17,000	\$17,000	\$27,000	\$28,000	\$23,000	\$35,000	\$45,000	\$311,000
Total Retail Sales (GWh)	918	842	807	705	673	635	692	696	651	714	800	918	9,051
<b>Net Variable Power Price (\$/MWh)</b>	<b>\$34</b>												

**Net Variable Power Costs - 2028 details**

LT Power & Wheeling	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Power</b>	\$25,908	\$26,282	\$24,012	\$17,979	\$15,836	\$12,316	\$11,088	\$12,200	\$26,273	\$21,463	\$33,916	\$39,911	\$267,185
BPA Power	\$20,848	\$21,210	\$18,663	\$12,310	\$9,892	\$6,656	\$5,511	\$6,738	\$21,060	\$16,592	\$29,116	\$35,108	\$203,704
Priest Rapids	\$1,859	\$1,859	\$1,859	\$1,859	\$1,859	\$1,859	\$1,859	\$1,859	\$1,859	\$1,859	\$1,859	\$1,859	\$22,311
Condon Wind	\$257	\$241	\$325	\$243	\$292	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,357
Lucky Peak	\$629	\$657	\$850	\$1,253	\$1,478	\$1,485	\$1,404	\$1,288	\$1,039	\$697	\$626	\$629	\$12,035
New Resources	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$24,898
King County West Point	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$2,371
High Ross	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$509
<b>Wheeling</b>	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$7,276	\$87,315
BPA Wheeling	\$6,887	\$6,887	\$6,887	\$6,887	\$6,887	\$6,887	\$6,887	\$6,887	\$6,887	\$6,887	\$6,887	\$6,887	\$82,643
Other Wheeling	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$4,673
<b>Power &amp; Wheeling (\$000's)</b>	<b>\$40,461</b>	<b>\$40,835</b>	<b>\$38,565</b>	<b>\$32,532</b>	<b>\$30,388</b>	<b>\$26,868</b>	<b>\$25,641</b>	<b>\$26,753</b>	<b>\$40,826</b>	<b>\$36,016</b>	<b>\$48,469</b>	<b>\$54,464</b>	<b>\$354,501</b>

A. Financial Forecast

<b>Power &amp; Transmission Revenues</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Delivery to Pend Oreille County	\$372	\$372	\$372	\$372	\$372	\$372	\$372	\$372	\$372	\$372	\$372	\$372	\$4,465
Priest Rapids	\$463	\$463	\$463	\$463	\$463	\$463	\$463	\$463	\$463	\$463	\$463	\$463	\$5,556
BPA Credit for South Fork Tolt	\$128	\$128	\$128	\$128	\$128	\$128	\$128	\$128	\$128	\$128	\$128	\$128	\$1,532
Power Marketing Net	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$4,358
Transmission Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Power Revenues, net (\$000's)</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$15,910</b>

<b>Net Wholesale Revenue</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Planned Net Revenue (\$000's)	\$6,120	\$4,504	\$7,029	\$888	\$2,933	\$1,189	\$482	-\$8,477	\$4,313	\$4,787	\$4,907	\$1,325	\$30,000

<b>Retail Power Sales</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Customer Sales (GWh)	918	842	807	705	673	635	692	696	651	714	800	918	9,051



# 2027-2032 Strategic Plan Community Engagement Report

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## EXECUTIVE SUMMARY

In 2025 and 2026, Seattle City Light conducted a comprehensive, equity-centered community engagement effort, which informed the development of the 2027–2032 Strategic Plan.

Building on feedback from past engagement and leveraging an integrated approach to engagement, City Light engaged a diverse cross-section of customers, community partners, and stakeholders.

Feedback from community and stakeholder engagement has reinforced four consistent themes:

- Electricity is an essential service,
- Customers want to know that we can meet our region’s increasing demand for power,
- Reliability must also be balanced with affordability and environmental responsibility, and
- Communities expect City Light to remove barriers, build partnerships, and co-design solutions that reflect lived experiences.

We also heard how important it is to connect our work to community members’ shared values around public health, the environment, and community capacity building.

Customers want us to prioritize vulnerable communities. This feedback aligns with the Washington State Clean Energy Transformation Act, which directs utilities to ensure that everyone benefits from our region’s transition to energy that doesn’t harm people or the planet.

What we learned during our engagement efforts will continue to guide our long-term planning and help build stronger relationships within the communities we serve. As a result, the 2027-2032 Strategic Plan reflects our community’s priorities, and we will continue partnering with community members as we implement the plan.

## COMMUNITY ENGAGEMENT APPROACH

Working with the Seattle Department of Neighborhoods (DON), we implemented a multi-layered engagement strategy that combined broad outreach, targeted conversations, and ongoing collaboration with community partners to ensure equitable participation.

We began by reviewing recent community feedback to identify key themes and gaps. This helped us develop an engagement approach that centered on promoting dialogue, building trust, and reducing harm—especially for communities that have been historically underrepresented in City of Seattle processes. We also coordinated with other City departments to incorporate utility-related feedback gathered through their engagement efforts.

In response to previous community feedback, we took an integrated approach by combining Strategic Plan community engagement with engagement for other long-term planning efforts including the:

- 10-year Strategic Roadmap
- Clean Energy Implementation Plan
- Integrated Resource Plan

By aligning engagement across multiple planning efforts, we were able to be more efficient, effective, and equitable.

We partnered with DON to plan and implement strategies for reaching customers, community members, and community-based organizations throughout our service area. We also engaged with employees, business customers, and other stakeholders to ensure their interests and priorities were incorporated into our planning.

This engagement helped build community's understanding of the utility's challenges and expand our understanding of the community's priorities. Our outreach aimed to increase City Light's visibility, strengthen partnerships, and ensure the Strategic Plan is informed by the communities we serve.

## MEETING PEOPLE WHERE THEY ARE

We gathered feedback from more than **2,650 people** representing a diverse cross-section of residential and business customers throughout our service area. We also connected with **hundreds of employees and stakeholders** to ensure our planning efforts reflect their perspectives and expertise. See Attachments 1 and 2 for a summary of the communities and stakeholders we engaged.

### Community Engagement Activities

In 2025, we:

## B. Outreach Summary

- Attended **17 community events**, reaching residents across all seven Council Districts and in multiple franchise communities. Events reflected a strong presence at multicultural festivals and neighborhood celebrations and were often done in coordination with Utility Assistance enrollment opportunities.
- Hosted **25 community and stakeholder conversations**, including with the Indigenous Advisory Council, South Park Neighborhood Association, and the Disability Commission.
- Engaged with **20 language communities**<sup>1</sup>, supported by the Department of Neighborhoods Community Liaisons.
- Reviewed **10 recent engagement reports** including [Seattle's Comprehensive Plan](#) and the [2025-2030 Transportation Electrification Strategic Investment Plan](#) to incorporate previous customer input into our strategic planning processes.

We also shared opportunities for customers to provide feedback on City Light's website, e-newsletter, social media, and blog.

### Customer Research

We conducted customer research to better understand perceptions and experiences across Seattle and our franchise communities. Our approach prioritized broad representation and included partnerships with Department of Neighborhoods Community Liaisons and research firms to ensure meaningful participation from historically underrepresented communities.

We offered in-language engagement opportunities and compensated participants for their time to reduce barriers to involvement. The insights gathered are informing our Strategic Plan and will guide how we deliver on our commitments and achieve our outcomes.

### Stakeholder Engagement

We met with more than **250 stakeholders** who provided input on affordability, grid readiness, electrification, resource planning, and customer experience improvements. Stakeholder meetings included:

- Key Customers
- Franchise Cities
- NW Energy Coalition
- Building Owners & Managers Association (BOMA)
- Trade allies
- Community based organizations

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<sup>1</sup> Arabic, Amharic, Cantonese, English, Hindi, Japanese, Khmer, Korean, Illocano, Mandarin, Norwegian, Oromo, Russian, Spanish, Somali, Tagalog, Taishanese, Tajik, Tigrinya, Vietnamese

## B. Outreach Summary

- Community engagement partners

### Employee Engagement

The City Light Strategic Planning and Performance team approached this planning process with greater intentionality with respect to involving staff in it, which included:

- **Operations Engagement:** Working with Operations leadership to identify opportunities for their teams to be meaningfully engaged and provide feedback to help shape the utility's long-term planning efforts.
- **Cross-Utility Workshops:** Hosting two-day workshops for each of the six Strategic Plan focus areas. Each workshop included 30-40 staff that represented different areas of expertise and positionality in the organization. During the workshops, participants co-developed bodies of work. These bodies of work are setting the stage for how we will accomplish the outcomes outlined in our Strategic Plan.

### KEY FINDINGS

Electricity powers the lives of our customers. From daily living to work and play, we support people's quality of life and the community's well-being. We are also facing unprecedented changes in our industry and region. Our Strategic Plan needs to reflect our commitment to providing customers with affordable, reliable, safe, and environmentally responsible energy services while positioning us to navigate a changing energy sector.

- 82% of customers surveyed are satisfied.
- Reliable service remains the top satisfaction driver.
- Rate affordability is a top dissatisfaction driver.
- Solar (88%), wind (84%), and hydropower (79%) remain the most favored sources.
- Black, Indigenous, and People of Color (BIPOC) customers are less aware of energy-saving technologies than white customers.

### Balancing Trade-offs

We discussed how community members would prioritize:

1. **Reliability**, which customers define as keeping the power on and restoring electricity quickly
2. **Affordability**, which includes people feeling like they can afford to pay their bill and knowing how to manage their bill
3. **Environment**, which includes generating and using energy that doesn't harm people or the environment

This exercise sparked valuable conversations about the complexity of our work and the challenges facing the energy sector. As a result, community members provided more informed feedback.

## B. Outreach Summary

Based on the 785 responses we received, customers consistently ranked reliability as their top priority followed closely by both affordability and the environment. Additional customer research mirrored this prioritization.

Our Residential Customer Satisfaction Survey, fielded in September 30 – October 11, 2025, found that environmental concerns declined as a customer priority whereas cost and outage concerns now outweigh sustainability. We also heard many customers share that we have relatively reliable service while others live in areas more impacted by unplanned outages. Quite a few customers that moved here from other regions shared that our power is relatively affordable, but we know many customers face rising energy burdens. As we implement our Strategic Plan, we will continue to engage customers and communities so that our work continues to be guided by their lived experiences.

### **What We Heard**

Residential customers and community members stressed that achieving a just transition to a clean energy future requires removing systemic barriers, improving access to benefits, and showing how our work connects to personal wellbeing and community health. They asked City Light to expand culturally relevant education and outreach, strengthen partnerships with community-based organizations, co-design solutions that reflect local priorities, and engage youth to build pathways into green jobs. They also want us to continue focusing on offering ways customers can save money and energy.

Stakeholders want us to ensure we have enough power supply to meet rising demand driven by building electrification, electric vehicle (EV) charging, and new development. They emphasized that maintaining reliability is their highest priority and that affordability must be balanced with the need for long-term resource adequacy, grid resiliency, and responsible environmental action. Stakeholders expressed strong support for demand-side management and other efforts to promote stability. They also stressed the importance of improved access to energy data and having the flexibility to adopt emerging technologies such as solar and EV infrastructure.

### **How We Can Be Responsive**

We are facing unprecedented challenges in the energy sector, and community members want us to take a more systemic and inclusive approach to our work:

- Strengthen internal coordination to improve customer experience and service delivery
- Expand education and awareness through inclusive, culturally relevant, and sustained engagement
- Foster mutually beneficial partnerships with community-based organizations
- Co-design programs and investments with communities to ensure alignment with their needs
- Engage with youth and create pathways into green jobs

## **SUMMARY**

As a result of our community engagement approach, customers had a deeper understanding of our work, and we had a deeper understanding of their priorities. We also fostered trust with our customers and built relationships with community partners and stakeholders.

By incorporating community feedback into our Strategic Plan and other City Light planning efforts, we are better positioned to achieve mutually beneficial outcomes and be more accountable to our customers. As we implement the 2027-2032 Strategic Plan, we will continue to engage with customers and community partners to integrate their input into our work.

## Attachment 1: Community Engagement Overview

### CUSTOMER RESEARCH

#### Residential Customer Satisfaction Survey

Participants: 600 residential customers

Methodology: Seattle City Light began the Residential Customer Satisfaction Longitudinal Study in 2021. This survey helps us measure customer experience trends and supports the Strategic Plan and operational and communications improvements. A random representative group of respondents were contacted via home phone (to take the survey over the phone) or via cellphone (sent a text with a link to take the survey online). We expanded the survey from 8 to 14 languages to increase accessibility—14% of respondents completed the survey in a language beyond English (up 4% from the 2023 survey).

#### Customer Participation Insights Study

Participants: 884 residential customers and 226 business customers

Methodology: Respondents were first sent an email with link to the online survey. Respondents who had not responded received a follow-up telephone call. We worked with the Department of Neighborhoods Community Liaisons to ensure the surveys reflected input from highly impacted communities and vulnerable populations. The surveys were translated into Amharic, Mandarin, Spanish, and Vietnamese for both residential and business customers. We also supplemented the s gather qualitative insights into customer participation in City Light programs and services

- **Residential Customers:** We hosted 3 focus groups (2 in English and 1 in Spanish) with 24 residential customers and completed 20 follow-up interviews with survey respondents.
- **Commercial & Industrial Customers:** We hosted 3 focus groups (2 in English and 1 in Mandarin) with 17 business customers and completed 25 follow-up interviews with survey respondents.
- **Trade Allies:** Completed 10 interviews with residential trade allies. The goal of these interviews was to identify the interest levels of trade allies in potential new products and services to be offered to residential customers.

#### City Light Strategic Plan Feedback Tool

Participants: 785 community members

Methodology: Customers had an opportunity to share how they would prioritize reliability, affordability, and the environment and provide other input. We connected with community members at community events and through City Light’s communications channels (e.g. social media, newsletter, etc.). We also partnered with Department of Neighborhoods Community Liaisons to gather feedback in multiple languages.

#### Customer QualBoards:

Participants: 35 residential customers

## B. Outreach Summary

Methodology: We conducted a three-day online focus group with 35 customers, which included broad representation across Seattle and our franchise communities. We oversampled customers traditionally underrepresented in surveys including people who are BIPOC and younger respondents.

### ENVIRONMENTAL JUSTICE FOCUSED CONVERSATIONS

- **South Park Neighborhood Association (SPNA):** Participated in a SPNA monthly meeting.
- **Indigenous Advisory Council (IAC):** Joined an IAC standing meeting.
- **Disability Commission Meeting:** Attended the Disability Commission's standing meeting.
- **City Light Intern Focus Group:** Hosted a learning session with City Light interns, who are youth/young adults engaged in the energy sector.
- **Community Liaison Focus Groups:** Hosted two learning sessions with 22 Department of Neighborhoods Community Liaisons.
- **Community Partner Conversations:** Hosted two focus groups with seven people who have conducted engagement with diverse communities on behalf of the utility.
- **Human Services Department Community Coordinators Focus Group:** Met with 14 Human Service Department Community Connectors, who work as navigators at area food banks. Participants provided recommendations for helping energy burdened communities.
- **University of Washington Master of Social Work Focus Group:** We interviewed 14 UW Master of Social Work students, who have experience enrolling people in affordability programs. Participants provided recommendations for helping energy burdened communities.

### COMMUNITY EVENTS<sup>2</sup>

- **P-Patch Earth Day Celebration** (District 3: Central District)
- **Duwamish River Community Coalition Job Fair** (District 1: South Park)
- **Chinatown-International District Celebration** (District 2: Chinatown-International District)
- **Byrd Barr Place Block Party** (District 3: Central District)
- **SeaTac Summer Night** (Franchise City)
- **Lake City Summer Fest and Parade** (District 5: Lake City)
- **Othello International Festival** (District 2: Othello)
- **Yesler Back 2 School Fair** (District 2: Yesler)
- **Celebrate Shoreline** (Franchise City)
- **Big Day of Play** (District 2: Rainer Beach)
- **Rainier Beach Back 2 School Bash** (District 2: Rainier Beach)
- **Tukwila Community Play Day** (Franchise City)
- **Senior Resource Fair** (District 4: Magnuson Park)
- **One Seattle Community Resource Fair** (District 7: Downtown)
- **Ballard Library Resource Fair** (District 6: Ballard)
- **Utility Resource Summit** (Franchise City)
- **Seattle Department of Construction and Inspections Home Fair** (District 2: Hillman City)

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<sup>2</sup> Nine of the 17 events were conducted jointly with the Utility Assistance Programs.

## Attachment 2: Stakeholder and Employee Engagement Overview

### BUSINESS CUSTOMER AND STAKEHOLDER CONVERSATIONS

- **Quarterly Key Customer Meeting:** We presented an update on the strategic planning process and gathered input from our business customers at the quarterly meeting in June 2025.
- **Annual Key Customer Forum:** We hosted this annual forum that brought together approximately 80 representatives from our largest and most engaged customers. A moderated panel discussion with subject matter experts provided additional context on key initiatives, and customers participated in leader-facilitated tabletop discussions focused on collaboration and evolving business needs. Initial feedback from attendees was positive, with many expressing their appreciation for the transparency and opportunity to engage directly with City Light leadership.
- **Building Owner and Managers Association (BOMA):** 25 members participated in a briefing on the Strategic Plan. BOMA members emphasized the importance of reliability, grid resiliency, and rate predictability. They also noted the importance of partnering with building owners to support their efforts to comply with clean energy legislation.
- **Franchise Cities:** Hosted a meeting with 10 Franchise City representatives to provide an update on our Strategic Plan. Representatives asked about planned updates to Utility Assistance qualification and efforts City Light is taking to connect community members with affordability resources. They also asked about how we are planning to help them work through the City Light process for infrastructure projects in their jurisdictions.
- **Northwest Energy Coalition (NWECC):** We presented to 52 attendees at the NWECC Caucus, which represents a mix of NWECC employees, policy organizations, energy companies, and other electric utilities. Discussion focused on how we are managing cost pressures and ways we can mitigate them with demand-side solutions. They also inquired about Skagit relicensing and our plans for expanding energy resources.
- **Integrated Resource Plan Advisory Panel:** In 2025, we conducted 4 meetings with representatives from local nonprofits, government partners, and energy providers on our long-term load forecast and assessment of energy resource needs to inform City Light's strategic planning efforts.
- **Energy Efficiency Strategy In-Depth Interviews:** We hosted conversations with representatives from District, Emerald Cities Collective, NW Energy Coalition, Spark NW, and four (4) trade allies on energy efficiency and demand response to inform City Light's strategic planning efforts.

### EMPLOYEE ENGAGEMENT

#### Operations All-Hands Meetings

City Light leadership attended all-hands meetings at the South Service Center, Skagit Hydroelectric Project, and Boundary Hydroelectric Project, as well as a Joint Operations management meeting. At these meetings we heard about a range of issues including technology, training, and process

## B. Outreach Summary

improvements. Operations staff also expressed a desire for continued communication about strategy and an interest in breaking down silos across the organization.

### **Strategic Planning Workshops**

City Light leadership also conducted two-day workshops for each of the six focus areas. Each workshop included cross-functional representation of 30-40 staff from all levels of the organization. During the workshops, participants co-developed bodies of work that would support each of the 20 outcomes. These bodies of work are setting the stage for how we will accomplish our Strategic Plan goals and outcomes.

**Seattle City Light Review Panel**

c/o L. Barreca, Seattle City Light  
P.O. Box 32023 Seattle, WA 98124-4023  
[CLRP@seattle.gov](mailto:CLRP@seattle.gov)

May 7, 2026

Mayor Katie Wilson  
The City of Seattle  
600 Fourth Avenue  
P.O. Box 94749  
Seattle, WA 98124-4749

**RE: City Light Review Panel Comment Letter on Proposed 2027-2032  
Seattle City Light Strategic Plan Update**

Dear Mayor Wilson:

This letter presents the City Light Review Panel (Panel) comments on the proposed Seattle City Light (City Light) Strategic Plan Update for 2027-2032 (the Plan). Consistent with Ordinance 124740, the Panel has met monthly to track progress on the 2024 Strategic Plan update and provide input to this current Plan.

The rate path in the Plan is materially higher than has been proposed in the last few Plans. We recognize this is a significant increase for all customers, but we feel that it is supported by City Light's analysis. We endorse the rate path for the next two years as necessary to invest in infrastructure and technology to reliably serve City Light customers. We would expect these investments to translate into measurable improvements in system reliability, service delivery, and customer experience, with clear and transparent communication to customers on progress

In the first section of this letter, we comment on City Light's progress on the strategic priorities of the current plan ("City Light Progress on the Current Plan"). In the second part of this letter, we focus on what is changing for City Light and its customers going forward ("City Light's 2027-2032 Strategic Plan"). We considered these factors carefully before endorsing the new Plan.

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## City Light Progress on the Current Plan

City Light moved forward in 2024-2026 achieving many of its objectives, consistent with the strategic priorities and outcomes of its current Plan. Our comments in this section focus on priorities that were raised by the Panel in 2024 for the current Plan and which provide context for our comments on the new Plan.

### Improve the Customer Experience

The Panel noted City Light made important progress on its customer objectives. Customer engagement was a key focus for the past two years as City Light worked with the Seattle Department of Neighborhoods to hear directly from customers and engage them in discussion about the utility's priorities. City Light participated in many more community events, met with community-based groups, and developed customer communications in over fifteen languages.

City Light also received high customer satisfaction ratings with the most recent JD Power business customers survey. However, new service connections and their associated timelines and costs continue to present challenges for City Light. While we commend the City Light team for making measurable improvements since 2024, performance still fell short on established service connections targets. The Panel will continue to encourage initiatives to improve responsiveness and reduce costs, while monitoring progress in this area. Addressing these challenges is particularly important to support the City's goals of developing "middle housing" and expanding the supply of affordable housing.

### Create Our Energy Future

The Panel has consistently supported City Light's relicensing work and negotiated settlement agreement for the Skagit hydro project, which makes up approximately 20% of the utility's current power supply mix. the largest city-owned resource. While material investment will be required, the estimated per megawatt hour cost is forecasted to be less expensive than alternative options. The settlement was an important milestone after eight years of working with all the parties, and we commend City Light for making the necessary adjustments along the way to secure this settlement. City Light will include the settlement agreement in its Federal Energy Regulatory Commission (FERC) re-licensing filing, which should greatly increase the likelihood of the federal relicensing approval.

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In the past two years, City Light successfully acquired a solar power purchase agreement and entered into a new long-term agreement with the Bonneville Power Administration (BPA). While the cost of the BPA power will be higher in the future, this contract gives City Light access to cost-based power through a contractual "slice" of the Federal Columbia River System's hydro energy at a materially lower cost than what could be procured through alternative sources.

Consistent with its Transportation Electrification Strategic Investment Plan (TESIP), City Light made targeted investments in public charging incentives and expanded the City Light public charging network in neighborhoods where private charging infrastructure was not available.

The Panel supported City Light's 2025-2026 investments in its distribution system. However, system reliability in the radial distribution lines that serve communities outside the downtown network system has deteriorated materially the past two years, to where City Light is in the bottom quartile of system reliability among peer utilities. In Review Panel meetings City Light's management team was very transparent, sharing outage statistics and explaining the lack of investment the past decade has led to deterioration of both underground and overhead infrastructure, which requires major investment to replace. Addressing this underinvestment will continue to be a high priority for the panel. Given the essential nature of reliable electric service, the Panel views sustained improvement in reliability performance, particularly in affected service areas, as a critical outcome of the proposed investments.

City Light has successfully increased energy efficiency measures that reduced demand and is committed to increasing energy efficiency and demand reduction programs by 107 MW by 2035 and another 48 MW by 2045. And City Light worked with City departments to try reducing the barriers to participating in the Utility Discount Program and came close to achieving its target for increased number of participants in 2025.

### Ensure Financial Health & Affordability

City Light successfully achieved the financial targets in the current Plan. The Panel still believes that the financial metrics are important to preserve adequate financial liquidity in the event of an emergency and to maintain City Light's strong investment-grade bond rating (which reduces its cost of borrowing and therefore reduces costs for customers).

An important financial policy for City Light is the Reserve Stabilization Account (RSA), which was established in 2010 to address power supply cost risks. The RSA is a reserve

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fund that is drawn down first, before issuing power cost rate increases to customers. Having the RSA helps City Light avoid “rate shocks” due to increased power costs. Rating agencies favorably view City Light’s RSA mechanism, which has contributed to City Light maintaining its high credit rating.

City Light leadership demonstrated to the Panel that power demand in Seattle has increased to the point where City Light no longer has surplus power to sell in average years. The Panel also noted that customers have seen the RSA surcharge on their bills since 2022. While taking only one season to draw down the RSA balance, it has taken nearly four years to replenish the account to its current level.

### Develop Workforce & Organizational Agility

The recent General Manager successfully led a serious internal investigation to discover unsavory work practices among one team of North center field personnel. We supported her actions to reverse the negative work environment. Additionally, in 2025 she and the management team developed new core values, committing to a more respectful, positive, and engaging culture that we hope will positively impact City Light’s workforce.

### We Power

City Light continues to comply with city, state, and federal regulations, and promote clean air and greenhouse gas reduction policy. The utility has worked with agencies and the private sector to accommodate the demand for power because of building and transportation electrification.

In 2025, City Light introduced the Large Industrial Curtailment Program, a voluntary demand-response program intended to avoid costly market purchases, benefiting both the utility and customers. But the Panel was disappointed by the delayed implementation of the Time of Use rate program and other demand response programs envisioned in the 2024 letter. Additionally, City Light has not made measurable progress toward a distributed energy resources management system (DERMS) to efficiently aggregate customer-owned resources such as solar and in-home batteries as virtual power plants (VPPs) that might reduce the utility-scale resource needs.

The Panel encourages City Light to accelerate its work on grid flexibility, customer-sited renewable generation, demand flexibility, and energy storage. Peer utilities are increasingly piloting and scaling programs that use customer-side resources to manage peak demand, improve system performance, and reduce the need for costly utility-scale

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investments. While the Panel recognizes that City Light's proposed rate increases are generally comparable to those of peer utilities, Panelists are concerned that customers also need more practical tools to manage and control their energy use, benefit from flexible and stored energy resources, and mitigate the impact of rising costs. The Panel encourages City Light to prioritize these investments as part of its affordability, reliability, peak-flattening, and customer empowerment strategy.

The Panel was encouraged when City Light completed the ten-year technology roadmap to ensure City Light will have appropriate cyber security measures and risk response plans and will move to current industry systems and technology. Cyber protection is critical to ensure the safety of the electric grid and to preserve confidential customer and employee information.

## City Light's 2027-2032 Strategic Plan

City Light invested a great deal of effort and analysis in this strategic plan cycle. City Light leadership developed a ten-year strategic vision with input from the Panel, which served as a foundation for the new six-year Strategic Plan and rate path. Throughout the last two years, City Light has informed the Panel of significant issues and industry disruptions.

This new Plan reflects a more constrained outlook than prior versions because of the 9.5% per year rate increase (~6.5% after adjusting for expected inflation<sup>1</sup>) that City Light seeks for both 2027 and again in 2028. During the monthly meetings that took place from fall 2024 to now, City Light leadership shared the realities facing the utility, explaining why rates must increase materially to maintain service and system reliability. We have included specific observations and recommendations below for the Focus areas of the new Plan.

### Reliability

The two biggest cost drivers from the current Plan's financial forecast for 2027 and 2028 are operating costs and meeting demand increases from building and vehicle electrification. For example, the costs for utility operations such as steel, copper, concrete, and wood poles are much higher than the rate of inflation in the new Plan.

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<sup>1</sup> The Review Panel's after-inflation estimate was based on City of Seattle CPI Data Historical and Forecast, accessed May 4, 2026,. <https://www.seattle.gov/economic-and-revenue-forecasts/inflation>

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In 2025, the Panel was surprised to learn that City Light's buried cable lines were deteriorating much more quickly than expected because they had not been properly installed initially. Bare cable had been buried, instead of cable installed in conduit. The Panel agrees with City Light leadership that this needs to be addressed and the Panel requested City Light implement a new policy to prevent this occurring in the future.

## Power Supply

City Light's new load forecast is broadly consistent with the prior forecast but indicates that peak demand is expected to grow more rapidly than average demand over the next decade. This growth is driven primarily by building and transportation electrification. City Light's growth is mainly from building and transportation electrification. City Light must preserve its valuable hydro resources that provide critical balancing and storage, further enabling carbon-free resources. To help meet this increasing load, the Panel supports City Light's relicensing work on the Skagit hydro project.

The Panel concurs that the financial and reliability risks of being short on power supply are greater than those associated with having excess supply. But the Panel asked City Light to carefully plan new supply resource additions. City Light responded that it would develop a portfolio of medium-term and long-term resources to mitigate the risk of over-purchasing long-term power supply

The old model of utility-scale generation to meet the increasing customer demand requires investment in generation resources, transmission, and distribution. At each meeting where City Light presented its load forecast and described the need for utility-scale resources, the Panel stressed the importance of also working with small and large customers to implement effective demand response, energy efficiency, and other customer technologies to reduce the need for utility scale resources.

The Panel believes that customer-facing technologies that shift demand, reduce demand and supplement utility power supply will be critical. City Light explained that the big unknown is the degree to which customers will participate in future programs. But City Light seems aligned with the Panel on the importance of rolling out programs where broad participation is possible. The Panel has also asked City Light to analyze distribution system projects in the future - not just on a cost basis- but also from a net benefits perspective, considering potential for reduced customer demand or access to customer resources in any given project.

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## Customer Experience

This rate increase is a heavy lift for customers and the rationale behind the rate increase may be difficult for customers to grasp without context. The Panel proposed ideas to clearly present the challenges to customers, to help them understand what has changed in the rate path. The Panel noted customers may want to know what are knowns in the forecast, versus what are estimates based upon the best available information today. And the Panel recommended a primer on the RSA mechanism and an example to show how it works. Lastly, the Panel recommended that City Light communicate when customers can expect to see service improvements from infrastructure investment.

The Panel concurs with City Light that the Rate Stabilization Account (RSA) brings rate stability to customers (avoiding sharper rate increases in the short-term) and financial stability to the utility. City Light has proposed changes to the Rate Stabilization Account (RSA) with which the Panel concurs. The prior structure was focused on solely power cost drivers, but there are other risks that can cause rate increases. Therefore, the Panel supports expanding the RSA to cover a broader range of rate risks to protect customers and the utility. The Panel also supports increasing the RSA target level from \$100 million to \$150 million, given the utility has grown since 2010 and no longer has surplus energy to sell into the wholesale market.

The Panel asked about rate class equity in the cost allocation between rate classes. Panel members representing residential customers expressed support for City Light's proposal to apply the newly structured RSA surcharge as an energy charge, which will shift some costs to large-use customers. Panel members urged City Light to make sure that the future new large load tariff does not shift costs and risks to residential and small commercial customer classes and help ensure that such large loads do not impact current customers, to the extent possible.

The Panel expressed concern over the proposed 2027 and 2028 rate increase on vulnerable customers. City Light has been an industry leader for many years in customer assistance programs. Going forward, the utility is proposing changes to increase eligibility and expand enrollment in the Utility Discount Program. The Panel also urged City Light to consider tiered program participation, more extensive outreach efforts, additional partnerships to reach low-income residents, and more bill payment assistance promotion. The City (SCL, SPU, HSD) is also encouraged to streamline the application process by linking to other income-qualified programs (e.g., federal assistance programs) that may have already determined a potential participant's eligibility for UDP, thereby reducing the barriers that keep participation far below potential.

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## Sustainability

City Light developed its new Plan based upon current regulation and government policy. City and state decarbonization goals and programs are still in place, with targets that City Light must achieve. Unfortunately for City Light customers, federal grants and tax incentives for grid modernization and new carbon-free resources have evaporated with the current administration. Therefore, City Light's grid modernization projects must now be funded solely by City Light (federal grants were included in the current Plan's rate path).

In the prior letter, the Panel noted that the transition to renewable energy had increased the cost of power supply. The costs for new long-term resources have exceeded those prior price forecasts because utilities and data centers are competing to acquire power supply. Further, new clean energy resources are predominantly intermittent energy resources (wind and solar), highly variable dependent upon weather conditions and time of day. Therefore, City Light must acquire more name plate capacity to have the same number of average megawatts available. City Light will likely invest in new battery energy storage to meet extreme peak demand. All of this highlights the tremendous value of City Light's existing hydro projects.

## Workforce

The Panel applauds the work the City Light leadership team undertook in 2025 to rebuild the culture and to invest in the workforce. We support continued efforts in this regard because it is the people that serve the customers and look out for the customers' interests.

And the Panel continues to support City Light's objective of competitive compensation to attract and retain talented employees able to meet the new challenges. However, the rate path in the current Plan did not have the 2025 bargaining agreement salary adjustments to keep City Light compensation competitive. The rate path for the new Plan includes the workforce compensation laid out in the signed bargaining agreement.

## Technology

City Light was without a chief technology officer (CTO) in 2024 and the first quarter in 2025, which slowed down operational technology and cyber security planning for the utility. City Light now has both a new CTO and a technology roadmap. But there are many future initiatives that will still be in planning stages in 2027. The Panel hopes City Light can move quickly from planning to implementation, particularly with respect to

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grid transformation and customer-facing technologies to reduce or shift demand or integrate distributed energy resources. All of these technology challenges must be met amid the backdrop of increasing cybersecurity threats.

## Conclusion

In conclusion, City Light is better positioned than many other utilities given its large hydro energy portfolio, its long-term investment in energy efficiency since the 1970s, and its progressive utility discount program for vulnerable customers. As a not-for-profit utility with a stable financial position, it can access the capital markets at more attractive borrowing costs than investor-owned utilities, resulting in lower rates for its customers. City Light's rate increases in 2025-2026 were at the low end of the range for peer utilities. And City Light's rates are lower than those in other large metropolitan areas. But the utility is playing "catch up" on technology and distribution infrastructure. While we would prefer a lower rate increase, we conclude that the proposed increases are necessary for the next two years.

When we looked into discretionary versus non-discretionary spending in the financial forecast, we learned that there was minimal discretionary spending. Most of the rate increase is driven by inflation (impacting wages, materials, and supply chain), Skagit relicensing, debt service, replacing aging infrastructure, catching up on technology, and acquiring new supply to growing power demand. In short, the rate increase is needed for City Light to maintain service reliability and comply with financial policies.

One other important topic we must raise is the importance of stable utility leadership. City Light has had three general managers since 2016, and the City will conduct a search for a fourth this fall. Changing the head of the utility every few years is very detrimental. It is unsettling for employees, delays key hires, and impedes strategic initiatives. At most other public power utilities, elected officials trust the utility leader to run the utility based on their industry experience and leadership acumen.

We urge the Mayor and Council to take a new approach to the City Light General Manager selection and confirmation process that supports attracting and retaining top talent. We recommend that the process be accelerated, efficient, and transparent, while maintaining appropriate confidentiality during recruitment. Stable leadership is needed to modernize City Light's system and implement critical technologies necessary for the future. Once a new General Manager is in place, continuity in leadership should be prioritized when performance is strong, to support the long-term execution of the utility's strategic objectives.

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If helpful, the Panel would be willing to provide additional recommendations related to recruiting, hiring, and retaining the General Manager as part of its upcoming two-year work plan, beginning June 2026.

We thank the City Light team who have worked diligently together, and with us, during the past twenty-four months. They have done a stellar job given the challenges. And we thank the Council staff, Mayor's office, and City Budget Office representatives for support of the City Light Review Panel.

We are available to answer any questions you may have about the recommendations in our letter.

Sincerely,

Honorable Katie Wilson  
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## Members of the City Light Review Panel<sup>2</sup>



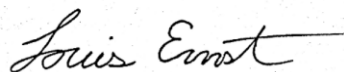
**Leo Lam**  
Chair  
Panel Position #4  
Residential Customer  
Representative



**Joel Paisner**  
Co-Chair  
Panel Position #9  
Suburban Franchise  
Representative



**Bruce Flory**  
Panel Position #1  
Economist



**Louis Ernst**  
Panel Position #2  
Financial Analyst



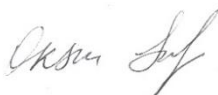
**Kerry Meade**  
Panel Position #3  
Non-Profit Energy  
Efficiency Advocate



**Ryan Monson**  
Panel Position #5  
Commercial  
Customer  
Representative



**Toyin Olowu**  
Panel Position #6  
Industrial Customer  
Representative



**Oksana Savolyuk**  
Panel Position #7  
Low Income Customer  
Representative



**Cristina Sima**  
Panel Position #8  
At-Large Customer  
Representative

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<sup>2</sup> We sign this letter in our individual capacities, not as representatives of our employers.

## Summary and Fiscal Note

### 1. Legislation Summary

**Department:** Seattle City Light

**Title:** A resolution relating to the City Light Department; adopting a 2027-2032 Strategic Plan for the City Light Department and endorsing the associated rate path.

**Background:** This resolution adopts City Light’s 2027-2032 Strategic Plan. It also endorses the rate path required to generate the revenue to support the outcomes described in the strategic plan. This resolution was developed in coordination with proposed Seattle City Light rates legislation and will inform development of City Light’s 2027-2028 proposed budget. The strategic plan and rate legislation propose the following average rate increases:

2027: 9.5 percent

2028: 9.5 percent

**Summary Attachments:** None

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### 2. Capital Improvement Program (CIP)

**Does this legislation create, fund, or amend a CIP Project?**

Yes

No

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### 3. Summary of Financial Implications

#### **Does this legislation have financial impacts to the City?**

Yes

No

Yes, the adoption of the Strategic Plan endorses the rate trajectory for 2027 and 2028, which reflects cost and revenue assumptions implicit in this rate forecast, which will inform future budget proposals and rate legislation.

#### 3d. Other Financial Impacts

**a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts.**

No.

**b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle these costs? Or does the department need to shift resources away from other work to handle these costs?**

This resolution supports a rate path which reflects cost and revenue assumptions which have informed the development of rates legislation and will inform Seattle City Light's 2027-2028 budget requests.

**c. What financial costs or other impacts might happen if this legislation is not implemented?**

No direct impacts.

**d. How might this legislation affect other City departments besides the one that proposed it?**

No direct impact to other City departments.

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### 4. Other Impacts

**a. Does this legislation require a public hearing?**

Yes

No

**b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?**

Yes

No

**c. Does this legislation affect a piece of property?**

No.

d. Race and Social Justice Initiative impacts:

**1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.**

The 2027-2032 Strategic Plan was informed by a comprehensive, equity-centered engagement effort. Building on feedback from past engagement, City Light conducted community conversations across 20 language communities, balancing education on utility challenges with discussions on how the community would manage the tradeoffs. The feedback was that electricity is essential, and customers want to know we can meet our region's increasing demand for power. Conversations highlighted the need to balance this with affordability and environmental responsibility. These findings informed the focus areas, outcomes, and actions in this Strategic Plan.

**2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation.**

This Strategic Plan was developed with deep community engagement in partnership with the Seattle Department of Neighborhoods (DON) to ensure equitable participation. We began by reviewing recent community feedback to identify key themes and gaps and developed an engagement approach focused on promoting dialogue, building trust and reducing harm. We integrated engagement internally across multiple planning efforts to increase efficiency while ensuring the insights gained would be shared across initiatives. A full summary of the 2027-2032 Strategic Plan Community Engagement is included in the Strategic Plan appendix.

**3. What is the Language Access Plan for communicating with the public about this legislation?**

Seattle City Light will carry out all public-facing communication about this legislation in alignment with its Language Access Plan, including translation and interpretation for communities with limited English proficiency. We will allocate the necessary time and resources to ensure materials are accessible and culturally appropriate.

e. Climate change impacts:

1. **Emissions:** Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer.

Not directly, but the Strategic Plan does include programs in support of building and transportation electrification that should decrease carbon emissions.

2. **Resiliency:** Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact.

Not directly, but the Strategic Plan does include programs such as electrification and grid modernization that should positively impact climate resiliency.

**f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress?**

This legislation does not include any specific new initiative or programmatic expansion. However, it sets clear long-, mid- and short-term outcomes for each focus area with reports provided to City Light leadership at a regular cadence to track trends and build accountability.

**g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization?**

No.

June 29, 2026

## MEMORANDUM

**To:** Parks and City Light Committee  
**From:** Eric McConaghy, Analyst  
**Subject:** Seattle City Light 2027-2032 Strategic Plan (RES 32210) and  
2027-2028 Rates Ordinance (CB 121231)

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### Overview

On Wednesday July 1, 2026, the Parks and City Light Committee (Committee) will discuss and possibly vote on a recommendation to Council regarding [Resolution \(RES\) 32210](#).

Adoption of RES 32210 as proposed would:

- Adopt the proposed [2027-2032 Strategic Plan \(Plan\)](#) for the City Light Department (City Light); and
- Endorse the associated rate path.

Also on July 1, the Committee will discuss [Council Bill \(CB\) 121231](#) in advance of possible vote on July 15, 2026. CB 121231 would modify sections of the Seattle Municipal Code (SMC) to establish customer rates for 2027 and 2028 and would add, delete or modify related code sections.

Passage of CB 121231 as proposed would:

- Establish customer rates for 2027 and 2028;
- Establish a new rate class for data centers;
- Expand income eligibility for the Utility Discount Program (UDP) for City Light;
- Modify the functioning of the Rate Stabilization Account; and
- Remove the code section related to the Bonneville Power Administration pass-through.

The proposed package of legislation is consistent with Council's past practice regarding City Light's Plan and rates. Every two years, Council's adopts an updated Plan and associated rate path by resolution in advance of passing an ordinance to establish new retail rates later in the same year. City Light prepares its budget based on the codified rates.

During the meeting of the Committee on June 17, City Light briefed the Committee on RES 32210 and CB 121231. Also, Leo Lam, Residential Customer Representative and Chair of the City Light Review Panel (Review Panel), communicated the Review Panel's support for the proposed

Plan and rate path. The Review Panel’s comment letter on the Plan is [Attachment 2 of RES 32210](#).

This memorandum describes key aspects of RES 32210 and CB 121231, identifies issues for consideration, and provides next steps.

**Strategic Plan and Rate Path - Resolution 32210: Key Aspects**

City Light’s proposed 2027-2032 Plan is [Attachment 1 to RES 32210](#). Adoption of RES 32210 would adopt the Plan and endorse the associated rate path. The actual retail rates proposed in CB 121231 rely upon the Plan and rate path as proposed in RES 32210.

The Plan begins with reports on City Light’s performance in accomplishing the goals identified in the [2025 – 2030 Strategic Plan Update](#) to contextualize the new Plan. Then, the proposed Plan identifies and describes the collection of strategies the utility will pursue to deliver electricity services to its customers. In the Plan, City Light organizes the utility’s activities under five focus areas: reliability, power supply, customer experience, sustainability, workforce, and technology.

City Light bases the projections of costs for the utility on the utility’s operations and capital investments necessary to accomplish the activities in the focus areas. The 2027-2032 Strategic Plan Financial Forecast (2027-2032 Plan Forecast), Appendix A to the 2027-2032 Plan, details the financial assumptions behind the rate path that would be established by RES 32210.

The 2027-2032 Plan proposes higher retail rate increases than the previous 2025-2030 Plan that reflects increased identified costs. Significant cost drivers include:

- Capital cost – replacement of aging grid and underground infrastructure and projects related to the Skagit hydroelectric projects relicensing with the Federal Energy Regulatory Commission;
- Operations and Maintenance – about 4 percent growth per year (see below) with new and expanded programs; and
- Power costs – Increases of about 5 percent per year for Bonneville Power Administration power and transmission costs, new power resources in the form of solar, wind, battery storage, and transmission

City Light will prioritize new and expanded programs in operations and maintenance over the Plan horizon. Organized by focus areas, they include:

Customer experience

- Customer data and research;
- Outreach to vulnerable and highly impacted communities; and
- Expanded inter-department cooperation and partnerships;

Power supply

- Acquisition of new generation resources, especially renewable energy and through regional energy markets;
- Improved forecasting and risk management;
- Energy efficiency;
- Demand response;
- Customer-owned generation;
- Customer-side efficiency and time-of-day shifts;
- Distributed energy resources; and
- Maximize value of transmission capacity for reliability and revenue

#### Reliability

- Improved asset management;
- Physical security for facilities;
- Fleet management for efficiency and reduced emissions;
- Improved transmission and distribution including underground cables;
- Investments and staffing at generation facilities; and
- Wildfire risk reduction and vegetation management

#### Sustainability

- Staffing and infrastructure for public electric vehicle charging;
- Increased support for customer assistance programs; and
- Increased technical staffing for building electrification

#### Technology

- Expanded cybersecurity staffing and tools;
- Additional IT staffing for data management, system implementation, and geographic information services;
- Improved customer-facing platforms (websites, applications); and
- Modernization of grid management, asset management, and power supply systems

#### Workforce

- Expanded planning, staffing, and training;
- Evaluation of job roles, compensation, and career pathways;
- Improved workplace safety; and

- Investments in maintenance staff and facilities to increase proactive asset improvements

City Light projects retail sales based on the estimate of load growth (increased demand) of 6.1 percent from 2026 to 2032. City Light expects an increase in electric vehicles and conversion to heat pumps to significantly increase demand during the Plan horizon. Moreover, they will increase City Light’s need for power to cope with higher and more frequent and higher peaks in demand. To remain reliable during peak demand, City Light will need to invest in greater capacity in transmission and distribution lines as well as increased power.

The rate path is the year-by-year sequence of average rate increases for all City Light customers for the six-year period of the Plan. City Light calculates the average rate for each year as the total revenue required for operation and maintenance and capital improvements (revenue requirement) divided by total retail sales. City Light communicates the change in the average rate from one year to the next as percent change.

For the 2027-2032 Plan, City Light projects that the revenue requirement will be increasing around \$165 million (10.5 percent) per year and retail sales will be growing by about 1 percent per year. For comparison, in the 2025-2030 Strategic Plan Update Financial Forecast, City Light projected that the revenue requirement would be around \$77 million (6.1 percent) per year and retail sales would grow by almost 1 percent per year.

In RES 32210, City Light proposes a rate path with 9.5 percent average rate increases annually for the first two years and an increase ranging from 7 to 11 percent annually for the remaining four years to generate the revenue required to pay City Light’s costs to deliver services. The proposed increase for 2027 and 2028 would increase a typical residential bill by about \$10 per month and a typical residential bill discounted by the Utility Discount Program (see below) about \$4 month.

Table 1 compares the 2025 – 2030 rate path to the proposed 2027 - 2032. The average rate increases for each year in the proposed rate path are greater than those of the adopted 2025 – 2030 rate path.

*Table 1. Comparison of City Light’s endorsed and proposed rate paths*

Rate Paths Compared	2025	2026	2027	2028	2029	2030	2031	2032
Endorsed 2025-2030	5.4%	5.4%	5.0%	5.0%	5.0%	5.0%	n/a	n/a
Proposed 2027-2032	n/a	n/a	9.5%	9.5%	7%-11%	7%-11%	7%-11%	7%-11%

**2027-2028 Rates Ordinance - CB 121231: Key Aspects**

Customer rates for 2027 and 2028

City Light’s proposed rate changes for 2027 and 2028 would increase by 9.5 percent on January 1 for each year for all retail customer classes on average, upon passage of CB 121231. The

proposed, average annual rate changes for each customer class vary from the overall average rate increases.

City Light has calculated the proposed rate changes for each customer class based on the cost of service and use of power per customer class. These rate changes therefore vary by customer class. Table 2 provides a summary of average rate increases by customer class for reference.

Table 2: Proposed Average Annual Rate Increases for 2027 and 2028

Year	Residential	General Service				Downtown Network		Street Lights	System Average
		Small	Medium	Large	High Demand*				
2027	9.5%	9.5%	9.4%	9.7%	9.1%	7.4%	7.3%	27.2%	9.5%
2028	9.5%	9.5%	9.5%	9.7%	9.0%	8.5%	8.1%	20.9%	9.5%

Source: [Summary and Fiscal Note to CB 121231](#)

The tabulation above shows that Residential and General Service customers (excluding High-Demand) would have increases close to the overall average rate increase (system average). General service is for non-residential customers. The High-Demand rates are set for customers with maximum demand of 10,000 kilowatts (kW) or greater for more than half of their normal billings.

The Downtown Network refers to customers with general service provided through an underground distribution network in Downtown Seattle. Their rate increases would be below the system average due to the proportionally lower cost increases necessary to provide service for this class. Note that these customers have average rates that are about 20 percent higher than non-network customers due to the level of service they receive in terms of capacity and reliability.

The proposed rate changes for street lighting stand out from the other proposed rate changes. The City of Seattle, other public jurisdictions, and private customers pay City Light according to these rates for the service of street lighting. The proposed rate increases for 2027 and 2028 result from sharp increases in capital and operating costs for streetlights including coping with vandalism and wire theft.

#### New rate class for data centers

CB 121231 would create a new rate class for data centers intended to shield customers in the existing rate classes from the costs of the facilities, services, and power required to serve them.

This new rate class, known as “new large data center load,” would be defined in SMC 21.49.020 as “...any service to a data center fed from an expanded or a new installation equal to or greater than 10 (megavolt amperes) MVA of capacity installed within any consecutive five-year

period after January 1, 2027.” MVA is a common measurement unit for electrical equipment like transformers; 10 MVA is the power demand of about 2,000 homes.

CB 121231 would add the definition of “data center” to [SMC 21.49.020](#) meaning “...a facility that is primarily engaged in providing service described under [code 518210](#) of the 2022 North American Industry Classification System (NAICS).” NAICS 518210 covers industry comprised of “...establishments primarily engaged in providing computing infrastructure, data processing services, Web hosting services (except software publishing), and related services, including streaming support services (except streaming distribution services).”

The rate for data centers as new large loads would include the following requirements:

- Not eligible for general service rates;
- Service agreement (contract) with City Light;
- Technical, curtailment, and conservation requirements;
- Full upfront financial responsibility for the cost of any infrastructure serving the data center customer;
- Full recovery of procurement cost of new resources, including power, transmission, and ancillary services;
- Full responsibility for the cost of agreements executed by City Light to serve the customer’s load, until the expiration of the contract term;
- Service only after a contract has been fully executed and City Light has in place all infrastructure, contracts, and resources necessary to provide electrical service;
- Specific charges for power supply, transmission, distribution, base service charge, and other rate components at City Light’s discretion; and
- Rules for aggregating new or expanded installations.

By adopting [RES 32204](#) in June 2026, Council recognized the potential of long-term impacts of data centers on electrical grid capacity and reliability, water usage, utility rates, land use and development, jobs and the economy, and public health; and requested engagement and cooperation from the Executive in the development of data center policies and potential legislation. RES 32204 anticipates establishing a new City Light customer class and conditions of service for new or existing data centers whose electricity demand constitutes a new large load as part of future legislative action. CB 121231 meets that expectation.

In tandem with RES 32204, Council passed [Ordinance 121214](#) in 127447 to adopt a moratorium on the filing, acceptance, processing, or approval of applications for the establishment or expansion of, or change of use to, data centers for one-year effective June 11, 2026.

### Utility Discount Program for City Light

CB 121231 would expand the income eligibility for the Utility Discount Program (UDP) from 70 percent of the State Median Income to 60 percent of the Area Median Income. Through the Utility Discount Program (UDP), eligible households can receive a 60 percent discount on their Seattle City Light (SCL) bills and a 50 percent discount on their Seattle Public Utilities (SPU) bills. The Council is considering separate legislation related to the Utility Discount Program, which is described in more detail in the Issues for Consideration section, below

### Rate Stabilization Account and Bonneville Pass-Through

CB 121231 would modify the purpose and operating rules for the Rate Stabilization Account (RSA), a cash reserve within the Light Fund. CB 121231 would expand the purpose of the RSA from absorbing fluctuations in Net Wholesale Revenue (NWR) to absorbing fluctuations in power costs more broadly and differences between forecasted retail sales and actual sales. However, the proposed language describing the purpose of the RSA is limited to power costs. See Issues for Consideration for discussion, below.

#### *Current RSA*

The purpose of the RSA, established by [Ordinance 121637](#) and most recently amended by [Ordinance 126502](#) in 2021<sup>1</sup>, is generally to cope with fluctuations in City Light's NWR. City Light receives NWR from sales of power in energy markets that is surplus to the needs of City Light's retail customers. Forecasted NWR is used to support City Light's operating and capital expenditures and reduces the impact on retail customers and borrowed money (bond sales).

City Light buys and sells energy in the wholesale market and the sum of these sales and purchases is referred to as NWR. Under the current regulations, the RSA insulates the utility and its retail customers from wholesale power market volatility.

Under the current RSA operating rules, when NWR comes in below planned levels, funds are transferred from the RSA into City Light's operating account. Conversely, when City Light's NWR exceeds the planned levels, the excess is transferred into the operating account.

When the RSA is depleted below defined levels, City Light must impose surcharges on retail customers' bills. On April 1, 2026, City Light removed the most recent RSA surcharge. The RSA was significantly depleted in 2022 and 2023, and the surcharge had been in effect since January 1, 2024.

#### *Proposed RSA*

Per CB 121231, City Light would transfer money from the RSA to the operating account if power costs exceed City Light's monthly forecast instead of when City Light's NWR is less than planned. If the power costs are less than the monthly forecast, then City Light would transfer the difference into the RSA.

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<sup>1</sup> Last ordinance to modify RSA operating rules; rate ordinances have changed NWR targets.

Similarly, the legislation would establish a new mechanism dealing with retail sales. If monthly retail sales exceed forecasted retail sales, then City Light would transfer that amount into the RSA. If monthly retail sales are below the forecast, then the difference calculated in the same way would be transferred out of the RSA. See Issues for Consideration for a discussion of how the proposed RSA operating rules would define power costs and related implications.

CB 121231 would increase the target size (ideal balance) of the RSA from \$100 million to \$150 million. And the legislation would change the maximum balance in the RSA cash reserve from \$125 million to \$200 million. These thresholds were last adjusted via Ordinance 126502 in 2021. Any amount in excess of the maximum would be transferred out of the RSA.

Consistent with the current RSA regulations, the RSA balance would be checked against specific balances as it is depleted by transfers out. And like the current RSA rules, City Light would impose surcharges on retail customer bills when the RSA drops below the specific balances. The proceeds from the surcharges would be deposited into the RSA.

CB 121231 would change the specific RSA balances that would trigger surcharges and the amount of the surcharges. City Light would impose a surcharge of 2 percent whenever the RSA falls below \$120 million on either March 31 or September 30, compared to the surcharge of 2 percent when the RSA falls below \$75 million in the current rules. City Light would deposit the proceeds from the surcharge into the RSA until the RSA balance reaches the target amount of \$150 million.

Whenever the amount in the RSA would be \$80 million or less on either March 31 or September 30, City Light would impose a surcharge equal to 5.0 percent. The 5.0 percent surcharge would replace a 2.0 percent surcharge should one be active. The surcharge would remain in effect until the amount in the RSA reached its target size of \$150 million. The current lower (or second) surcharge trigger amount is \$50 million with an added 2 percent surcharge imposed for a total of 4 percent.

The timing of notification to Mayor and Council about the RSA balance would not change compared to the current rules. No later than 45 days after the end of each quarter, City Light would notify the Mayor and the City Council of the forecast and actual power costs and the cash balance of the RSA.

City Light has stated that there would be no direct impact on 2027 and 2028 retail rates from updating the size and operating rules of the RSA. If CB 121231 passes, then City Light would transfer approximately \$20 to \$30 million to the RSA in January 2027 to increase the amount in the RSA to, or close to, its \$150 million target.

*Bonneville Pass-Through*

City Light purchases about a third of its energy from Bonneville Power Administrations (BPA), a federal power-marketing administration, to meet retail customer demand. Currently, City Light must pass-through changes in costs of power purchases from BPA as an adjustment to customers' bills. CB 121231 would repeal the BPA pass-through regulations because the revised RSA rules would encompass BPA power costs.

## **Issues for Consideration**

### Issue 1: Redundant legislation

The Governance and Utilities Committee is considering and will possibly vote on [CB 121222](#) on July 9 that would modify eligibility for UDP for both City Light and Seattle Public Utilities in the same manner. Councilmember Strauss is sponsoring the legislation with Council President Hollingsworth co-sponsoring. If Council approves CB 121222, an amendment to CB 121231 to eliminate the redundancy would be necessary.

See the record for CB 121222 for the legislative materials including the presentations, agendas, and links to the video record of Governance and Utilities Committee meetings.

### Issue 2: Using RSA for retail sales variability

As described above, CB 121231 would allow City Light to make transfers in and out of the RSA based on actual power costs and retail sales compared to the utility's forecast for them. The step from NWR to power costs more broadly is significant alone, separate from considering RSA changes to include retail sales. Allowing the use of the RSA to cover for retail sales variability would be a more significant policy change beyond allowance for power cost flux.

The Council may wish to more clearly define the purposes of the RSA and whether or not to include coping with retail sales variability. If Council wishes to include retail sales, then Council may wish to modify the language dealing with the purpose of the RSA to clarify that it would cover power costs and retail sales to better describe how the changed RSA would actually function.

### Issue 3: Definitions in proposed RSA code changes

The proposed change in purpose for the RSA from coping with NWR fluctuations to coping with power cost fluctuations relies upon new definitions that employ undefined terms. In order to understand the scope and magnitude of the shift from NWR to power cost, it's necessary for the definition of power cost and related matters to be clear.

CB 121231 would add to SMC 21.49.020:

“Net variable power cost” mean costs for short-term and long-term purchased power, purchased transmission services, and ancillary services net of associated revenues from sales of short and long-term power, transmission services, and ancillary services.

and

“Net variable power cost average price” means the annual net variable power cost divided by total annual retail sales used to set retail rates.

The following terms in the first definition are not defined either explicitly (in SMC 21.49.020) or implicitly in the context of code language:

- “Short-term purchased power and revenues”;
- “Long-term purchased power and revenues”;
- “Transmission services”; and
- “Ancillary services”

City Light would use the net variable power cost average price to calculate how much money from retail sales to transfer to or from the RSA under the proposed operating rules. While the term, “retail sales,” can be understood generally and in the context of the portions of the SMC dedicated to retail rates, the exact definition of the term is preferred to fully comprehend how City Light would calculate the amount of the transfers

Central Staff asked City Light staff to provide the intended definitions for the terms. City Light responded with the tabulation of the definitions and examples for each term shown in Table 3, below. After the Committee has reviewed the definitions, they may wish to consider amending the proposal.

Table 3: Definitions related to power costs and retail sales

Term	Definition	Example
Short-term purchased power costs and revenues	Electricity Seattle City Light buys or sells under agreements less than one year.	Wholesale Market purchases to balance City Light’s load
Long-term purchased power costs and revenues	Electricity Seattle City Light buys or sells under agreements greater than one year	BPA power contract
Transmission services	Costs City Light pays to other utilities/transmission providers to move electricity over their transmission systems, as well as any revenue City Light receives when other electricity providers use surplus transmission capacity on City Light’s system	BPA transmission (wheeling) contract
Ancillary Services	Support services purchased or sold that keep the electric system running reliably but are <i>not</i> part of buying or selling electricity itself.	Frequency Regulation and Operating Reserves
Retail Sales	Amount of energy (MWh) delivered to retail customers	All the energy delivered to customers and billed as retail revenue.

### Next Steps

If the Committee votes on a recommendation on RES 32210 on July 1, 2026, then the City Council could take final action as soon as July 7.

On July 1, the Committee will discuss CB 121231, the City Light rate ordinance for 2027-2028 in advance of possible Committee vote on July 15, 2026. If approved by the Committee, the City Council could take final action as soon as July 21.

cc: Lish Whitson, Director  
Calvin Chow, Deputy Director  
Jennifer LeBrecque, Supervising Analyst

# 2027-2032 Strategic Plan RES & 2027-2028 Retail Rate ORD

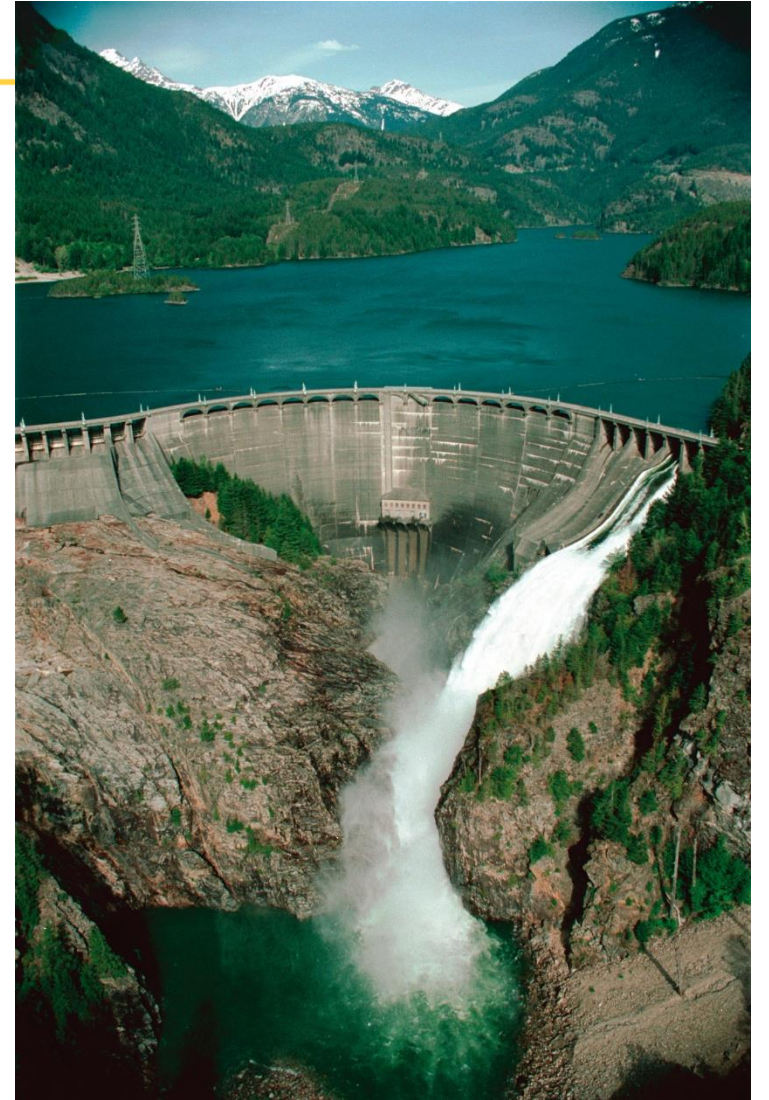
Parks & City Light Committee

July 1, 2026

# Summary

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- Strategic Plan Resolution
  - Adopts City Light's 2027-2032 strategic plan
  - Endorses 9.5% rate path for 2027 and 2028
- Rate Ordinance
  - Implements rate increases
  - New large data center load policy
  - Expands Rate Stabilization Account (RSA)
  - Utility Discount Program (UDP) eligibility



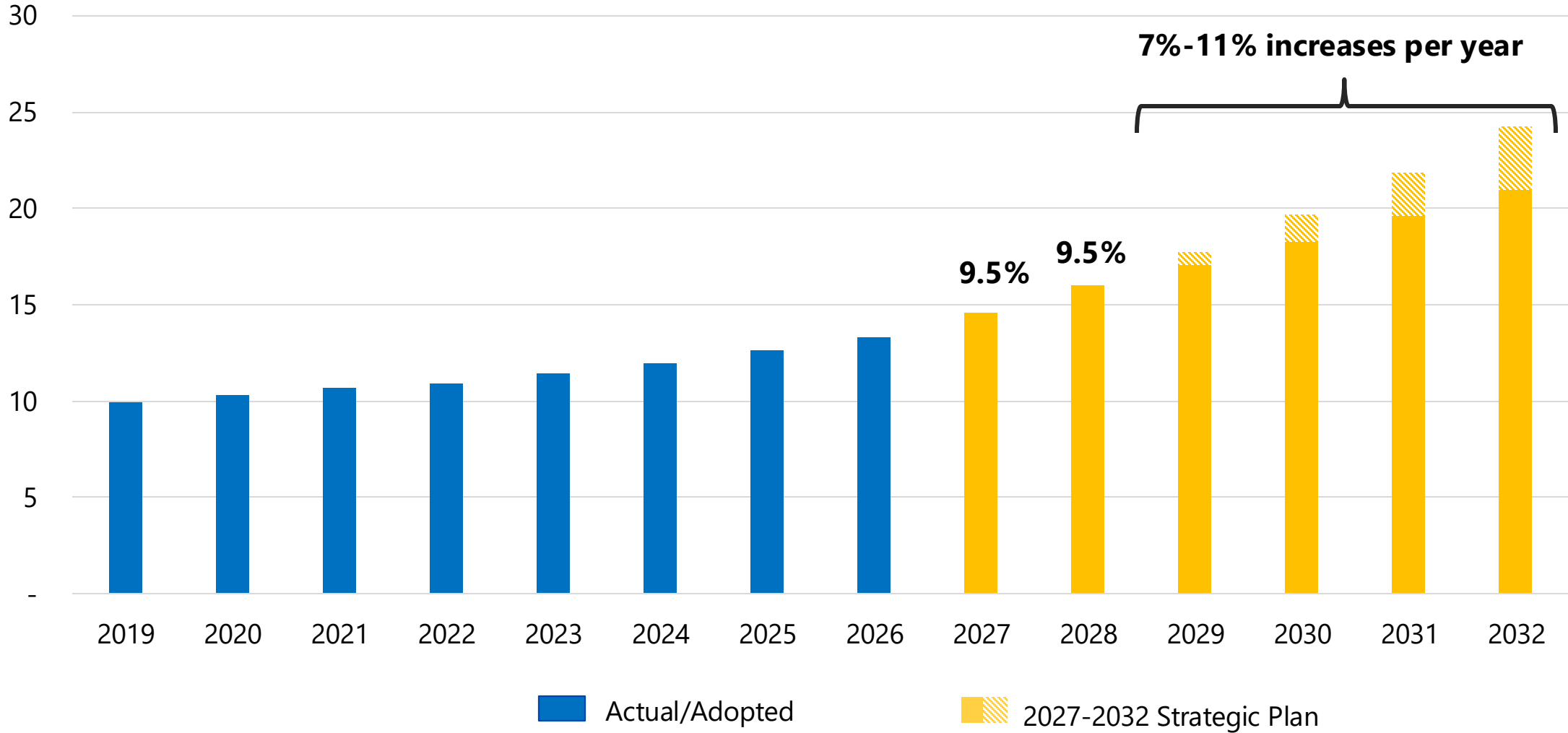
# Rate Ordinance

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1. Sets new electric rates effective Jan 1, 2027 and Jan 1, 2028
  - Increases average 9.5% annually, per strategic plan
  - Updated cost allocation and rate design
2. Establishes rate for new data centers
3. Expands Rate Stabilization Account (RSA)
4. Broadens Utility Discount Program (UDP) eligibility

# Strategic Plan Retail Rate Path

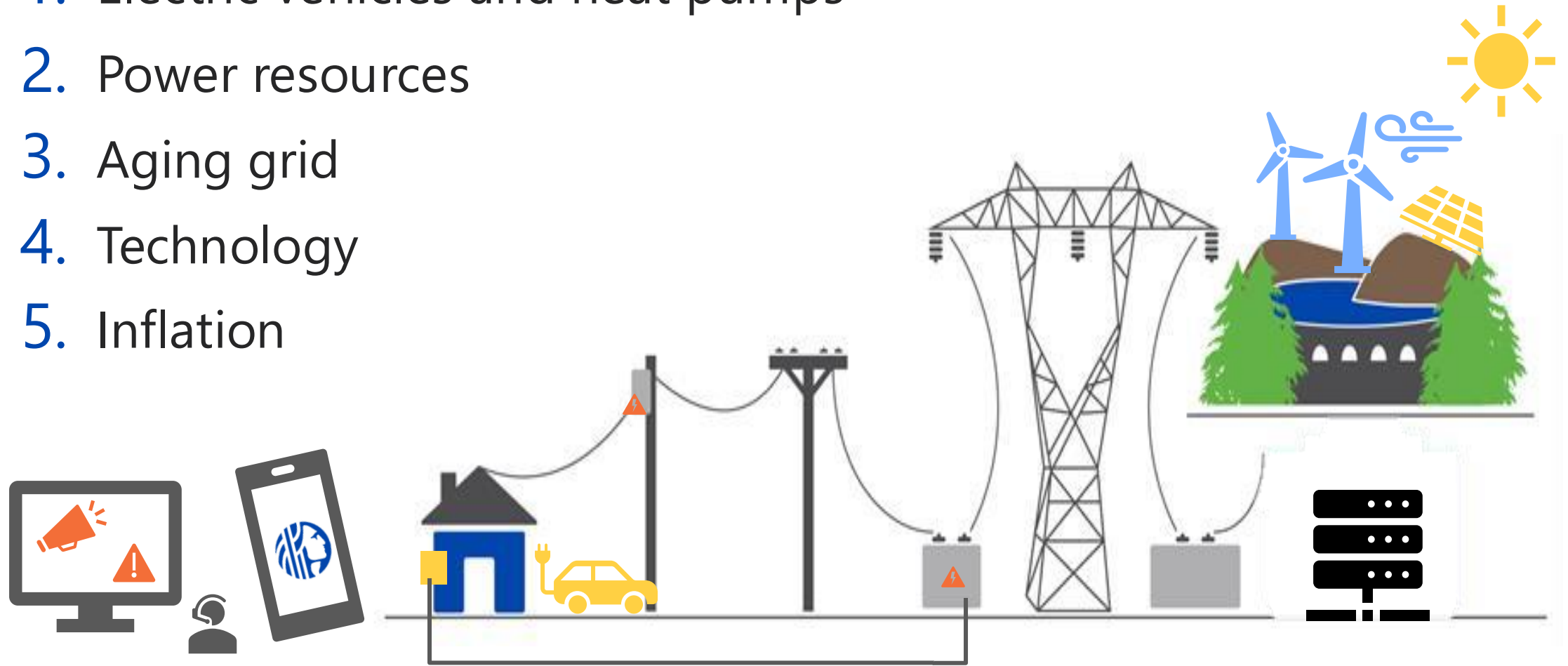
¢ per kWh



# Why Rate Increases are Needed

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1. Electric vehicles and heat pumps
2. Power resources
3. Aging grid
4. Technology
5. Inflation



# Investing in Infrastructure

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- Direct buried underground cable
  - 300 miles of failing cable
  - Replacement cost ~\$2 billion
- Poles & transformers
- Hydroelectric dams
  - Skagit Gorge dam superstructure
  - Boundary forebay bridge
- Wildfire mitigation



# Growth & Urban Density

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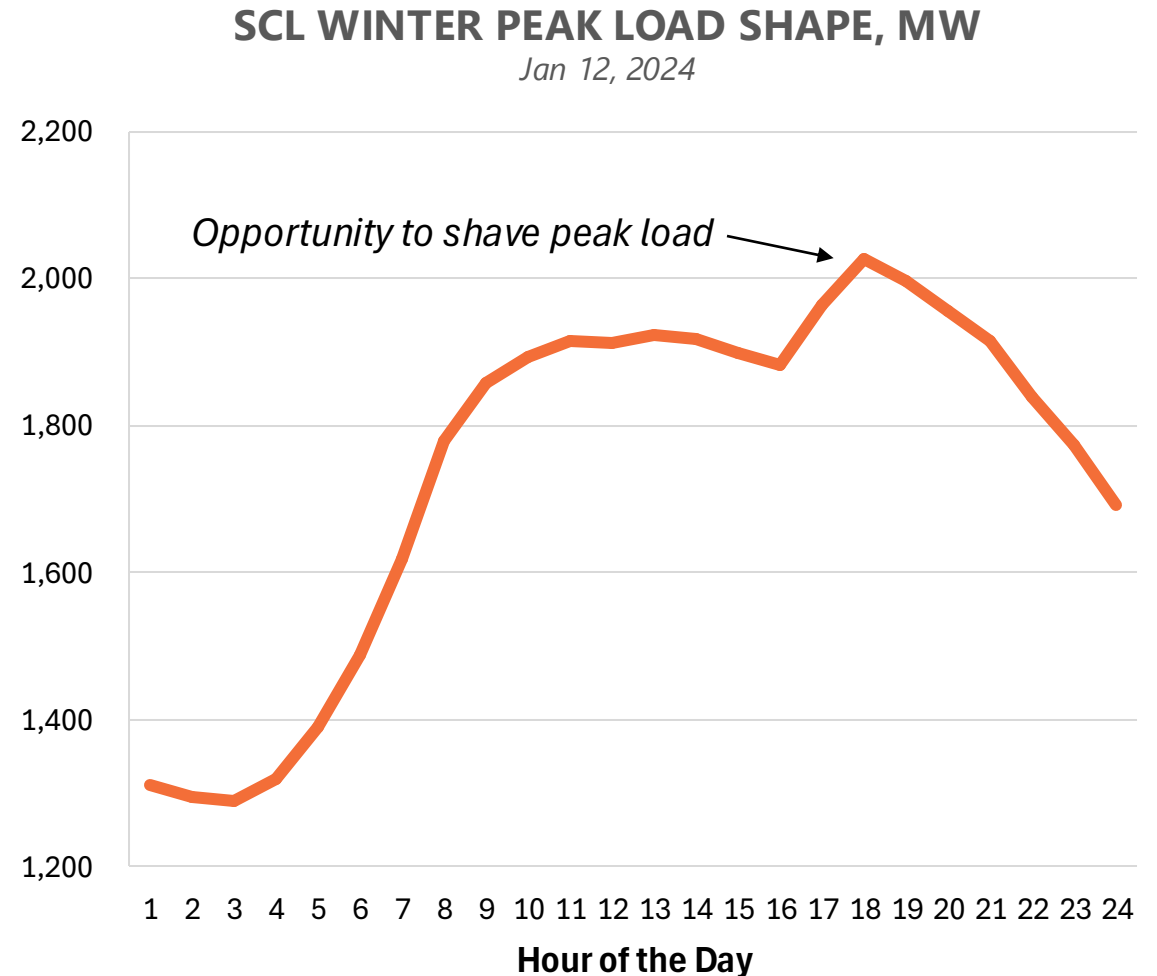
*Service drops for new multifamily developments must be underground for safety.*

*Policies and fees ensure new development pays its fair share, so existing residents and businesses aren't left covering the costs.*



# Managing Peaks in Demand

- Leverage hydro flexibility
  - Skagit
  - New Bonneville contract
- New resources
- Customer demand response
  - Time-of-Use Rates
  - Large Industrial Curtailment
  - DERMS (Distributed Energy Resource Management System)



# Cost Allocation & Rate Design

## AVERAGE ANNUAL RATE INCREASES

	Residential	General Service				Downtown Network		Street Lights	System Average
		Small	Medium	Large	High Demand	Medium	Large		
2027	9.5%	9.5%	9.4%	9.7%	9.1%	7.4%	7.3%	27.2%	9.5%
2028	9.5%	9.5%	9.5%	9.7%	9.0%	8.5%	8.1%	20.9%	9.5%

**Residential and general service:** Increases near the 9.5% average.

**Downtown network:** Lower increases of about 7–8%; network service remains priced at a premium.

**Streetlights:** Significant increases due to rising maintenance costs.

# Bill Impacts: Residential Rates

Residential Standard		2026	2027	2028	
2027 average increase:	9.5%	Energy (\$/kWh)	\$0.1338	\$0.1417	\$0.1457
2028 average increase:	9.5%	Base Service Charge (\$/month)	\$12.00	\$16.78	\$23.55
Number of meters:	467,866				

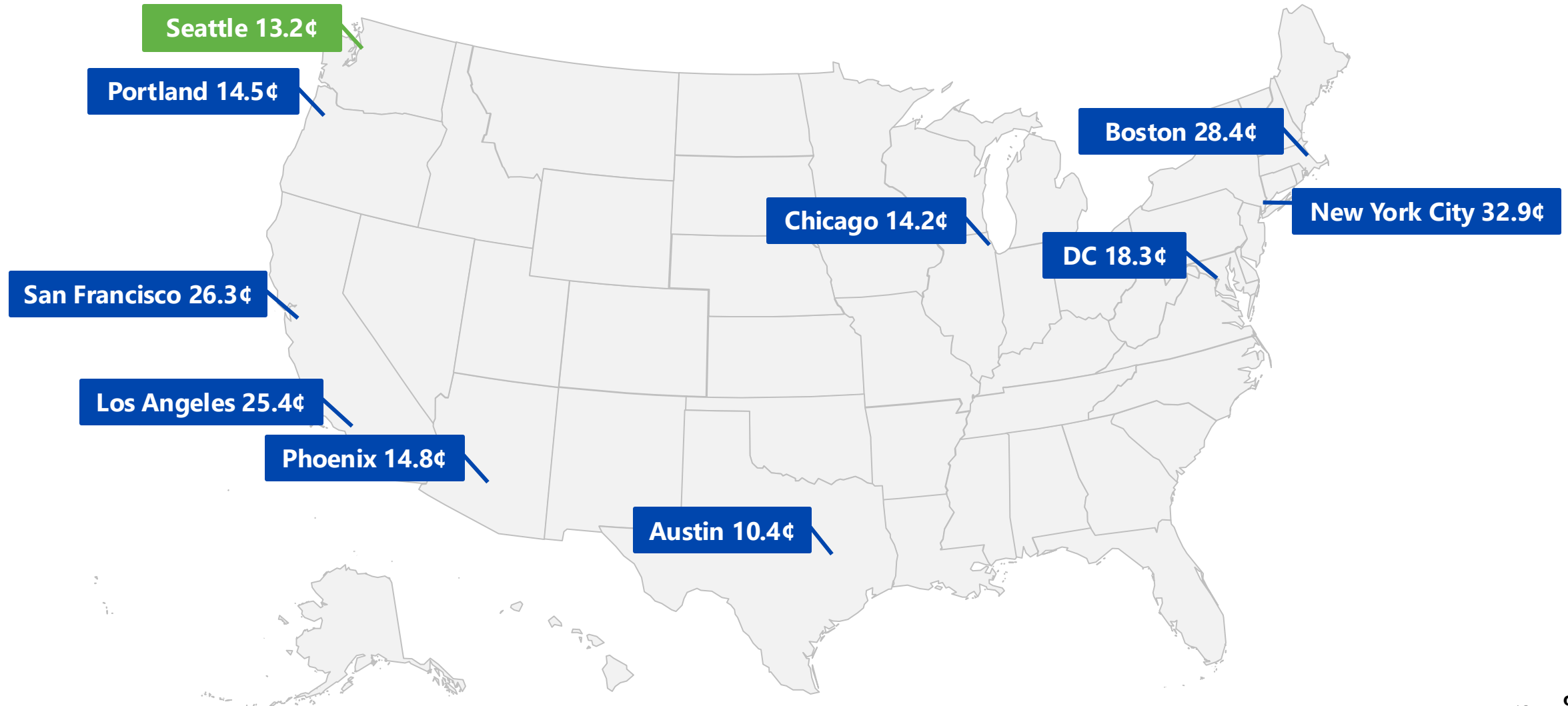
Monthly Bills	kWh	2026	2027	Increase	2028	Increase
Apartment- Gas Heat	204	\$39	\$46	<b>\$6</b>	\$53	<b>\$8</b>
Apartment- Electric Heat	463	\$74	\$82	<b>\$8</b>	\$91	<b>\$9</b>
SF Home- Gas Heat	634	\$97	\$107	<b>\$10</b>	\$116	<b>\$9</b>
SF Home- Electric Heat	841	\$124	\$136	<b>\$11</b>	\$146	<b>\$10</b>
SF Home- High Use	1,180	\$170	\$184	<b>\$14</b>	\$195	<b>\$11</b>

# Bill Impacts: Small/Medium Businesses

Monthly Bills	kWh	2026	2027	Increase	2028	Increase
Small Office	1,195	\$173	\$190	<b>\$16</b>	\$213	<b>\$23</b>
Car Wash	7,573	\$965	\$1,042	<b>\$78</b>	\$1,110	<b>\$68</b>
Investment Firm	8,833	\$1,121	\$1,211	<b>\$90</b>	\$1,288	<b>\$77</b>
Fast Food Restaurant	17,078	\$2,144	\$2,313	<b>\$169</b>	\$2,448	<b>\$135</b>
Small Grocery Store	34,463	\$3,863	\$4,264	<b>\$401</b>	\$4,701	<b>\$437</b>
Apartment Complex	216,300	\$24,614	\$26,673	<b>\$2,060</b>	\$28,995	<b>\$2,322</b>
Real Estate Development	453,050	\$48,411	\$52,306	<b>\$3,895</b>	\$56,727	<b>\$4,421</b>

# Comparing Electric Rates in Other US Cities

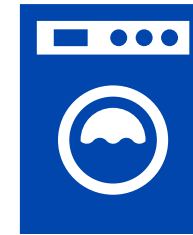
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# Navigating Big Rate Increases

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- Broad customer communication
  - Newsletters, blog, social media, news
  - Community forums and in-person events
- Opportunities for savings
  - “Energy Insights” online tool
  - Time of use rates
  - Efficiency investments and rebates
  - Multifamily home incentives



# Supporting Affordability for All

## For Income-Qualified



**60% bill discount**

*Utility Discount Program*



**Up to \$1,670 for past due bills**

*Emergency Bill Assistance & Project Share*



**Up to \$1,250 for heating costs**

*Federal LIHEAP*



**Up to \$1,000 for energy costs**

*State Home Energy Assistance Program (SHEAP)*

## For Anyone



**Pay a levelized amount each bill, readjusts annually**

*Budget Billing Program*



**60 days to catch up on past due bills**

*Short Term Payment Plan*

**Ordinance expands UDP eligibility**



# THANK YOU

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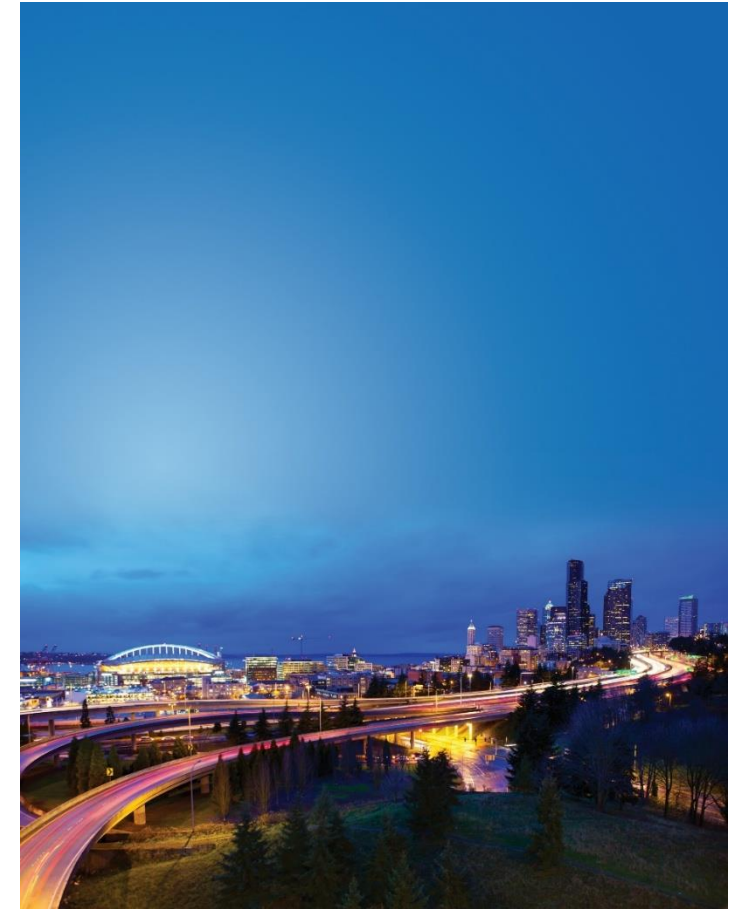


**Seattle City Light**

# New Data Center Rate

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- **New rate class for data centers with new or expanded service greater than 10 MVA**
  - Pay upfront for any grid investments
  - Rate based on cost of new power and transmission
  - Contract demand and overrun fees
  - Required curtailment provisions, conservation
- Policy ensures existing customers are held harmless
- Large load policies are becoming industry standard



# Rate Stabilization Account (RSA) Expansion

- RSA created in 2010 to absorb wholesale cost/revenue fluctuations. If needed, automatic rate surcharges trigger to rebuild the cash reserve.

	Current RSA	Expanded RSA
<b>Applies to</b>	Wholesale	Wholesale + Power Contracts + Retail Load Variation
<b>Size / Ceiling</b>	\$100M / \$125M	\$150M / \$200M
<b>Surcharges</b>	2% at \$75M    4% at \$50M <i>All rate components</i>	2%* at \$120M    5%* at \$80M <i>Per-kWh rates only</i>

\* Percentage of average system rate, all customers pay same per-kWh surcharge

- Expansion does not require higher rates or surcharge.

# UDP Program Expansion

- Utility Discount Program (UDP) provides 60% discount on electric bills
- Ordinance expands eligibility
  - Current: 70% of SMI (state median income)
  - New: 60% of AMI (area median income)
- Adds about 31k more eligible customers

**AVERAGE ENERGY BURDEN AFTER DISCOUNT**

Discount	0<10%	10<20%	20<30%	30<40%	40<50%	50<60%	60<70%	70<80%
80%	3%	1%	1%	1%	0%	0%	0%	0%
70%	5%	2%	1%	1%	1%	1%	0%	0%
60%	6%	2%	2%	1%	1%	1%	1%	1%
50%	8%	3%	2%	1%	1%	1%	1%	1%
40%	9%	4%	2%	2%	1%	1%	1%	1%
30%	11%	4%	3%	2%	2%	1%	1%	1%
20%	12%	5%	3%	2%	2%	1%	1%	1%
10%	14%	6%	4%	3%	2%	2%	1%	1%
5%	14%	6%	4%	3%	2%	2%	1%	1%
No discount	15%	6%	4%	3%	2%	2%	1%	1%

# Regional Rate Increase Comparison

Residential Rate Increases						27/28 Proposals:
Utility	2023	2024	2025	2026	Avg	
Seattle City Light	3.4%	5.5%	4.1%	4.8%	4.5%	
Tacoma Power	3.9%	3.9%	6.5%	6.5%	5.2%	
Puget Sound Energy	8.7%	1.7%	12.0%	12.0%	8.6%	<b>+21%</b>
Snohomish PUD	2.0%	5.8%	4.9%	2.8%	3.9%	
Portland General Electric	7.0%	18.0%	5.5%	2.8%	10.2%	
Avista - Washington	5.0%	2.0%	2.6%	4.4%	3.8%	<b>+19%</b>

as of 3/20/2026



## Legislation Text

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**File #: CB 121231, Version: 1**

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The City of Seattle

Ordinance

Council Bill

..title

An ordinance relating to the City Light Department; establishing new retail rate schedules; establishing a new customer class and conditions of service for data centers whose electricity demand constitutes a new large load; modifying customer charges for service connections; modifying customer eligibility for residential rate assistance; augmenting the rate stabilization account mechanism; amending Sections 21.49.020, 21.49.030, 21.49.040, 21.49.052, 21.49.055, 21.49.057, 21.49.058, 21.49.060, 21.49.065, 21.49.083, 21.49.086, 21.49.110, and 21.49.130 of the Seattle Municipal Code; adding a new Section 21.49.059 to the Seattle Municipal Code; and repealing Section 21.49.081 of the Seattle Municipal Code.

..body

Recitals:

The City Light Department (Department) is projecting growth in retail electricity sales driven largely by increased adoption of electric vehicles and other forms of environmentally beneficial electrification.

The cost for procuring new, reliable, carbon-free power resources needed to serve this growing load has risen substantially in an increasingly competitive regional market.

The region's transition from bilateral power trading to organized energy markets is increasing the complexity and volatility of both long-term resource procurement and short-term energy trading, requiring new tools, expertise, and staffing the Department has not needed during decades of declining load.

The Department's costs for labor, materials, and contracted services necessary to provide electrical services are increasing faster than general inflation.

The Department has deferred a significant amount of maintenance and asset replacement in the distribution system, including underground cable replacement, requiring accelerated work over the coming decade to maintain adequate reliability to customers.

The combined effect of rising load, higher power-supply costs, escalating construction and labor expenses, and the need to address deferred infrastructure work will require retail rate increases higher than recent historical levels.

The City Light Department's Proposed 2027-2032 Strategic Plan Update establishes the revenue requirements for 2027 and 2028, which translate to average rate increases of 9.5 percent in both years.

The Department has completed a cost-of-service study that identifies the amount of revenue to be collected from each customer rate class.

In addition to system-wide cost pressures, the Department is experiencing increasing interest from customers whose significant and often location-specific power needs may require substantial new infrastructure as well as incremental power.

Although the Department has historically maintained a surplus of energy and capacity, increasing electricity demand will outpace the capabilities of legacy resources and existing infrastructure, necessitating new investments to reliably serve customers.

The regional market for new bulk electricity and transmission resources indicates that the marginal cost of serving new demand will be considerably higher than the cost of the Department's legacy power resources.

Because the marginal cost of new power supply is significantly higher than the cost of legacy resources, large new loads create upward pressure on retail rates unless their full costs are directly assigned to them.

To protect existing ratepayers from bearing the cost of serving new large loads, it is essential the Department establish a clear framework ensuring new large loads pay the full cost of the facilities, services, and power required to serve them.

A significant share of recent inquiries for new large service connections indicates the most likely near-term source of new demand approaching 100 megawatts will come from data centers.

Data centers collectively pose a higher risk of stranded investment to the Department and its ratepayers due to the more portable nature of their business model compared to other similarly sized industrial and commercial customers.

Reliably serving large additions to system load will require the Department to procure new resources, whether by constructing and operating new facilities or entering into long-term power purchase agreements, at costs significantly higher than those of its existing portfolio.

RCW 80.28.010 requires rates for electricity service to be just, fair, reasonable, and sufficient, and provides the Department with the authority to establish distinct customer classes when necessary to ensure that no group of customers imposes undue costs on others.

The Department's longstanding policy of requiring customers to pay the full cost of new or enlarged service connections, including transformers and other dedicated facilities, reflects the principle that costs should be borne by the customers who cause and also benefit from them, and this same principle underlies the Department's approach to large new loads. The creation of a separate customer class for data centers is necessary to mitigate the combined risks associated with their substantial infrastructure requirements, higher marginal power-supply costs, potential for stranded investment, and material rate impacts on existing customers.

Protecting existing customers from the cost impacts of large new loads and reducing energy burden for households with limited incomes are complementary strategies that advance the Department's core obligation to maintain affordability, fairness, and equitable treatment for all customers.

Rising energy costs and increasing energy burden in Seattle place disproportionate strain on households with limited incomes.

The Washington Clean Energy Transformation Act (CETA), codified in chapter 19.405 RCW, directs electric utilities to identify and reduce the energy burden on income-constrained households and to demonstrate measurable progress toward meeting the energy-assistance needs of those customers.

Expanding eligibility for the City's Utility Discount Program is a necessary strategy to reduce energy cost burden, improve affordability, and ensure the transition to a clean-energy future does not exacerbate inequities for households least able to absorb higher utility costs.

Updating the eligibility threshold from 70 percent of the Washington State median income to 60 percent of the United States Department of Housing and Urban Development (HUD) Multifamily Tax Subsidy Project area median income limits will allow more households in the Department's service area to qualify for rate assistance.

Ensuring affordability for all customers requires not only expanding assistance programs, but also strengthening the Rate Stabilization Account (RSA) within the Light Fund, which provides financial stability to the Department and its customers. Customers have consistently identified stability and predictability in electric rates as essential to affordability, and strengthening the RSA is necessary to meet these expectations in a more volatile energy environment.

Although the RSA has historically provided effective protection against wholesale market volatility and hydroelectric variability, the extreme conditions of 2022-2023, when low hydroelectric generation, volatile market prices, and severe weather required emergency legislation to transfer additional funds, demonstrated that the current RSA balance and structure are no longer adequate to manage the utility's current level of risk.

More frequent extreme weather events driven by climate change have increased variability in customer electricity use, making load forecasting more uncertain and heightening the Department's exposure to power-cost volatility.

Revenue from surplus wholesale power sales has become more volatile overall due to increasing uncertainty in hydroelectric generation driven by climate change and to greater market price fluctuations resulting from an evolving energy landscape, creating the need for a larger and more flexible RSA balance.

The acquisition of new power resources adds uncertainty to forecasting purchased-power costs when setting retail rates, and the volume of new power purchases is directly related to the volume of wholesale market transactions.

These uncertainties, combined with variability in both short- and long-term purchased power costs, underscore the need for a more comprehensive approach to better shield customers from power cost fluctuations.

Bonneville Power Administration (BPA) cost uncertainty will be incorporated into the expanded Rate Stabilization Account Mechanism, so the BPA passthrough mechanism (Seattle Municipal Code Section 21.49.081) may be retired.

Establishing a single mechanism for buffering bulk variable power costs and revenues will simplify and improve City Light's ability to manage such variable power costs.

The rate, customer-class, assistance-program, and financial-stabilization changes adopted through this ordinance are necessary to ensure the Department can continue providing reliable, affordable, and equitable electric utility service in a rapidly changing energy landscape. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. Section 21.49.020 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.020 Definitions

A. The following terms or abbreviations, as used in this Chapter 21.49, have the following meanings:

\* \* \*

"Data center" means a facility that is primarily engaged in providing service described under code 518210 of the 2022

North American Industry Classification System.

"Default rate schedule" means the rate schedule on which customers will automatically be placed.

\* \* \*

"MVA" means megavolt-ampere.

"MW" means megawatt.

"MWh" means megawatt-hour.

\* \* \*

"Net variable power cost" mean costs for short-term and long-term purchased power, purchased transmission services, and ancillary services net of associated revenues from sales of short and long-term power, transmission services, and ancillary services.

"Net variable power cost average price" means the annual net variable power cost divided by total annual retail sales used to set retail rates.

"New large data center load" means any service to a data center fed from an expanded or a new installation equal to or greater than 10 MVA of capacity installed within any consecutive five-year period after January 1, 2027.

"Normandy Park customer" means a customer receiving service at a location in the City of Normandy Park.

\* \* \*

Section 2. Section 21.49.030 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.030 Residential rates (Schedules RSC, RSS, RTC, and RTS)

A. Schedules RSC and RSS are for all separately metered residential services and are the default rate schedules.

((For all residential rate schedules, summer billing is defined as April 1 through September 30, and winter billing is defined as all other days. For all residential rate schedules, the First Block energy charge shall apply to the first 10 kWh per day for summer billing, and the first 16 kWh per day for winter billing. The End Block energy charge shall be applied to all additional kWh. Effective January 1, 2025, all kWh will be billed at the same rate.)) Schedule RSS rates will be adjusted for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule RSC (Residential: City Default)

aSchedule RSC (Residential: City Default)

RSC

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Base Service Charge cents per meter per day

((26.23))

((29.59))

39.45

55.18

72.22

((First Block Energy Charge cents per kWh))

((12.29))

((End Block Energy Charge cents per kWh))

((13.07))

Energy Charge cents per kWh

((13.22))

13.38

14.17  
14.57

Schedule RSS (Residential: Suburban Default)

bSchedule RSS (Residential: Suburban Default)

RSS

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Base Service Charge cents per meter per day

((26.23))

((29.59))

39.45

55.18

77.22

((First Block Energy Charge cents per kWh))

((12.83))

((End Block Energy Charge cents per kWh))

((13.64))

Energy Charge cents per kWh

((13.22))

13.56

14.24

14.95

All charges in Schedule RSS shall be increased by the following percentages respective

of the location of service:

cThis table shows suburban franchise and tax multipliers for Schedule RSS.

RSS suburban franchise and tax multipliers

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Burien, King County, SeaTac, Shoreline

((8.00%))

((8.00%))

8.00%

8.00%

8.00%

Tukwila

((7.23%))

((7.04%))

7.19%  
7.05%  
7.07%  
Lake Forest Park  
(8.04%)  
(8.04%)  
8.04%  
8.04%  
8.04%  
Normandy Park  
(6.38%)  
(6.38%)  
6.38%  
6.38%  
6.38%

Additional undergrounding charges will apply to all customers in Shoreline and Burien

as follows:

Shoreline  
dSuburban undergrounding charges - Shoreline  
Suburban Undergrounding Charges((  
(Effective January 1, 2023))  
Effective January 1, 2025  
(Shoreline))

North City Undergrounding Charge cents per kWh  
(0.07)  
0.07

Aurora 1 Undergrounding Charge cents per kWh  
(0.17)  
0.17

Aurora 2 Undergrounding Charge cents per kWh  
(0.18)  
0.18

Aurora 3A Undergrounding Charge cents per kWh  
(0.05)  
0.05

Aurora 3B Undergrounding Charge cents per kWh  
(0.22)  
0.22

Burien  
eSuburban undergrounding charges - Burien  
(Burien))

Suburban Undergrounding Charges  
(Effective January 1, 2023))  
Effective January 1, 2025  
First Avenue South 1 Undergrounding Charge cents per kWh  
(0.37)  
0.37  
First Avenue South 2 Undergrounding Charge cents per kWh  
(0.13)  
0.13

B. Time-of-Use rates (Schedules RTC and RTS) are optional rate schedules available to customers ((who have a

fully functioning advanced meter. Time-of-Use rates will be available to customers enrolled in the net metering program once necessary updates to the billing system are completed, as determined by the Department.) who meet eligibility requirements outlined in City Light's Department Policy and Procedure (DPP) 500 P III-434, as amended, or successor rule. Customers may return to their default rate schedule but will not be able to re-enroll in Schedule RTC or RTS until 12 months from the time of unenrollment. The same franchise and tax multipliers and suburban undergrounding charges apply to Schedule RTS as Schedule RSS.

Schedule RTC (Residential: City Time-of-Use)

fSchedule RTC (Residential: City Time-of-Use)

RTC

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Base Service Charge cents per meter per day

((26.23))

((29.59))

39.45

55.18

77.22

Energy Off-Peak cents per kWh

((7.57))

((7.96))

8.05

8.45

8.69

Energy Mid-Peak cents per kWh

((13.25))

((13.93))

14.09

14.79

15.21

Energy Peak cents per kWh

((15.14))

((15.92))

16.10

16.90

17.38

Schedule RTS (Residential: Suburban Time-of-Use)

gSchedule RTS (Residential: Suburban Time-of-Use)

RTS

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Base Service Charge cents per meter per day

((26.23))

((29.59))

39.45

55.18

77.22

Energy Off-Peak cents per kWh

((7.97))

((7.96))

8.16  
8.51  
8.93  
Energy Mid-Peak cents per kWh  
((13.95))  
((13.93))  
14.28  
14.89  
15.63  
Energy Peak cents per kWh  
((15.94))  
((15.92))  
16.32  
17.02  
17.86

Off-Peak is 12 a.m. to 6 a.m. every day.

Mid-Peak is 6 a.m. to 5 p.m. and 9 p.m. to 12 a.m. Mondays through Saturdays and 6 a.m. to 12 a.m. on Sundays and holidays.

Peak is 5 p.m. to 9 p.m. Mondays through Saturdays, excluding holidays.

\* \* \*

Section 3. Section 21.49.040 of the Seattle Municipal Code, last amended by Ordinance 125171, is amended as follows:

21.49.040 Residential rate assistance

A. Utility discount program established

1. The City has established a utility discount program to assist qualified low-income residential utility customers with the costs of utility services provided by the City, including electric utility services.

2. The utility discount program is available to qualified low-income residential customers in accordance with this Chapter 21.49.

3. The utility discount program is available for separately metered residential service provided to customers who show satisfactory proof that they have a City Light residential account and reside in the dwelling unit where the account is billed and that they:

a. Receive Supplemental Security Income pursuant to 42 USC Sections 1381-1383; or

b. Reside in a household ((in which the income of all household members together)) whose combined gross income does not exceed ((70 percent of the Washington State median income)) 60 percent of the United States Department of Housing and Urban Development (HUD) Multifamily Tax Subsidy Project Area Median Income for the Seattle-Bellevue Metro FMR Area adjusted for ((the number of individuals in the)) household ((as computed)) size and updated annually ((by the state or the City)).

4. The Department is authorized and directed to administer the program, including promulgating administrative rules from time to time in the manner provided in ((the)) Chapter 3.02 and entering into cooperative agreements to carry out the intent and purpose of this Chapter 21.49, in consultation with Seattle Public Utilities and the Human Services Department, where appropriate. Customer compliance with the program rules is a condition for initial or ongoing eligibility for the utility discount program.

\* \* \*

Section 4. Section 21.49.052 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.052 Small general service (Schedules SMC, SMS, SMD, STC, and STS)

A. Small general service is general service provided to customers who are not demand metered or, if demand metered, have had in the previous calendar year more than half of their normal billings at less than 50 kW of maximum demand. Classification of new customers as small general service customers will be based on the Department's estimate of maximum demand in the current year. Customers who are assigned flat rate bills shall be charged according to small general service energy charges. Schedule SMS and STS rates will be increased for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule SMC (Small General Service: City Default)

hSchedule SMC (Small General Service: City Default)

SMC

((Effective January 1, 2024))

((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Charge cents per kWh  
((11.24))  
((11.93))  
12.41  
13.37  
14.07  
Base Service Charge dollars per meter per day  
((\$0.46))  
((\$0.62))  
\$0.82  
\$0.98  
\$1.47  
Minimum Charge dollars per meter per day  
((\$0.46))  
((\$0.62))  
\$0.82  
\$0.98  
\$1.47  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15  
Transformer investment credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule SMS (Small General Service: Suburban Default)  
iSchedule SMS (Small General Service: Suburban Default)  
SMS  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Charge cents per kWh  
((11.02))  
((11.19))  
11.61  
13.15  
13.77  
Base Service Charge dollars per meter per day  
((\$0.48))  
((\$0.57))  
\$0.75  
\$0.98  
\$1.47

Minimum Charge dollars per meter per day

((\$.48))

((\$.57))

\$0.75

\$0.98

\$1.47

Power Factor Charge cents per kVarh

((0.15))

((0.15))

0.15

0.15

0.15

Transformer investment credit per kW of monthly maximum demand

((\$.30))

((\$.30))

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

All charges and credits in Schedule SMS shall be increased by the following

percentages based on the location of service:

jSMS suburban franchise and tax multipliers

SMS suburban franchise and tax multipliers

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Burien, King County, SeaTac, Shoreline

((8.00%))

((8.00%))

8.00%

8.00%

8.00%

Tukwila

((7.43%))

((7.23%))

7.41%

7.21%

7.22%

Lake Forest Park

((8.04%))

((8.04%))

8.04%

8.04%

8.04%

Normandy Park

((6.38%))

((6.38%))

6.38%

6.38%

6.38%

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

kSuburban undergrounding charges - Shoreline

Suburban Undergrounding Charges((\))

((Effective January 1, 2023))

Effective January 1, 2025

((Shoreline))

North City Undergrounding Charge cents per kWh

((0.07))

0.07

Aurora 1 Undergrounding Charge cents per kWh

((0.17))

0.17

Aurora 2 Undergrounding Charge cents per kWh

((0.18))

0.18

Aurora 3A Undergrounding Charge cents per kWh

((0.05))

0.05

Aurora 3B Undergrounding Charge cents per kWh

((0.22))

0.22

Burien

ISuburban undergrounding charges - Burien

((Burien))

Suburban Undergrounding Charges

((Effective January 1, 2023))

Effective January 1, 2025

First Avenue South 1 Undergrounding Charge cents per kWh

((0.37))

0.37

First Avenue South 2 Undergrounding Charge cents per kWh

((0.13))

0.13

Schedule SMD (Small General Service: Network Default)

mSchedule SMD (Small General Service: Network Default)

SMD

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Charge cents per kWh

((11.24))

((11.93))

12.41

13.37

14.07

Base Service Charge dollars per meter per day

((\$.46))

((\$.62))

\$0.82  
\$0.98  
\$1.47  
Minimum Charge dollars per meter per day  
((\$0.46))  
((\$0.62))  
\$0.82  
\$0.98  
\$1.47  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15  
Transformer investment credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

B. Time-of-Use rates (Schedules STC and STS) are optional rate schedules available to customers ((who have a fully functioning advanced meter. Time-of-Use rates will be available to customers enrolled in the net metering program once necessary updates to the billing system are completed, as determined by the Department.)) who meet eligibility requirements outlined in City Light's Department Policy and Procedure (DPP) 500 P III-434, as amended, or successor rule. Customers can return to their default rate schedule but will not be able to re-enroll in schedules STC or STS until 12 months from the time of unenrollment. Schedule STC is available to customers on either SMC (City) or SMD (Network) rate schedules.

Schedule STC (Small General Service: City Time-of-Use)  
nSchedule STC (Small General Service: City Time-of-Use)  
STC

((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028

Energy Off-Peak cents per kWh  
((6.90))  
((7.33))  
7.62  
8.22  
8.65

Energy Mid-Peak cents per kWh  
((12.08))  
((12.83))  
13.34  
14.39  
15.14

Energy Peak cents per kWh  
((13.80))  
((14.66))  
15.24  
16.44  
17.30

Base Service Charge dollars per meter per day

((\$.46))

((\$.62))

\$0.82

\$0.98

\$1.47

Minimum Charge dollars per meter per day

((\$.46))

((\$.62))

\$0.82

\$0.98

\$1.47

Power Factor Charge cents per kVarh

((0.15))

((0.15))

0.15

0.15

0.15

Transformer investment credit per kW of monthly maximum demand

((\$.30))

((\$.30))

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule STS (Suburban Small General Service Base Rates Time-of-Use)

o Schedule STS (Suburban Small General Service Base Rates Time-of-Use)

STS

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Off-Peak cents per kWh

((6.76))

((6.88))

7.14

8.08

8.47

Energy Mid-Peak cents per kWh

((11.83))

((12.04))

12.50

14.14

14.82

Energy Peak cents per kWh

((13.52))

((13.76))

14.28

16.16

16.94

Base Service Charge dollars per meter per day

((\$.48))

((\$.57))

\$0.75

\$0.98

\$1.47  
Minimum Charge dollars per meter per day  
((\$0.48))  
((\$0.57))  
\$0.75  
\$0.98  
\$1.47  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15  
Transformer investment credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Off-Peak is 12 a.m. to 6 a.m. every day.

Mid-Peak is 6 a.m. to 5 p.m. and 9 p.m. to 12 a.m. Mondays through Saturdays and 6 a.m. to 12 a.m. on Sundays and holidays.

Peak is 5 p.m. to 9 p.m. Mondays through Saturdays, excluding holidays.

C. For customers metered on the primary side of a transformer, the Department will either program the meter to deduct computed transformer losses or provide a discount for transformer losses by reducing the monthly kWh billed by the number of kWh as computed by the following formula:  $.53285 \text{ ♦ kW} + .00002 \text{ ♦ kW}((?)^2) + .00527 \text{ ♦ kWh}$ .

\* \* \*

Section 5. Section 21.49.055 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.055 ♦ Medium general service (Schedules MDC, MDS, MDD, MTC, MTD, MTS, MCC, MCD, and MCS)

A. Medium general service is general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 50 kW of maximum demand or greater and have more than half of their normal billings at less than 1,000 kW of maximum demand. Classification of new customers will be based on the Department's estimate of maximum demand in the current year. Schedule MDS rates will be increased for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule MDC (Medium Standard General Service: City Default)

pSchedule MDC (Medium Standard General Service: City Default)

MDC

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Charge cents per kWh

((8.70))

((9.34))

9.90

10.66

11.53

Demand Charge dollars per kW

((\$4.86))

((\$5.10))

\$5.36

\$5.90

\$6.49  
Base Service Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38

\$9.57

Minimum Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38  
\$9.57

Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15

Transformer Investment Credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34

((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW; caret; 2 + .00527 ♦ kWh))  
Schedule MDS (Medium Standard General Service: Suburban Default)  
qSchedule MDS (Medium Standard General Service: Suburban Default)  
MDS

((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028

Energy Charge cents per kWh  
((8.70))  
((9.34))  
9.90  
10.66  
11.53

Demand Charge dollars per kW  
((\$4.86))  
((\$5.10))  
\$5.36  
\$5.90  
\$6.49

Base Service Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38  
\$9.57

Minimum Charge dollars per meter per day  
((\$1.80))

(((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Power Factor Charge cents per kVarh  
(0.15))  
(0.15))  
0.15  
0.15  
0.15  
Transformer Investment Credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

All charges and credits in Schedule MDS shall be increased by the following percentages based on the location of service:

rMDS suburban franchise and tax multipliers

MDS suburban franchise and tax multipliers

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Burien, King County, SeaTac, Shoreline

((8.00%))

((8.00%))

8.00%

8.00%

8.00%

Tukwila

((7.59%))

((7.40%))

7.60%

7.36%

7.37%

Lake Forest Park

((8.04%))

((8.04%))

8.04%

8.04%

8.04%

Normandy Park

((6.38%))

((6.38%))

6.38%

6.38%

6.38%

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

sSuburban Undergrounding Charges

Suburban Undergrounding Charges  
((Effective January 1, 2023))  
Effective January 1, 2025  
((Shoreline))

North City Undergrounding Charge cents per kWh  
((0.07))  
0.07

Aurora 1 Undergrounding Charge cents per kWh  
((0.17))  
0.17

Aurora 2 Undergrounding Charge cents per kWh  
((0.18))  
0.18

Aurora 3A Undergrounding Charge cents per kWh  
((0.05))  
0.05

Aurora 3B Undergrounding Charge cents per kWh  
((0.22))  
0.22

Burien  
tSuburban Undergrounding Charges - Burien  
((Burien))

Suburban Undergrounding Charges  
((Effective January 1, 2023))  
Effective January 1, 2025  
First Avenue South 1 Undergrounding Charge cents per kWh  
((0.37))  
0.37  
First Avenue South 2 Undergrounding Charge cents per kWh  
((0.13))  
0.13

Schedule MDD (Medium Network General Service Default)

uSchedule MDD (Medium Network General Service Default)  
MDD  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Charge cents per kWh  
((9.85))  
((10.42))  
11.06  
11.66  
12.49  
Demand Charge dollars per kW  
((\$11.06))  
((\$11.61))  
\$12.19  
\$13.41  
\$14.75

Base Service Charge dollars per meter per day

(((\$1.80))

(((\$2.29))

\$3.01

\$6.38

\$9.57

Minimum Charge dollars per meter per day

(((\$1.80))

(((\$2.29))

\$3.01

\$6.38

\$9.57

Power Factor Charge cents per kVarh

((0.15))

((0.15))

0.15

0.15

0.15

Transformer investment credit per kW of monthly maximum demand

((0.30))

((0.30))

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Demand charges

Peak: All kW of maximum demand between 6 a.m. and 10 p.m. Mondays through Saturdays, excluding major holidays.

Off-Peak: All kW of maximum demand in excess of peak maximum demand, at all times other than the peak period.

B. Time-of-Use rates (Schedules MTC, MTD, and MTS) are optional rate schedules available to customers who (have a fully functioning advanced meter. Time-of-Use rates will be available to customers enrolled in the net metering program once necessary updates to the billing system are completed, as determined by the Department.) meet eligibility requirements outlined in City Light's Department Policy and Procedure (DPP) 500 P III-434, as amended, or successor rule. Customers can return to their default rate schedule but will not be able to re-enroll in Schedules MTC, MTD, or MTS until 12 months from the time of unenrollment. The same suburban franchise and tax multipliers and suburban undergrounding charges apply to Schedule MTS as Schedule MDS.

Schedule MTC (Medium General Service: City Time-of-Use)

vSchedule MTC (Medium General Service: City Time-of-Use)

MTC

((Effective January 1, 2024))

Effective January 1, 2025

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Off-Peak cents per kWh

((5.35))

((5.75))

6.09

6.56

7.10

Energy Mid-Peak cents per kWh

((9.36))

((10.06))

10.66

11.48  
12.43  
Energy Peak cents per kWh  
((10.70))  
((11.50))  
12.18  
13.12  
14.20  
Demand Charge - Peak dollars per kW  
((\$4.86))  
((\$5.10))  
\$5.36  
\$5.90  
6.49  
Demand Charge - Off-Peak dollars per kW  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
Base Service Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Minimum Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15  
Transformer Investment Credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule MTD (Medium General Service: Network Time-of-Use)  
wSchedule MTD (Medium General Service: Network Time-of-Use)  
MTD  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Off-Peak cents per kWh  
((6.05))

((6.40))  
6.80  
7.17  
7.69  
Energy Mid-Peak cents per kWh  
((10.59))  
((11.20))  
11.90  
12.55  
13.46  
Energy Peak cents per kWh  
((12.10))  
((12.80))  
13.60  
14.34  
15.38  
Demand Charge - Peak dollars per kW  
((\$11.06))  
((\$11.61))  
\$12.19  
13.41  
14.75  
Demand Charge - Off-Peak dollars per kW  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
Base Service Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Minimum Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15  
Transformer Investment Credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule MTS (Medium General Service: Suburban Time-of-Use)  
xSchedule MTS (Medium General Service: Suburban Time-of-Use)

MTS  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Off-Peak cents per kWh  
(5.35)  
(5.75)  
6.09  
6.56  
7.10  
Energy Mid-Peak cents per kWh  
(9.36)  
(10.06)  
10.66  
11.48  
12.43  
Energy Peak cents per kWh  
(10.70)  
(11.50)  
12.18  
13.12  
14.20  
Demand Charge - Peak dollars per kW  
(\$4.86)  
(\$5.10)  
\$5.36  
\$5.90  
\$6.49  
Demand Charge - Off-Peak dollars per kW  
(\$0.30)  
(\$0.30)  
\$0.31  
\$0.33  
\$0.34  
Base Service Charge dollars per meter per day  
(\$1.80)  
(\$2.29)  
\$3.01  
\$6.38  
\$9.57  
Minimum Charge dollars per meter per day  
(\$1.80)  
(\$2.29)  
\$3.01  
\$6.38  
\$9.57  
Power Factor Charge cents per kVarh  
(0.15)  
(0.15)  
0.15  
0.15  
0.15  
Transformer Investment Credit per kW of monthly maximum demand  
(\$0.30)  
(\$0.30)

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW; caret; 2 + .00527 ♦ kWh))

Energy charges

Off-Peak is 12 a.m. to 6 a.m. every day.

Mid-Peak is 6 a.m. to 5 p.m. and 9 p.m. to 12 a.m. Mondays through Saturdays and 6 a.m. to 12 a.m. on Sundays and holidays.

Peak is 5 p.m. to 9 p.m. Mondays through Saturdays, excluding holidays.

Demand charges

Peak demand: All kW of maximum demand between 6 a.m. and 12 a.m. Mondays through Saturdays, excluding major holidays.

Off-Peak demand: All kW of maximum demand in excess of peak maximum demand, at all times other than the peak demand period.

C. Commercial Charging Rates (Schedules MCC, MCD, and MCS) are optional rate schedules available to customers who meet the criteria for medium general service and have a fully functioning advanced meter dedicated to primarily electric vehicle charging. Customers can return to their default rate schedule but will not be able to re-enroll in Schedules MCC, MCD, or MCS until 12 months from the time of unenrollment. The same suburban franchise and tax multipliers and suburban undergrounding charges apply to Schedule MCS as Schedule MDS.

Schedule MCC (Medium General Service: City Commercial Charging)

ySchedule MCC (Medium General Service: City Commercial Charging)

MCC

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Off-Peak cents per kWh

((6.18))

((6.66))

7.03

7.35

7.67

Energy Mid-Peak cents per kWh

((10.82))

((11.66))

12.30

12.86

13.42

Energy Peak cents per kWh

((12.36))

((13.32))

14.06

14.70

15.34

Demand Charge - Peak dollars per kW

((0.00))

((0.00))

\$0.00

\$1.48

\$3.25

Demand Charge - Off-Peak dollars per kW

((0.00))

((0.00))

\$0.00

\$0.33  
\$0.34  
Base Service Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Minimum Charge dollars per meter per day  
((\$1.80))  
((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15  
Transformer Investment Credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule MCD (Medium General Service: Network Commercial Charging)  
zSchedule MCD (Medium General Service: Network Commercial Charging)  
MCD  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Off-Peak cents per kWh  
((7.92))  
((8.34))  
8.81  
8.91  
8.96  
Energy Mid-Peak cents per kWh  
((13.86))  
((14.60))  
15.42  
15.59  
15.68  
Energy Peak cents per kWh  
((15.84))  
((16.68))  
17.62  
17.82  
17.92  
Demand Charge - Peak dollars per kW  
((\$0.00))

(((\$0.00))  
\$0.00  
\$3.35  
\$7.38  
Demand Charge - Off-Peak dollars per kW  
(((\$0.00))  
(((\$0.00))  
\$0.00  
\$0.33  
\$0.34  
Base Service Charge dollars per meter per day  
(((\$1.80))  
(((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Minimum Charge dollars per meter per day  
(((\$1.80))  
(((\$2.29))  
\$3.01  
\$6.38  
\$9.57  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15  
Transformer Investment Credit per kW of monthly maximum demand  
(((\$0.30))  
(((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule MCS (Medium General Service: Suburban Commercial Charging)  
aaSchedule MCS (Medium General Service: Suburban Commercial Charging)  
MCS  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Off-Peak cents per kWh  
((6.18))  
((6.66))  
7.03  
7.35  
7.67  
Energy Mid-Peak cents per kWh  
((10.82))  
((11.66))  
12.30  
12.86  
13.42

Energy Peak cents per kWh

((12.36))

((13.32))

14.06

14.70

15.34

Demand Charge - Peak dollars per kW

((0.00))

((0.00))

\$0.00

\$1.48

\$3.25

Demand Charge - Off-Peak dollars per kW

((0.00))

((0.00))

\$0.00

\$0.33

\$0.34

Base Service Charge dollars per meter per day

((1.80))

((2.29))

\$3.01

\$6.38

\$9.57

Minimum Charge dollars per meter per day

((1.80))

((2.29))

\$3.01

\$6.38

\$9.57

Power Factor Charge cents per kVarh

((0.15))

((0.15))

0.15

0.15

0.15

Transformer Investment Credit per kW of monthly maximum demand

((0.30))

((0.30))

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Off-Peak is 12 a.m. to 6 a.m. every day.

Mid-Peak is 6 a.m. to 5 p.m. and 9 p.m. to 12 a.m. Mondays through Saturdays and 6 a.m. to 12 a.m. on Sundays and holidays.

Peak is 5 p.m. to 9 p.m. Mondays through Saturdays, excluding holidays.

D. For customers metered on the primary side of a transformer, the Department will either program the meter to deduct computed transformer losses or provide a discount for transformer losses by reducing the monthly kWh billed by the number of kWh as computed by the following formula:  $1756 + .53285 \text{ ♦ kW} + .00002 \text{ ♦ kW}((?)^2) + .00527 \text{ ♦ kWh}$ .

\* \* \*

Section 6. Section 21.49.057 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.057 ♦ Large general service (Schedules LGC, LGS, LGD, LCC, LCD, and LCS)

A. Large general service is network general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 1,000 kW of maximum demand or greater, and also standard general

service provided to customers who have in the previous calendar year half or more than half of their normal billings at 1,000 kW of maximum demand or greater and have more than half of their normal billings at less than 10,000 kW of maximum demand. Classification of new customers will be based on the Department's estimate of maximum demand in the current year. Schedule LGS rates will be increased for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule LGC (Large Standard General Service: City Default)

bbSchedule LGC (Large Standard General Service: City Default)

LGC

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Charge-Peak cents per kWh

((10.37))

((11.34))

11.86

12.66

13.64

Energy Charge-Off-Peak cents per kWh

((5.76))

((5.67))

5.93

6.33

6.82

Demand Charge-Peak dollars per kW

(((\$4.69))

(((\$4.93))

\$5.18

\$5.70

\$6.27

Demand Charge-Off-Peak dollars per kW

(((\$0.30))

(((\$0.30))

\$0.31

\$0.33

\$0.34

Base Service Charge dollars per meter per day

(((\$22.56))

(((\$38.01))

\$54.44

\$108.82

\$163.30

Minimum Charge dollars per meter per day

(((\$31.47))

(((\$38.01))

\$54.44

\$108.82

\$163.30

Power Factor Charge cents per kVarh

((0.15))

((0.15))

0.15

0.15

0.15

Transformer investment credit per kW of monthly maximum demand

(((\$0.30))

(((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule LGS (Large Standard General Service: Suburban Default)  
ccSchedule LGS (Large Standard General Service: Suburban Default)  
LGS

((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Charge-Peak cents per kWh

((10.37))  
((11.34))  
11.86  
12.66  
13.64  
Energy Charge-Off-Peak cents per kWh  
((5.76))  
((5.67))  
5.93  
6.33  
6.82

Demand Charge-Peak dollars per kW  
(((\$4.69))  
(((\$4.93))  
\$5.18  
\$5.70  
\$6.27

Demand Charge-Off-Peak dollars per kW  
(((\$0.30))  
(((\$0.30))  
\$0.31  
\$0.33  
\$0.34

Base Service Charge dollars per meter per day  
(((\$22.56))  
(((\$38.01))  
\$54.44  
\$108.82  
\$163.30

Minimum Charge dollars per meter per day  
(((\$31.47))  
(((\$38.01))  
\$54.44  
\$108.82  
\$163.30

Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15

Transformer investment credit per kW of monthly maximum demand

((\$.30))

((\$.30))

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW; caret; 2 + .00527 ♦ kWh))

All charges and credits in schedule LGS shall be increased by the following percentages based on the location of service:

ddLGS suburban franchise and tax multipliers

LGS suburban franchise and tax multipliers

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Burien, King County, SeaTac, Shoreline

((8.00%))

((8.00%))

8.00%

8.00%

8.00%

Tukwila

((7.63%))

((7.43%))

7.65%

7.39%

7.39%

Lake Forest Park

((8.04%))

((8.04%))

8.04%

8.04%

8.04%

Normandy Park

((6.38%))

((6.38%))

6.38%

6.38%

6.38%

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

eeSuburban undergrounding charges - Shoreline

Suburban Undergrounding Charges

((Effective January 1, 2023))

Effective January 1, 2025

((Shoreline))

North City Undergrounding Charge cents per kWh

((0.07))

0.07

Aurora 1 Undergrounding Charge cents per kWh

((0.17))

0.17  
Aurora 2 Undergrounding Charge cents per kWh  
((0.18))  
0.18  
Aurora 3A Undergrounding Charge cents per kWh  
((0.05))  
0.05  
Aurora 3B Undergrounding Charge cents per kWh  
((0.22))  
0.22  
Burien  
ffSuburban undergrounding charges - Burien  
((Burien))

Suburban Undergrounding Charges  
((Effective January 1, 2023))  
Effective January 1, 2025  
First Avenue South 1 Undergrounding Charge cents per kWh  
((0.37))  
0.37  
First Avenue South 2 Undergrounding Charge cents per kWh  
((0.13))  
0.13

Schedule LGD (Large Network General Service Default)  
ggSchedule LGD (Large Network General Service Default)  
LGD  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Charge-Peak cents per kWh  
((11.07))  
((12.26))  
13.14  
13.70  
14.50  
Energy Charge-Off-Peak cents per kWh  
((6.15))  
((6.13))  
6.57  
6.85  
7.25  
Demand Charge-Peak dollars per kW  
((\$10.02))  
((\$10.52))  
\$11.05  
\$12.16  
\$13.38  
Demand Charge-Off-Peak dollars per kW  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34

Base Service Charge dollars per meter per day

(((\$22.56))

(((\$38.01))

\$54.44

\$108.82

\$163.30

Minimum Charge dollars per meter per day

(((\$31.47))

(((\$38.01))

\$54.44

\$108.82

\$163.30

Power Factor Charge cents per kVarh

((0.15))

((0.15))

0.15

0.15

0.15

Transformer investment credit per kW of monthly maximum demand

(((\$0.30))

(((\$0.30))

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Peak is Mondays through Saturdays, 6 a.m. to 10 p.m., excluding major holidays.

Off-Peak is 10 p.m. to 6 a.m. every day and all day Sundays and holidays.

Demand charges

Peak: All kW of maximum demand during peak hours.

Off-Peak: All kW of maximum demand in excess of peak maximum demand, at all times other than the peak period.

B. Commercial Charging Rates (Schedules LCC, LCD, and LCS) are optional rate schedules available to customers who meet the criteria for large general service and have a fully functioning advanced meter dedicated to primarily electric vehicle charging. Customers can return to their default rate schedule but will not be able to re-enroll in schedules LCC, LCD, or LCS until 12 months from the time of unenrollment. The same suburban franchise and tax multipliers and suburban undergrounding charges apply to Schedule LCS as Schedule LGS.

Schedule LCC (Large General Service: City Commercial Charging)

hhSchedule LCC (Large General Service: City Commercial Charging)

LCC

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Charge-Peak cents per kWh

((10.87))

((12.02))

12.46

14.08

14.68

Energy Charge-Off-Peak cents per kWh

((6.04))

((6.01))

6.92

7.04

7.34

Demand Charge-Peak dollars per kW

(((\$0.00))

(((\$0.00))

\$0.00

\$1.43

\$3.14

Demand Charge-Off-Peak dollars per kW

(((\$0.00))

(((\$0.00))

\$0.00

\$0.33

\$0.34

Base Service Charge dollars per meter per day

(((\$22.56))

(((\$38.01))

\$54.44

\$108.82

\$163.30

Minimum Charge dollars per meter per day

(((\$31.47))

(((\$38.01))

\$54.44

\$108.82

\$163.30

Power Factor Charge cents per kVarh

((0.15))

((0.15))

0.15

0.15

0.15

Transformer investment credit per kW of monthly maximum demand

(((\$0.30))

(((\$0.30))

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule LCD (Large General Service: Network Commercial Charging)

iiSchedule LCD (Large General Service: Network Commercial Charging)

LCD

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Charge-Peak cents per kWh

((13.46))

((15.34))

16.20

16.68

16.68

Energy Charge-Off-Peak cents per kWh

((7.48))

((7.67))

9.00

8.34  
8.34  
Demand Charge-Peak dollars per kW  
((\$0.00))  
((\$0.00))  
\$0.00  
\$3.04  
\$6.69  
Demand Charge-Off-Peak dollars per kW  
((\$0.00))  
((\$0.00))  
\$0.00  
\$0.33  
\$0.34  
Base Service Charge dollars per meter per day  
((22.56))  
((\$38.01))  
\$54.44  
\$108.82  
\$163.30  
Minimum Charge dollars per meter per day  
((31.47))  
((\$38.01))  
\$54.44  
\$108.82  
\$163.30  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
\$0.15  
0.15  
Transformer investment credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule LCS (Large General Service: Suburban Commercial Charging)  
jjSchedule LCS (Large General Service: Suburban Commercial Charging)  
LCS  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
Energy Charge-Peak cents per kWh  
((10.87))  
((12.02))  
12.46  
14.08  
14.68  
Energy Charge-Off-Peak cents per kWh  
((6.04))

((6.01))  
6.92  
7.04  
7.34  
Demand Charge-Peak dollars per kW  
((\$0.00))  
((\$0.00))  
\$0.00  
\$1.43  
\$3.14  
Demand Charge-Off-Peak dollars per kW  
((\$0.00))  
((\$0.00))  
\$0.00  
\$0.33  
\$0.34  
Base Service Charge dollars per meter per day  
((\$22.56))  
((\$38.01))  
\$54.44  
\$108.82  
\$163.30  
Minimum Charge dollars per meter per day  
((\$31.47))  
((\$38.01))  
\$54.44  
\$108.82  
\$163.30  
Power Factor Charge cents per kVarh  
((0.15))  
((0.15))  
0.15  
0.15  
0.15  
Transformer investment credit per kW of monthly maximum demand  
((\$0.30))  
((\$0.30))  
\$0.31  
\$0.33  
\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Peak is Mondays through Saturdays, 6 a.m. to 10 p.m., excluding major holidays.  
Off-Peak is 10 p.m. to 6 a.m. every day and all day Sundays and holidays.

C. For customers metered on the primary side of a transformer, the Department will either program the meter to deduct computed transformer losses or provide a discount for transformer losses by reducing the monthly kWh billed by the number of kWh as computed by the following formula:  $1756 + .53285 \text{ ♦ kW} + .00002 \text{ ♦ kW}((?)^2) + .00527 \text{ ♦ kWh}$ .  
\* \* \*

Section 7. Section 21.49.058 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.058 ♦ High demand general service (Schedules HDC, and HDS)

A. High demand general service is standard general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 10,000 kW of maximum demand or greater. Classification of new customers will be based on the Department's estimates of maximum demand in the current year. Schedule HDS rates will be increased for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule HDC (High Demand General Service: City)  
kkSchedule HDC (High Demand General Service: City)  
HDC

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Energy Charge-Peak cents per kWh

((9.77))

((10.64))

11.12

12.04

13.00

Energy Charge-Off-Peak cents per kWh

((5.43))

((5.32))

5.56

6.02

6.50

Demand Charge-Peak dollars per kW

((4.69))

(((\$4.93))

\$5.18

\$5.70

\$6.27

Demand Charge-Off-Peak dollars per kW

(((\$0.30))

(((\$0.30))

\$0.31

\$0.33

\$0.34

Base Service Charge dollars per meter per day

(((\$118.84))

(((\$148.50))

\$178.05

\$347.13

\$557.80

Minimum Charge dollars per meter per day

(((\$118.84))

(((\$148.50))

\$178.05

\$347.13

\$557.80

Power Factor Charge cents per kVarh

((0.15))

((0.15))

0.15

0.15

0.15

Transformer investment credit per kW of monthly maximum demand

(((\$0.30))

(((\$0.30))

\$0.31

\$0.33

\$0.34

((Transformer losses discount in kWh))

((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

Schedule HDS (High Demand: Suburban)  
IISchedule HDS (High Demand: Suburban)

HDS  
((Effective January 1, 2024))  
((Effective January 1, 2025))

Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028

Energy Charge-Peak cents per kWh

((9.77))  
((10.64))

11.12  
12.04  
13.00

Energy Charge-Off-Peak cents per kWh

((5.43))  
((5.32))

5.56  
6.02  
6.50

Demand Charge-Peak dollars per kW

(((\$4.69))  
(((\$4.93))

\$5.18  
\$5.70  
\$6.27

Demand Charge-Off-Peak dollars per kW

(((\$0.30))  
(((\$0.30))

\$0.31  
\$0.33  
\$0.34

Base Service Charge dollars per meter per day

(((\$118.84))  
(((\$148.50))

\$178.05  
\$347.13  
\$557.80

Minimum Charge dollars per meter per day

(((\$118.84))  
(((\$148.50))

\$178.05  
\$347.13  
\$557.80

Power Factor Charge cents per kVarh

((0.15))  
((0.15))

0.15  
0.15  
0.15

Transformer investment credit per kW of monthly maximum demand

(((\$0.30))  
(((\$0.30))

\$0.31  
\$0.33

\$0.34  
((Transformer losses discount in kWh))  
((.53285 ♦ kW + .00002 ♦ kW;caret;2 + .00527 ♦ kWh))

All charges and credits in Schedule HDS shall be increased by the following percentages based on the location of service:

mmHDS suburban franchise and tax multipliers

HDS suburban franchise and tax multipliers

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Burien, King County, SeaTac, Shoreline

((8.00%))

((8.00%))

8.00%

8.00%

8.00%

Tukwila

((7.72%))

((7.58%))

7.81%

7.50%

7.50%

Lake Forest Park

((8.04%))

((8.04%))

8.04%

8.04%

8.04%

Normandy Park

((6.38%))

((6.38%))

6.38%

6.38%

6.38%

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

nnSuburban Undergrounding Charges - Shoreline

Suburban Undergrounding Charges

((Effective January 1, 2023))

Effective January 1, 2025

((Shoreline))

North City Undergrounding Charge cents per kWh

((0.07))

0.07

Aurora 1 Undergrounding Charge cents per kWh

((0.17))

0.17

Aurora 2 Undergrounding Charge cents per kWh

((0.18))

0.18

Aurora 3A Undergrounding Charge cents per kWh

((0.05))  
0.05  
Aurora 3B Undergrounding Charge cents per kWh  
((0.22))  
0.22  
Burien  
ooSuburban Undergrounding Charges - Burien  
((Burien))

Suburban Undergrounding Charges  
((Effective January 1, 2023))  
Effective January 1, 2025  
First Avenue South 1 Undergrounding Charge cents per kWh  
((0.37))  
0.37  
First Avenue South 2 Undergrounding Charge cents per kWh  
((0.13))  
0.13

Peak is Mondays through Saturdays, 6 a.m. to 10 p.m., excluding major holidays.

Off-Peak is 10 p.m. to 6 a.m. every day and all day Sundays and holidays.

Demand charges

Peak: All kW of maximum demand during peak hours.

Off-peak: All kW of maximum demand in excess of peak maximum demand, at all times other than the peak period.

\* \* \*

Section 8. A new Section 21.49.059 is added to the Seattle Municipal Code as follows:

21.49.059 New large data center load

A. Applicability. A new large data center load shall not be eligible for general service rates and shall instead be served under a Service Agreement (Contract) established for the customer by the Department.

B. Minimum conditions. The Contract shall require all the following terms, among other conditions:

1. A guaranteed minimum demand or service rating.
2. Delivery of power at a single voltage.
3. Metering in no case at less than nominal 600 volts.
4. Power factor adjustment to 97 percent lagging or better.
5. Curtailment provisions.
6. Other energy conservation measures.

7. Full upfront financial responsibility for the cost of any infrastructure needed to serve the customer, including but not limited to feeder and transmission line extensions and/or upgrades, transmission and/or substation upgrades and any system modifications.

8. Full recovery of procurement cost of new resources, including power, transmission, and ancillary services.

9. The customer shall remain fully responsible for the cost of agreements executed by the Department to serve the customer's load, until the expiration of the Contract term.

10. The Department may modify the Contract to be consistent with terms agreed to with resource providers.

11. Any other terms of service needed to address transactional costs, security, and financial risk.

C. Service to new large loads will commence only after a Contract has been fully executed and the Department has in place all infrastructure, contracts, and resources necessary to provide electrical service.

D. Rate design. At a minimum, the Contract shall include the following specific charges:

1. Power supply charges:

a. Energy (per kWh): to be based on the Department's marginal cost of acquiring power as well as any renewable or carbon attributes required to serve the customer's load plus a service fee to recover ancillary services and administrative costs, pursuant to the Contract.

b. Demand (per kW): to be based on the Department's marginal cost of acquiring power capacity and transmission to serve the customer's load plus a service fee to recover ancillary services and administrative costs, pursuant to the Contract. The demand for billing purposes is the contract demand, unless otherwise specified.

c. Contract demand overrun: An additional charge shall be imposed if metered demand (highest 15-minute demand) exceeds the demand specified in the Contract. This charge shall be computed pursuant to the following formula:

Contract demand overrun charge = metered demand in excess of the contract demand (kW) x demand charge (\$/kW) x 300 percent.

2. Delivery charge: A per-kW or per-kWh delivery charge shall recover transmission and distribution costs, including administrative and general costs.

3. Base service charge: A per-month charge equivalent to base service charge for the comparable general service rate class.

4. The Department may also include in the Contract other rate components, including but not limited to, power factor penalties, applicable taxes and franchise differentials.

E. The Department is authorized to establish rules, pursuant to Chapter 3.02, for the application of this Section 21.49.059, including but not limited to identifying circumstances under which service entrances may be aggregated for purposes of determining the existence of a new large load.

Section 9. Section 21.49.060 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.060 Contract street and area lighting rates (Schedules F, R, A, D, M, and E)

A. Contract street and area lighting rates are available to all customers, including but not limited to water and sewer districts and King County, who contract with the Department for unmetered lights operating from dusk to dawn. Lighting schedules and rates are assigned at the Department's discretion.

Schedule F-Floodlights

ppSchedule F-Floodlights

Schedule F

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Floodlight HPS \$ per month

(((\$24.30))

(((\$27.07))

\$29.35

\$38.39

\$49.18

Schedule R-Residential Lights

qqSchedule R-Residential Lights

Schedule R

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

LED \$ per month

(((\$12.89))

(((\$13.02))

\$14.29

\$19.54

\$24.29

Schedule A-Arterial Lights

rrSchedule R-Residential Lights

Schedule A

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

HPS/other \$ per month

(((\$33.51))

(((\$34.97))  
\$37.75  
\$50.31  
\$64.36  
LED \$ per month  
(((\$20.73))  
(((\$22.15))  
\$23.75  
\$29.63  
\$34.47

Schedule D-Decorative, Pedestrian, and Miscellaneous Lights  
ssSchedule D-Decorative, Pedestrian, and Miscellaneous Lights  
Schedule D

((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
HPS/other \$ per month  
(((\$36.22))  
(((\$39.19))  
\$39.69  
\$50.08  
\$65.06  
LED \$ per month  
(((\$16.77))  
(((\$23.80))  
\$25.40  
\$32.17  
\$37.04

Schedule M-Department Maintained, Customer Owned Lights  
ttSchedule M-Department Maintained, Customer Owned Lights  
Schedule M

((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
HPS/other < 200W \$ per month  
(((\$20.60))  
(((\$21.46))  
\$23.19  
\$31.54  
\$45.07  
HPS/other 200W to < 300W \$ per month  
(((\$25.30))  
(((\$26.95))  
\$28.94  
\$38.26  
\$52.55  
HPS/other = 300W \$ per month  
(((\$30.63))  
(((\$32.33))  
\$34.58  
\$44.60

\$59.60  
LED = 50W \$ per month  
((\$5.76))  
((\$5.61))  
\$6.03  
\$8.11  
\$11.29  
LED > 50W \$ per month  
((\$9.00))  
((\$8.66))  
\$9.21  
\$12.03  
\$15.62

Schedule E-Customer Owned and Maintained Lights  
uuSchedule E-Customer Owned and Maintained Lights

Schedule E  
((Effective January 1, 2024))  
((Effective January 1, 2025))  
Effective January 1, 2026  
Effective January 1, 2027  
Effective January 1, 2028  
HPS = 150 W \$ per month  
((\$5.31))  
((\$5.50))  
\$5.77  
\$6.15  
\$6.83  
HPS > 150 W \$ per month  
((\$9.32))  
((\$10.72))  
\$12.33  
\$18.26  
\$20.27  
LED = 150 W \$ per month  
((\$3.32))  
((\$4.01))  
\$4.21  
\$4.75  
\$5.27  
LED > 150 W \$ per month  
((\$7.38))  
((\$8.79))  
\$9.21  
\$10.40  
\$11.54

\* \* \*  
Section 10. Section 21.49.065 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.065 Duct, vault, and pole rental rates

A. Rental rates shall be charged on an annual basis based on the installations and attachments existing as of January 1 of each year. The full annual rental rate shall be charged for the year in which an installation or attachment is made, regardless of what point in the year use of City Light facilities commences.

B. Duct and vault rental rates are as follows:

vvDuct and vental rates  
Duct and vault

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Duct \$ per duct-foot per year

(((\$13.34))

(((\$13.69))

\$14.43

\$14.88

\$15.28

Innerduct in a rental duct \$ per innerduct-foot per year

(((\$13.34))

(((\$13.69))

\$14.43

\$14.88

\$15.28

Vault Wall Space \$ per square foot per year

(((\$33.33))

(((\$34.20))

\$36.06

\$37.18

\$38.19

Vault Ceiling Space \$ per square foot per year

(((\$13.34))

(((\$13.69))

\$14.43

\$14.88

\$15.28

Innerduct rates pertain to customer installations within a rented duct. Vacant innerducts shall be available for rental to other parties at the Department's discretion. Wall space and ceiling space within ducts include clearance required by chapter 296-45 WAC.

C. Pole rental rates apply to all pole attachments except for separately mounted meter equipment below the communication space. Pole attachment rates are applied per pole per year and are as follows:

wwPole attachments within the communication space

Pole attachments within the communication space

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Pole owned solely by the ((department)) Department

(((\$39.69))

(((\$48.05))

\$49.38

\$54.59

\$60.35

Pole owned jointly by the ((department)) Department and one other party

(((\$19.85))

(((\$24.03))

\$24.69

\$27.29

\$30.17

Pole owned jointly by the ((department)) Department and more than one other party

(((\$13.23))

(((\$16.02))

\$16.46

\$18.20  
\$20.12

xxPole attachments below the communication space

Pole attachments below the communication space

((Effective January 1, 2024))

((Effective January 1, 2025))

Effective January 1, 2026

Effective January 1, 2027

Effective January 1, 2028

Pole owned solely by the ((department)) Department

(((\$75.42))

(((\$91.30))

\$93.82

\$103.72

\$114.66

Pole owned jointly by the ((department)) Department and one other party

(((\$37.71))

(((\$45.65))

\$46.91

\$51.86

\$57.33

Pole owned jointly by the ((department)) Department and more than one other party

(((\$25.14))

(((\$30.43))

\$31.27

\$34.57

\$38.22

\* \* \*

Section 11. Section 21.49.081 of the Seattle Municipal Code, last amended by Ordinance 125958, is repealed:

21.49.081 Automatic BPA cost adjustment

((If BPA implements new rates for power and/or transmission services, the updated BPA contract cost under the new rates for the subsequent 12-month period shall be compared with the Department's cost assumption used in the adopted revenue requirement for the same time period. If the calculated difference is more than \$1.5 million, then it will be deemed material and passed through in rates. Within three months after the BPA rate implementation, energy charges in all rate schedules will be adjusted upwards or downwards by a consistent fixed per-kWh amount such that the identified material cost difference, including taxes, is collected from or credited to customers over the subsequent 12-month period from the onset of the rate adjustment.))

Section 12. Section 21.49.083 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.083 Large Customer Renewable Generation Program

A. The Large Customer Renewable Generation Program shall be open to customers operating solar photovoltaic (PV) arrays or other qualified generation systems, as defined in RCW 19.29A.090(3) and 19.29A.090(4), sized larger than 100 kW and not greater than 5 ((m))MW, measured as alternating current (AC). The Department may consider including other renewable systems or systems larger than 5 ((m))MW on a case-by-case basis. To be eligible for the program, a generation system must be connected to a customer premise((s)) located within the Department's service territory and be equipped with a two-way advanced meter capable of measuring both consumption and outbound power exports.

B. To participate, customers must enter into an interconnection agreement with the Department and ((to)) comply with all its terms. The Department may adopt any interconnection requirements as necessary to protect public safety and system reliability.

C. Large Customer Renewable Generation program customers shall be metered, billed, and credited according to the following provisions:

1. The customer's two-way advanced meter will measure accumulated ((kilowatt hours)) kWh of inbound retail consumption and outbound exported power.

2. Any electricity produced by the customer's system may be used to reduce inbound retail electricity consumption at the customer's rate schedule for electric service.

3. Electricity generated in excess of that consumed by the customer may be exported to the Department's system. Accumulated kWh of exported electricity shall be measured by the advanced meter and each customer will be credited for exported electricity according to the same Large Customer Renewable Export Rate, which reflects the value of the power and grid benefits.

Large Customer Renewable Export Rate  
yyLarge Customer Renewal Export Rate

((Effective January 1, 2023))  
((Export Credit cents per kWh))  
((4.96))

zzLarge Customer Renewable Export Rate  
Export Credit

Effective January 1, 2025  
Effective January 1, 2027

All days in January cents per kWh

5.90

5.9

All days in February cents per kWh

5.00

4.8

All days in March cents per kWh

4.30

2.9

All days in April cents per kWh

6.00

2.5

All days in May cents per kWh

3.10

2.2

All days in June cents per kWh

4.20

2.3

All days in July cents per kWh

7.70

3.9

All days in August cents per kWh

8.70

5.2

All days in September cents per kWh

9.40

4.4

All days in October cents per kWh

6.90

4.5

All days in November cents per kWh

6.10

4.8

All days in December cents per kWh

4.80

6.0

4. The customer shall retain ownership of all environmental, social, and other non-power attributes of the electricity produced by their system, irrespective of whether it is consumed on-site or exported.

5. Customers totalizing multiple meters per Section 21.49.090 may integrate their system into their totalized service. Otherwise, meter aggregation across multiple customer premises shall not be permitted.

6. Customers that permit and complete buildings under the terms of the Living Building Pilot outlined in Section 23.40.060, or receive Living Building Challenge certification for a building within City Light service areas outside of Seattle before December 31, 2025, or buildings meeting high energy efficiency standards as determined by the Department, will receive annual net metering as described in Section 21.49.082. The maximum system allowed under this provision is 250 kW. Affordable housing performing under high energy efficiency standards as determined by the Department may receive net metering for systems up to 500 kW.

7. Until December 31, 2035, the Department will honor the terms of the large Customer Renewable Generation program for interconnected participants and guarantee an annual export rate of at least 1.8 cents per kWh, as calculated by the average of the monthly prices.

Section 13. Section 21.49.086 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:◆

21.49.086 Rate Stabilization Account

A. Purpose. The purpose of the Rate Stabilization Account (RSA) ((established by Ordinance 121637 is, among other things,)) is to absorb fluctuations in power costs to serve the Department's ((annual revenue in any given year due to deviations in net wholesale revenue from the amount assumed in the adopted budget for that year.)) retail customers. The RSA is a cash reserve that provides a financial buffer against net variable power cost, reducing the need for frequent rate adjustments. Deposits into and withdrawals from the ((Rate Stabilization Account)) RSA also affect the calculation of "Net Revenue" under certain provisions of ordinances authorizing Department bonds((,)) and can therefore ((serve to)) absorb other fluctuations in "Net Revenue" as ((that term is)) defined in those bond ordinances. Except as otherwise provided by ordinance, funds in the ((Rate Stabilization Account)) RSA cannot be used for any purposes other than those specified ((herein)) in this Section 21.49.086.

B. Target balance. The target size of the ((Rate Stabilization Account)) shall be no less than \$100 million and no greater than \$125 million)) RSA is \$150 million. The minimum balance is \$25 million, and the maximum balance is \$200 million.

C. ((The Net Wholesale Revenue forecast shall be \$45 million in 2024, \$25 million in 2025, and \$55 million in 2026. The forecast shall be the amount of Net Wholesale Revenue assumed by the City Council for the purpose of establishing Department rates and budgets. The Department shall allocate the forecast by month and document this assumption in annual revenue requirement and budget proposals.)) Operations

1. The forecast is the Department's estimate of monthly net variable power cost and monthly retail sales used to set retail rates. The Department will include the monthly forecast of net variable power cost and monthly retail sales in its revenue requirement and retail rate documentation. If retail rates are not changing, the Department will instead file with the City Clerk the monthly forecast of net variable power cost and monthly retail sales associated with its adopted budget at least 30 days before the budget takes effect.

2. The Department shall adjust RSA transfers based on monthly financial results.

a. Monthly actual net variable power cost will be compared to the forecast. If actual costs exceed the forecast, the difference will be transferred out of the RSA. If actual costs are lower than the forecast, the difference will be transferred into the RSA.

b. Monthly actual retail sales will be compared to the forecast. If actual retail sales exceed the forecast, the MWh difference will be multiplied by the net variable power cost average price and transferred into the RSA. If actual retail sales are below the forecast, the MWh difference will be multiplied by Net Variable Power Cost Average Price and transferred out of the RSA.

c. Transfers to/from the RSA shall occur within 31 days following the end of each month and may include a true-up if reported retail sales or net variable power costs are subsequently corrected or differ from the amounts used to calculate the transfer for previous months. The Department shall transfer amounts between the Department's Operating Account and the RSA.

D. Notification requirement to Mayor and Council. ((Should the actual Net Wholesale Revenue for any month be less than the forecast for that month, the Department will transfer the difference from the Rate Stabilization Account to the Light Fund. Alternatively, should the actual Net Wholesale Revenue for any month be greater than the forecast for that month, the Department will transfer the difference from the Light Fund to the Rate Stabilization Account. In each case the transfer will occur within 30 days of the end of the month in question. A true-up may be included if actual net wholesale revenue for any past month is restated or differs from the amount used to calculate a transfer.)) No later than 45 days after the end of each quarter, the Department will notify the Mayor and the City Council of the forecast and actual net ((Wholesale Revenue for the year to date,)) variable power costs and the cash balance of the ((amount remaining in the Rate Stabilization Account)) RSA.

E. Replenishment ((of the Rate Stabilization Account))

1. ((Whenever)) If the amount in the ((Rate Stabilization Account)) RSA is \$((75))120 million or less on either March 31 or September 30, ((City Light)) the Department will impose a surcharge equal to 2.0 percent of ((base rates)) the adopted system average retail rate expressed in cents per kWh and applied to all retail kWh sales. The proceeds from

the surcharge adjusted for applicable revenue taxes will be deposited into the ((Rate Stabilization Account)) RSA. The surcharge will remain in effect until the ((amount in the Rate Stabilization Account)) RSA reaches ((\$100)) its target size of \$150 million.

2. Whenever the amount in the Rate Stabilization Account is \$((50))80 million or less on either March 31 or September 30, the Department will impose ((an additional)) a surcharge equal to ((2.0)) 5.0 percent of ((base rates.)) the adopted system average retail rate expressed in cents per kWh and applied to all retail kWh sales. The 5.0 percent surcharge replaces a 2.0 percent surcharge should one be active. The proceeds from ((of)) the ((additional)) surcharge adjusted for applicable revenue taxes will be deposited into the ((Rate Stabilization Account. The additional)) RSA. The surcharge will remain in effect until the amount in the ((Rate Stabilization Account)) RSA reaches ((\$100)) its target size of \$150 million.

3. Surcharges may be ((initiated)) imposed twice per year, on either January 1 or ((June)) July 1. Surcharges ((should)) shall be lifted within 90 days ((of when)) after the month-end balance ((has reached the relevant threshold)) in the RSA reaches its target size. The Department will notify the Mayor and the Council in writing of any upcoming surcharge change before it is implemented.

4. If ((for any reason)) the amount in the ((Rate Stabilization Account)) RSA is \$25 million or less at the end of a month, the Department will notify the City Council within 30 days. ((and the)) The City Council will initiate a rate review ((,) within 45 days if the Mayor has not already done so(, within 45 days that)) . The rate review will outline how the Department will increase rates, reduce Department spending, or identify additional sources of funding, or a combination of these measures, to bring the amount in the ((Account)) RSA up to ((\$100)) its target size of \$150 million within a period of 24 or fewer months.

5. For the purpose of maintaining the RSA balance above the surcharge trigger thresholds, the Department may make discretionary deposits of surplus operating funds into the RSA as long as debt service coverage remains above 1.80 times.

6. Nothing in this Section 21.49.086 shall limit the authority of the City to deposit other amounts into the Rate Stabilization Account as may be authorized by ordinance.

F. Managing excess deposits. If the amount in the ((Rate Stabilization Account)) RSA exceeds \$((125)) 200 million, the Department will ((reduce its balance to \$110 million by transferring)) deposit all excess funds ((to)) into the Operating Account ((and notify)) . The Department will include the amount of any surplus transfers in its quarterly reporting to the Mayor and City Council ((within 30 days of)) . Excess transfers may be used to reduce the size of future debt issues or otherwise support financial stability.

Section 14. Section 21.49.110 of the Seattle Municipal Code, last amended by Ordinance 125171, is amended as follows:

21.49.110 Electric service connection provisions

\* \* \*  
T. Installation charges. Any applicant or customer receiving a new or an enlarged service installation or converting an existing service from an overhead connection to an underground connection shall be charged the material and labor costs incurred by the Department in making the installation ((less the material and labor costs of transformers and associated network protectors supplied by the Department)). The Department shall have the authority to establish standard installation charges representing the average material and labor costs for customers who receive basic service installations which do not require a vault as specified in the Department's Requirements for Electric Service Connection manual. Such standard charges shall be developed pursuant to the provisions of Chapter 3.02. All applicant(s) or customer(s) receiving the conversion of an existing overhead electrical distribution system to an underground system shall:

1. Reimburse the utility in full for all materials and labor costs in excess of the salvage value of the existing overhead system and conversion costs, if any, from 4 to 26 kV;
  2. Reimburse the utility in full for material and labor costs, if any, to underground and/or replace/install streetlights.
- Installation charges are not rates for electrical service and reflect only costs incurred by the Department for new and expanded services.

\* \* \*  
Section 15. Section 21.49.130 of the Seattle Municipal Code, last amended by Ordinance 127296, is amended as follows:

21.49.130 Authority

\* \* \*  
B. Rulemaking and contract authority  
1. The Department shall have authority to adopt and file as appropriate rules, regulations, policies, and procedures relating to its performance of the provisions of this Chapter 21.49 and to the operation of the Department's light and power system. The Department may require compliance with such rules, regulations, policies, and procedures

as a condition for the supply or continued supply of electric service.

2. Effectively managing its power supply portfolio to achieve balance between supply and customer demand requires that City Light transact in the wholesale energy markets for energy and transmission services and products, including the purchase or sale of short-term capacity or energy, or integration, transmission, or ancillary services. The Department may therefore execute, implement, and administer contracts with any city or town, public utility district, governmental agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or corporation, or any other member of the general public, outside its service area, for an effective term of not more than 60 months from the month following the date on which the contract is first signed ("prompt month"), providing for the acquisition, exchange, or sale of capacity or energy, or integration, transmission, or ancillary services, or eligible renewable resources, which shall have the same meaning as defined by RCW 19.285.030, on terms most favorable to the Department under such circumstances and in compliance with state law, including RCW 43.09.210. Such acquisition, sale, or exchange shall be made on a basis representing the value of such capacity or energy, or integration, transmission, or ancillary services, under then-existing market conditions, and may include provisions that require indemnification by the Department.

3. The Department may execute agreements with the Bonneville Power Administration providing for reimbursements from Bonneville of some or all of the costs of operating energy conservation programs authorized by the City Council. The Department shall determine that such agreements or amendments to such agreements shall not incur any indebtedness or the acceptance of moneys imposing any duties or obligations on the City that are inconsistent with the Department's budget appropriation for such energy conservation programs. The Department shall provide a written notification prior to the execution of such contracts and a copy of such contracts to the appropriate authorizing committee of the City Council.

4. The Department may execute contracts for the purchase or sale of environmental attributes, including but not limited to renewable energy credits (RECs), greenhouse gas offsets, and carbon credits to meet policy and regulatory requirements in a cost-effective and timely manner. The Department may enter into such contracts in advance of the target date for acquisition identified in the Department's Integrated Resource Plan or the date required by state or federal law. These purchases will be made within the Department's yearly budget authority limits. Sales will be made on an as-needed basis to balance demand with supply of these products, and to minimize overall costs to ratepayers.

5. The Department may execute contracts for the purchase or acquisition of cost-effective energy conservation resources for an effective term of not more than 84 months, provided that the payment terms for such contracts do not exceed 60 months. "Energy conservation resources" shall have the same meaning set forth in the Energy Independence Act, chapter 19.285 RCW, including, without limitation, long-term energy efficiency projects, new construction, whole-building performance, and pay-for-performance programs.

6. In order to meet the requirements of the Renewable Plus Program, the Department may execute contracts with any city or town, public utility district, government agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or corporation, or any other member of the general public, outside its service territory providing for the acquisition or exchange of capacity or energy, or integration, transmission, or ancillary services, of renewable resources, which shall have the same meaning as defined by RCW 19.280.020 for a term of not more than 20 years. The Department shall endeavor to match the term of the acquisition contracts with the needs and requirements of the Renewable Plus Program customer contract terms. Such acquisition or exchange of capacity, energy, or services shall be made on a basis representing the value of such capacity or energy, or integration, transmission, or ancillary services, under then-existing market conditions, and may include provisions that require indemnification by the Department.

7. The Department is authorized to negotiate and to enter into new leases or subleases and extensions or modifications of existing leases or subleases of any real property now or hereafter owned by the Department or private parties for the purpose of installing and operating electric vehicle charging stations and supporting infrastructure, including but not limited to energy storage systems, distributed energy generation systems, and general electrical infrastructure, for an effective term of not more than 84 months.

8. The Department is authorized to develop programs, enter into agreements with customers and other parties, and provide incentives, including but not limited to monetary compensation, for modifications to customer electricity consumption. Incentives shall be based on the value of the demand response provided to the Department, with the total cost of incentives not to exceed the expected monetary value to the Department of the demand response measures taken by customers and other parties. "Demand response,"((,)) as it applies to this ((section)) Section 21.49.130, refers to changes in electric usage by demand-side resources from their normal consumption patterns and may include energy storage and measures to increase or decrease electricity production.

9. The Department is authorized to execute contracts with data center customers to serve new large loads pursuant to Section 21.49.059 for an effective term not exceeding 20 years. The Department is also authorized to execute agreements for the purchase of power or transmission services necessary to serve new large loads for an effective term not exceeding 20 years.

\* \* \*

Section 16. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070, except that:

- A. Section 3 shall take effect on April 10, 2027; and
- B. Sections 11 and 13 shall take effect on January 1, 2027.

Passed by the City Council and signed in open session in authentication of its passage on .

President of the City Council  
on .

Katie B. Wilson, Mayor  
Attested on .

Scheereen Dedman, City Clerk  
Seal

SCL 2027-2028 Retail Rates ORD  
Carsten Croff  
D1b

2  
Template last revised April 2, 2026

DEPT Short Name of Legislation ORD  
Author's Name  
V1

2

## Summary and Fiscal Note

### 1. Legislation Summary

**Department:** Seattle City Light

**Title:** An ordinance relating to the City Light Department; establishing new retail rate schedules; establishing a new customer class and conditions of service for data centers whose electricity demand constitutes a new large load; modifying customer charges for service connections; modifying customer eligibility for residential rate assistance; augmenting the rate stabilization account mechanism; amending Sections 21.49.020, 21.49.030, 21.49.040, 21.49.052, 21.49.055, 21.49.057, 21.49.058, 21.49.060, 21.49.065, 21.49.083, 21.49.086, 21.49.110, and 21.49.130 of the Seattle Municipal Code; adding a new Section 21.49.059 to the Seattle Municipal Code; and repealing Section 21.49.081 of the Seattle Municipal Code.

**Background:**

This ordinance codifies new 2027 and 2028 rates for all City Light retail customers and implements policies around maintaining affordability and rate stability. Each section of the ordinance is outlined below.

**Section 1:** Adds definitions for new terms introduced in ordinance.

**Sections 2, 4-7 & 9: Updating existing retail rates**

Like many utilities in the Northwest and across the nation, Seattle City Light is facing increasing cost pressures. These are driven by aging infrastructure; the need for new generation, transmission, and technologies to manage growing demand; and broader economic factors such as inflation, tariffs, supply chain disruptions, and rising wages.

At the same time, energy sources, energy costs and customers' energy use are changing quickly. Regional energy demand is projected to grow 30% over the next decade because of rapid electrification, shifting climate conditions and expanding digital demand. Additional revenue is required in 2027 and 2028 to pay for wages and materials inflation, rising power costs, funding the capital plan and modest levels of highly prioritized new investments. This legislation increases average retail rates by 9.5% in both 2027 and 2028.

The rate schedules in this legislation are aligned with an updated cost of service study, resulting in different average rate increases by customer classes due to changes in the cost of service and consumption profiles. Below are the average rate increases by customer class.

### Average Annual Rate Increases

	Residential	General Service				Downtown Network		Street Lights	System Average
		Small	Medium	Large	High Demand	Medium	Large		
2027	9.5%	9.5%	9.4%	9.7%	9.1%	7.4%	7.3%	27.2%	9.5%
2028	9.5%	9.5%	9.5%	9.7%	9.0%	8.5%	8.1%	20.9%	9.5%

Key highlights of the cost of service results:

1. Residential and Non-Network General Service customers have increases at or near the system average of 9.5%.
2. Network General Service customers have increases slightly below the system average due to proportionally lower increases in network maintenance and investments. (Network customers still have average rates roughly 20% higher than non-network customers.)

3. Street light rates will increase significantly more than the system average

because:

- a. Street light rates recover maintenance and capital costs specific to streetlight infrastructure, in addition to energy and delivery costs.
- b. Both capital and operating costs for street lights have risen sharply in recent years.
- c. Vandalism and wire theft of streetlights have increased streetlight maintenance costs.

### Rate Design

The only material rate design change is an increase in the customer charge for each rate class. By 2028 the customer charge will recover 100 percent of customer-related costs, including metering, billing and customer service. Full cost recovery of the customer charge has been an objective since 2019 when City Light and the Review panel jointly conducted a [Rate Design Study](#). Because customer-related costs are being shifted out of the per-kilowatt-hour rate and into the fixed customer charge, customers with lower-than-average usage will experience a higher percentage bill increase than those who use more energy.

A typical residential customer should expect an increase to their monthly bill of about \$10 in 2027 and another \$10 in 2028. Customers participating in Seattle's Utility Discount Program will see monthly bill increases of approximately \$4 in 2027 and another \$4 in 2028.

**Section 3:** Expands eligibility for the City's Utility Discount Program. This change is a key strategy to reduce the energy burden, improve affordability, and ensure the

transition to a clean-energy future does not exacerbate inequities for households least able to absorb higher utility costs. This legislation increases the income eligibility threshold from 70% of the State Median Income to 60% of the Area Median Income, therefore expanding eligibility by roughly 30,000 customers. The Utility Discount Program offers a 60% bill discount to income-eligible customers.

**Section 8:** Creates a new large load rate class that applies to new large data centers.

Key elements include:

- Applies to data centers with new or expanded service of 10 megavolt-amperes (MVA) or greater, roughly the equivalent load of 2,000 homes.
- Rates will reflect the full cost of procuring and delivering the power needed to serve these loads.
- Customers must sign a service agreement that guarantees full responsibility for costs until the expiration of the contract term.
- Customers will be placed in a queue until the utility has the necessary infrastructure and power supply needed to serve them.

The central principle of this policy is affordability. As a publicly-owned, not-for-profit utility, City Light's goal is to make sure the cost of running the system is allocated equitably among the people and businesses who depend on it. Existing customers, large and small, have been investing in that system for decades through their rates, and those investments belong to the community. Some large loads, particularly data centers, are highly portable. They can and do relocate when economics shift, which would potentially leave existing customers responsible for costs incurred on their behalf. Serving a large new customer means securing new power supply and power purchased today costs significantly more than City Light's legacy resources. Creating a new rate class for new large data centers and charging them the marginal cost it takes to serve them protects existing customers' investments and helps avoid potentially large and unnecessary rate increases in the future.

**Section 10:** Increases Duct and Vault Rental Rates (CPI inflation) and Pole Attachment Rates (existing methodology based on average pole costs and operating costs).

**Section 11:** Rescinds the Bonneville Power Administration (BPA) passthrough mechanism because BPA-related costs will be incorporated into the expanded RSA.

**Section 12:** Updates the compensation for any energy exported by large renewable generators. Prices are based on forward market prices. In general, wholesale prices have come down significantly since the last rate case.

**Section 13:** Updates the size and operating rules of the Rate Stabilization Account (RSA) mechanism. The RSA is a cash reserve that buffers net power cost volatility from wholesale market purchases and sales. In 2023, events demonstrated the RSA's current size is not large enough to manage today's level of wholesale uncertainty and

other power cost risks, including weather impacts to retail load. This legislation expands the RSA into a more comprehensive power cost adjustment, while preserving its core functionality.

Highlights of the changes include:

- Expanding the RSA to buffer all variable power costs, not just short-term wholesale activity
- Creating a retail sales adjustment so that when actual retail sales differ from planned retail sales, the difference is multiplied by the portion of the adopted retail rate that covers net variable power costs and transferred to/from the RSA
- Increasing the target size of RSA from \$100M to \$150M
- Increasing the maximum balance from \$125M to \$200M
- Updating Surcharge Rules
  - 1<sup>st</sup> surcharge trigger increases from \$75M to \$120M and remains at 2%
  - 2<sup>nd</sup> surcharge trigger increases from \$50M to \$80M and the surcharge increases from 4% to 5% (reflecting the larger amount needed to refill)
  - Surcharges are sized based on percentage of the system average rate, so all customers pay the same cents/kWh surcharge.

There is no direct impact to 2027 and 2028 retail rates from updating the size and operating rules of the RSA. The Utility plans to deposit approximately \$20-\$30 million in January 2027 to bring the RSA to, or close to, its \$150 million target size.

**Section 14:** Amends electric service connection provisions to require customers with new or expanded services to pay for transformers and related equipment. This aligns

with the utility’s policy that customers pay for new infrastructure needed to serve their additional load.

**Section 15:** Provides authority for SCL to enter into service agreements with data centers that are new large load customers and sign contracts for new power and transmission for terms up to 20 years.

## 2. Capital Improvement Program (CIP)

Does this legislation create, fund, or amend a CIP Project?

Yes

No

## 3. Summary of Financial Implications

Does this legislation have financial impacts to the City?

Yes

No

### a. Revenue Change to General Fund

2026	2027 est.	2028 est.	2029 est.	2030 est.
	\$6,860,000	\$14,467,000	\$14,506,000	\$14,726,000

### b. Revenue Change to Other Funds

2026	2027 est.	2028 est.	2029 est.	2030 est.
	\$114,327,000	\$241,121,000	\$241,759,000	\$245,441,000

### 3b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

#### Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept.	Revenue Source	2026 Revenue	2027 Estimated Revenue
General Fund (00100)	N/A	Utility Tax		\$6,860,000
Light Fund (41000)	Seattle City Light	Electricity Rates		\$114,327,000

TOTAL 2026 Revenue	TOTAL 2027 Estimated Revenue
	\$121,187,000

#### Revenue/Reimbursement Notes:

### 3d. Other Financial Impacts

**a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts.**

The General Fund Streetlight Bill will increase \$4-\$5 million per year.

**b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle these costs? Or does the department need to shift resources away from other work to handle these costs?**

**c. What financial costs or other impacts might happen if this legislation is not implemented?**

City Light would not have the funds it needs to provide current service levels to customers. Significant cuts to services and/or reliance on debt beyond City Light's financial policies would be required.

**d. How might this legislation affect other City departments besides the one that proposed it?**

The legislation will impact electricity rates paid by City departments and also increase the utility tax paid to the General Fund (see above estimate).

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**4. Other Impacts**

a. Does this legislation require a public hearing?

Yes

No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

Yes

No

c. Does this legislation affect a piece of property? No

d. Race and Social Justice Initiative impacts:

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.

This legislation results in increases to all retail customers' electric rates and associated bills. Customers participating in the Utility Discount Program receive a 60% discount on their bills. This legislation also expands the income eligibility of participating in the Utility Discount Program from 70% of the State Median Income to 60% of the Area

Median Income, increasing access to the program for approximately 30,000 customers.

2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation.

3. What is the Language Access Plan for communicating with the public about this legislation?

SCL commits to budgeting the time and resources required for translation and interpretation services, consulting with the Office of Immigrant and Refugee Affairs to ensure outreach materials and strategies are inclusive and culturally appropriate, and seeking to implement customer suggestions for improvement whenever possible.

e. Climate change impacts:

1. **Emissions:** Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer. NA

2. **Resiliency:** Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact.

Increased retail revenue resulting from this legislation will provide funding for many areas of climate change resiliency including wildfire mitigation, demand side programs like demand response and customer solar and support for electrification of vehicles and buildings. Appropriations for these items will be included in future proposed budgets as part of the annual budget process.

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress? NA

SCL 2027-2028 Retail Rates SUM

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g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization? No

June 29, 2026

## MEMORANDUM

**To:** Parks and City Light Committee  
**From:** Eric McConaghy, Analyst  
**Subject:** Seattle City Light 2027-2032 Strategic Plan (RES 32210) and  
2027-2028 Rates Ordinance (CB 121231)

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### Overview

On Wednesday July 1, 2026, the Parks and City Light Committee (Committee) will discuss and possibly vote on a recommendation to Council regarding [Resolution \(RES\) 32210](#).

Adoption of RES 32210 as proposed would:

- Adopt the proposed [2027-2032 Strategic Plan \(Plan\)](#) for the City Light Department (City Light); and
- Endorse the associated rate path.

Also on July 1, the Committee will discuss [Council Bill \(CB\) 121231](#) in advance of possible vote on July 15, 2026. CB 121231 would modify sections of the Seattle Municipal Code (SMC) to establish customer rates for 2027 and 2028 and would add, delete or modify related code sections.

Passage of CB 121231 as proposed would:

- Establish customer rates for 2027 and 2028;
- Establish a new rate class for data centers;
- Expand income eligibility for the Utility Discount Program (UDP) for City Light;
- Modify the functioning of the Rate Stabilization Account; and
- Remove the code section related to the Bonneville Power Administration pass-through.

The proposed package of legislation is consistent with Council's past practice regarding City Light's Plan and rates. Every two years, Council's adopts an updated Plan and associated rate path by resolution in advance of passing an ordinance to establish new retail rates later in the same year. City Light prepares its budget based on the codified rates.

During the meeting of the Committee on June 17, City Light briefed the Committee on RES 32210 and CB 121231. Also, Leo Lam, Residential Customer Representative and Chair of the City Light Review Panel (Review Panel), communicated the Review Panel's support for the proposed

Plan and rate path. The Review Panel’s comment letter on the Plan is [Attachment 2 of RES 32210](#).

This memorandum describes key aspects of RES 32210 and CB 121231, identifies issues for consideration, and provides next steps.

**Strategic Plan and Rate Path - Resolution 32210: Key Aspects**

City Light’s proposed 2027-2032 Plan is [Attachment 1 to RES 32210](#). Adoption of RES 32210 would adopt the Plan and endorse the associated rate path. The actual retail rates proposed in CB 121231 rely upon the Plan and rate path as proposed in RES 32210.

The Plan begins with reports on City Light’s performance in accomplishing the goals identified in the [2025 – 2030 Strategic Plan Update](#) to contextualize the new Plan. Then, the proposed Plan identifies and describes the collection of strategies the utility will pursue to deliver electricity services to its customers. In the Plan, City Light organizes the utility’s activities under five focus areas: reliability, power supply, customer experience, sustainability, workforce, and technology.

City Light bases the projections of costs for the utility on the utility’s operations and capital investments necessary to accomplish the activities in the focus areas. The 2027-2032 Strategic Plan Financial Forecast (2027-2032 Plan Forecast), Appendix A to the 2027-2032 Plan, details the financial assumptions behind the rate path that would be established by RES 32210.

The 2027-2032 Plan proposes higher retail rate increases than the previous 2025-2030 Plan that reflects increased identified costs. Significant cost drivers include:

- Capital cost – replacement of aging grid and underground infrastructure and projects related to the Skagit hydroelectric projects relicensing with the Federal Energy Regulatory Commission;
- Operations and Maintenance – about 4 percent growth per year (see below) with new and expanded programs; and
- Power costs – Increases of about 5 percent per year for Bonneville Power Administration power and transmission costs, new power resources in the form of solar, wind, battery storage, and transmission

City Light will prioritize new and expanded programs in operations and maintenance over the Plan horizon. Organized by focus areas, they include:

Customer experience

- Customer data and research;
- Outreach to vulnerable and highly impacted communities; and
- Expanded inter-department cooperation and partnerships;

Power supply

- Acquisition of new generation resources, especially renewable energy and through regional energy markets;
- Improved forecasting and risk management;
- Energy efficiency;
- Demand response;
- Customer-owned generation;
- Customer-side efficiency and time-of-day shifts;
- Distributed energy resources; and
- Maximize value of transmission capacity for reliability and revenue

#### Reliability

- Improved asset management;
- Physical security for facilities;
- Fleet management for efficiency and reduced emissions;
- Improved transmission and distribution including underground cables;
- Investments and staffing at generation facilities; and
- Wildfire risk reduction and vegetation management

#### Sustainability

- Staffing and infrastructure for public electric vehicle charging;
- Increased support for customer assistance programs; and
- Increased technical staffing for building electrification

#### Technology

- Expanded cybersecurity staffing and tools;
- Additional IT staffing for data management, system implementation, and geographic information services;
- Improved customer-facing platforms (websites, applications); and
- Modernization of grid management, asset management, and power supply systems

#### Workforce

- Expanded planning, staffing, and training;
- Evaluation of job roles, compensation, and career pathways;
- Improved workplace safety; and

- Investments in maintenance staff and facilities to increase proactive asset improvements

City Light projects retail sales based on the estimate of load growth (increased demand) of 6.1 percent from 2026 to 2032. City Light expects an increase in electric vehicles and conversion to heat pumps to significantly increase demand during the Plan horizon. Moreover, they will increase City Light’s need for power to cope with higher and more frequent and higher peaks in demand. To remain reliable during peak demand, City Light will need to invest in greater capacity in transmission and distribution lines as well as increased power.

The rate path is the year-by-year sequence of average rate increases for all City Light customers for the six-year period of the Plan. City Light calculates the average rate for each year as the total revenue required for operation and maintenance and capital improvements (revenue requirement) divided by total retail sales. City Light communicates the change in the average rate from one year to the next as percent change.

For the 2027-2032 Plan, City Light projects that the revenue requirement will be increasing around \$165 million (10.5 percent) per year and retail sales will be growing by about 1 percent per year. For comparison, in the 2025-2030 Strategic Plan Update Financial Forecast, City Light projected that the revenue requirement would be around \$77 million (6.1 percent) per year and retail sales would grow by almost 1 percent per year.

In RES 32210, City Light proposes a rate path with 9.5 percent average rate increases annually for the first two years and an increase ranging from 7 to 11 percent annually for the remaining four years to generate the revenue required to pay City Light’s costs to deliver services. The proposed increase for 2027 and 2028 would increase a typical residential bill by about \$10 per month and a typical residential bill discounted by the Utility Discount Program (see below) about \$4 month.

Table 1 compares the 2025 – 2030 rate path to the proposed 2027 - 2032. The average rate increases for each year in the proposed rate path are greater than those of the adopted 2025 – 2030 rate path.

*Table 1. Comparison of City Light’s endorsed and proposed rate paths*

Rate Paths Compared	2025	2026	2027	2028	2029	2030	2031	2032
Endorsed 2025-2030	5.4%	5.4%	5.0%	5.0%	5.0%	5.0%	n/a	n/a
Proposed 2027-2032	n/a	n/a	9.5%	9.5%	7%-11%	7%-11%	7%-11%	7%-11%

**2027-2028 Rates Ordinance - CB 121231: Key Aspects**

Customer rates for 2027 and 2028

City Light’s proposed rate changes for 2027 and 2028 would increase by 9.5 percent on January 1 for each year for all retail customer classes on average, upon passage of CB 121231. The

proposed, average annual rate changes for each customer class vary from the overall average rate increases.

City Light has calculated the proposed rate changes for each customer class based on the cost of service and use of power per customer class. These rate changes therefore vary by customer class. Table 2 provides a summary of average rate increases by customer class for reference.

Table 2: Proposed Average Annual Rate Increases for 2027 and 2028

Year	Residential	General Service				Downtown Network		Street Lights	System Average
		Small	Medium	Large	High Demand*				
2027	9.5%	9.5%	9.4%	9.7%	9.1%	7.4%	7.3%	27.2%	9.5%
2028	9.5%	9.5%	9.5%	9.7%	9.0%	8.5%	8.1%	20.9%	9.5%

Source: [Summary and Fiscal Note to CB 121231](#)

The tabulation above shows that Residential and General Service customers (excluding High-Demand) would have increases close to the overall average rate increase (system average). General service is for non-residential customers. The High-Demand rates are set for customers with maximum demand of 10,000 kilowatts (kW) or greater for more than half of their normal billings.

The Downtown Network refers to customers with general service provided through an underground distribution network in Downtown Seattle. Their rate increases would be below the system average due to the proportionally lower cost increases necessary to provide service for this class. Note that these customers have average rates that are about 20 percent higher than non-network customers due to the level of service they receive in terms of capacity and reliability.

The proposed rate changes for street lighting stand out from the other proposed rate changes. The City of Seattle, other public jurisdictions, and private customers pay City Light according to these rates for the service of street lighting. The proposed rate increases for 2027 and 2028 result from sharp increases in capital and operating costs for streetlights including coping with vandalism and wire theft.

#### New rate class for data centers

CB 121231 would create a new rate class for data centers intended to shield customers in the existing rate classes from the costs of the facilities, services, and power required to serve them.

This new rate class, known as “new large data center load,” would be defined in SMC 21.49.020 as “...any service to a data center fed from an expanded or a new installation equal to or greater than 10 (megavolt amperes) MVA of capacity installed within any consecutive five-year

period after January 1, 2027.” MVA is a common measurement unit for electrical equipment like transformers; 10 MVA is the power demand of about 2,000 homes.

CB 121231 would add the definition of “data center” to [SMC 21.49.020](#) meaning “...a facility that is primarily engaged in providing service described under [code 518210](#) of the 2022 North American Industry Classification System (NAICS).” NAICS 518210 covers industry comprised of “...establishments primarily engaged in providing computing infrastructure, data processing services, Web hosting services (except software publishing), and related services, including streaming support services (except streaming distribution services).”

The rate for data centers as new large loads would include the following requirements:

- Not eligible for general service rates;
- Service agreement (contract) with City Light;
- Technical, curtailment, and conservation requirements;
- Full upfront financial responsibility for the cost of any infrastructure serving the data center customer;
- Full recovery of procurement cost of new resources, including power, transmission, and ancillary services;
- Full responsibility for the cost of agreements executed by City Light to serve the customer’s load, until the expiration of the contract term;
- Service only after a contract has been fully executed and City Light has in place all infrastructure, contracts, and resources necessary to provide electrical service;
- Specific charges for power supply, transmission, distribution, base service charge, and other rate components at City Light’s discretion; and
- Rules for aggregating new or expanded installations.

By adopting [RES 32204](#) in June 2026, Council recognized the potential of long-term impacts of data centers on electrical grid capacity and reliability, water usage, utility rates, land use and development, jobs and the economy, and public health; and requested engagement and cooperation from the Executive in the development of data center policies and potential legislation. RES 32204 anticipates establishing a new City Light customer class and conditions of service for new or existing data centers whose electricity demand constitutes a new large load as part of future legislative action. CB 121231 meets that expectation.

In tandem with RES 32204, Council passed [Ordinance 121214](#) in 127447 to adopt a moratorium on the filing, acceptance, processing, or approval of applications for the establishment or expansion of, or change of use to, data centers for one-year effective June 11, 2026.

### Utility Discount Program for City Light

CB 121231 would expand the income eligibility for the Utility Discount Program (UDP) from 70 percent of the State Median Income to 60 percent of the Area Median Income. Through the Utility Discount Program (UDP), eligible households can receive a 60 percent discount on their Seattle City Light (SCL) bills and a 50 percent discount on their Seattle Public Utilities (SPU) bills. The Council is considering separate legislation related to the Utility Discount Program, which is described in more detail in the Issues for Consideration section, below

### Rate Stabilization Account and Bonneville Pass-Through

CB 121231 would modify the purpose and operating rules for the Rate Stabilization Account (RSA), a cash reserve within the Light Fund. CB 121231 would expand the purpose of the RSA from absorbing fluctuations in Net Wholesale Revenue (NWR) to absorbing fluctuations in power costs more broadly and differences between forecasted retail sales and actual sales. However, the proposed language describing the purpose of the RSA is limited to power costs. See Issues for Consideration for discussion, below.

#### *Current RSA*

The purpose of the RSA, established by [Ordinance 121637](#) and most recently amended by [Ordinance 126502](#) in 2021<sup>1</sup>, is generally to cope with fluctuations in City Light's NWR. City Light receives NWR from sales of power in energy markets that is surplus to the needs of City Light's retail customers. Forecasted NWR is used to support City Light's operating and capital expenditures and reduces the impact on retail customers and borrowed money (bond sales).

City Light buys and sells energy in the wholesale market and the sum of these sales and purchases is referred to as NWR. Under the current regulations, the RSA insulates the utility and its retail customers from wholesale power market volatility.

Under the current RSA operating rules, when NWR comes in below planned levels, funds are transferred from the RSA into City Light's operating account. Conversely, when City Light's NWR exceeds the planned levels, the excess is transferred into the operating account.

When the RSA is depleted below defined levels, City Light must impose surcharges on retail customers' bills. On April 1, 2026, City Light removed the most recent RSA surcharge. The RSA was significantly depleted in 2022 and 2023, and the surcharge had been in effect since January 1, 2024.

#### *Proposed RSA*

Per CB 121231, City Light would transfer money from the RSA to the operating account if power costs exceed City Light's monthly forecast instead of when City Light's NWR is less than planned. If the power costs are less than the monthly forecast, then City Light would transfer the difference into the RSA.

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<sup>1</sup> Last ordinance to modify RSA operating rules; rate ordinances have changed NWR targets.

Similarly, the legislation would establish a new mechanism dealing with retail sales. If monthly retail sales exceed forecasted retail sales, then City Light would transfer that amount into the RSA. If monthly retail sales are below the forecast, then the difference calculated in the same way would be transferred out of the RSA. See Issues for Consideration for a discussion of how the proposed RSA operating rules would define power costs and related implications.

CB 121231 would increase the target size (ideal balance) of the RSA from \$100 million to \$150 million. And the legislation would change the maximum balance in the RSA cash reserve from \$125 million to \$200 million. These thresholds were last adjusted via Ordinance 126502 in 2021. Any amount in excess of the maximum would be transferred out of the RSA.

Consistent with the current RSA regulations, the RSA balance would be checked against specific balances as it is depleted by transfers out. And like the current RSA rules, City Light would impose surcharges on retail customer bills when the RSA drops below the specific balances. The proceeds from the surcharges would be deposited into the RSA.

CB 121231 would change the specific RSA balances that would trigger surcharges and the amount of the surcharges. City Light would impose a surcharge of 2 percent whenever the RSA falls below \$120 million on either March 31 or September 30, compared to the surcharge of 2 percent when the RSA falls below \$75 million in the current rules. City Light would deposit the proceeds from the surcharge into the RSA until the RSA balance reaches the target amount of \$150 million.

Whenever the amount in the RSA would be \$80 million or less on either March 31 or September 30, City Light would impose a surcharge equal to 5.0 percent. The 5.0 percent surcharge would replace a 2.0 percent surcharge should one be active. The surcharge would remain in effect until the amount in the RSA reached its target size of \$150 million. The current lower (or second) surcharge trigger amount is \$50 million with an added 2 percent surcharge imposed for a total of 4 percent.

The timing of notification to Mayor and Council about the RSA balance would not change compared to the current rules. No later than 45 days after the end of each quarter, City Light would notify the Mayor and the City Council of the forecast and actual power costs and the cash balance of the RSA.

City Light has stated that there would be no direct impact on 2027 and 2028 retail rates from updating the size and operating rules of the RSA. If CB 121231 passes, then City Light would transfer approximately \$20 to \$30 million to the RSA in January 2027 to increase the amount in the RSA to, or close to, its \$150 million target.

*Bonneville Pass-Through*

City Light purchases about a third of its energy from Bonneville Power Administrations (BPA), a federal power-marketing administration, to meet retail customer demand. Currently, City Light must pass-through changes in costs of power purchases from BPA as an adjustment to customers' bills. CB 121231 would repeal the BPA pass-through regulations because the revised RSA rules would encompass BPA power costs.

## **Issues for Consideration**

### Issue 1: Redundant legislation

The Governance and Utilities Committee is considering and will possibly vote on [CB 121222](#) on July 9 that would modify eligibility for UDP for both City Light and Seattle Public Utilities in the same manner. Councilmember Strauss is sponsoring the legislation with Council President Hollingsworth co-sponsoring. If Council approves CB 121222, an amendment to CB 121231 to eliminate the redundancy would be necessary.

See the record for CB 121222 for the legislative materials including the presentations, agendas, and links to the video record of Governance and Utilities Committee meetings.

### Issue 2: Using RSA for retail sales variability

As described above, CB 121231 would allow City Light to make transfers in and out of the RSA based on actual power costs and retail sales compared to the utility's forecast for them. The step from NWR to power costs more broadly is significant alone, separate from considering RSA changes to include retail sales. Allowing the use of the RSA to cover for retail sales variability would be a more significant policy change beyond allowance for power cost flux.

The Council may wish to more clearly define the purposes of the RSA and whether or not to include coping with retail sales variability. If Council wishes to include retail sales, then Council may wish to modify the language dealing with the purpose of the RSA to clarify that it would cover power costs and retail sales to better describe how the changed RSA would actually function.

### Issue 3: Definitions in proposed RSA code changes

The proposed change in purpose for the RSA from coping with NWR fluctuations to coping with power cost fluctuations relies upon new definitions that employ undefined terms. In order to understand the scope and magnitude of the shift from NWR to power cost, it's necessary for the definition of power cost and related matters to be clear.

CB 121231 would add to SMC 21.49.020:

“Net variable power cost” mean costs for short-term and long-term purchased power, purchased transmission services, and ancillary services net of associated revenues from sales of short and long-term power, transmission services, and ancillary services.

and

“Net variable power cost average price” means the annual net variable power cost divided by total annual retail sales used to set retail rates.

The following terms in the first definition are not defined either explicitly (in SMC 21.49.020) or implicitly in the context of code language:

- “Short-term purchased power and revenues”;
- “Long-term purchased power and revenues”;
- “Transmission services”; and
- “Ancillary services”

City Light would use the net variable power cost average price to calculate how much money from retail sales to transfer to or from the RSA under the proposed operating rules. While the term, “retail sales,” can be understood generally and in the context of the portions of the SMC dedicated to retail rates, the exact definition of the term is preferred to fully comprehend how City Light would calculate the amount of the transfers

Central Staff asked City Light staff to provide the intended definitions for the terms. City Light responded with the tabulation of the definitions and examples for each term shown in Table 3, below. After the Committee has reviewed the definitions, they may wish to consider amending the proposal.

Table 3: Definitions related to power costs and retail sales

Term	Definition	Example
Short-term purchased power costs and revenues	Electricity Seattle City Light buys or sells under agreements less than one year.	Wholesale Market purchases to balance City Light’s load
Long-term purchased power costs and revenues	Electricity Seattle City Light buys or sells under agreements greater than one year	BPA power contract
Transmission services	Costs City Light pays to other utilities/transmission providers to move electricity over their transmission systems, as well as any revenue City Light receives when other electricity providers use surplus transmission capacity on City Light’s system	BPA transmission (wheeling) contract
Ancillary Services	Support services purchased or sold that keep the electric system running reliably but are <i>not</i> part of buying or selling electricity itself.	Frequency Regulation and Operating Reserves
Retail Sales	Amount of energy (MWh) delivered to retail customers	All the energy delivered to customers and billed as retail revenue.

### Next Steps

If the Committee votes on a recommendation on RES 32210 on July 1, 2026, then the City Council could take final action as soon as July 7.

On July 1, the Committee will discuss CB 121231, the City Light rate ordinance for 2027-2028 in advance of possible Committee vote on July 15, 2026. If approved by the Committee, the City Council could take final action as soon as July 21.

cc: Lish Whitson, Director  
Calvin Chow, Deputy Director  
Jennifer LeBrecque, Supervising Analyst

# 2027-2032 Strategic Plan RES & 2027-2028 Retail Rate ORD

Parks & City Light Committee

July 1, 2026

# Summary

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- Strategic Plan Resolution
  - Adopts City Light's 2027-2032 strategic plan
  - Endorses 9.5% rate path for 2027 and 2028
- Rate Ordinance
  - Implements rate increases
  - New large data center load policy
  - Expands Rate Stabilization Account (RSA)
  - Utility Discount Program (UDP) eligibility



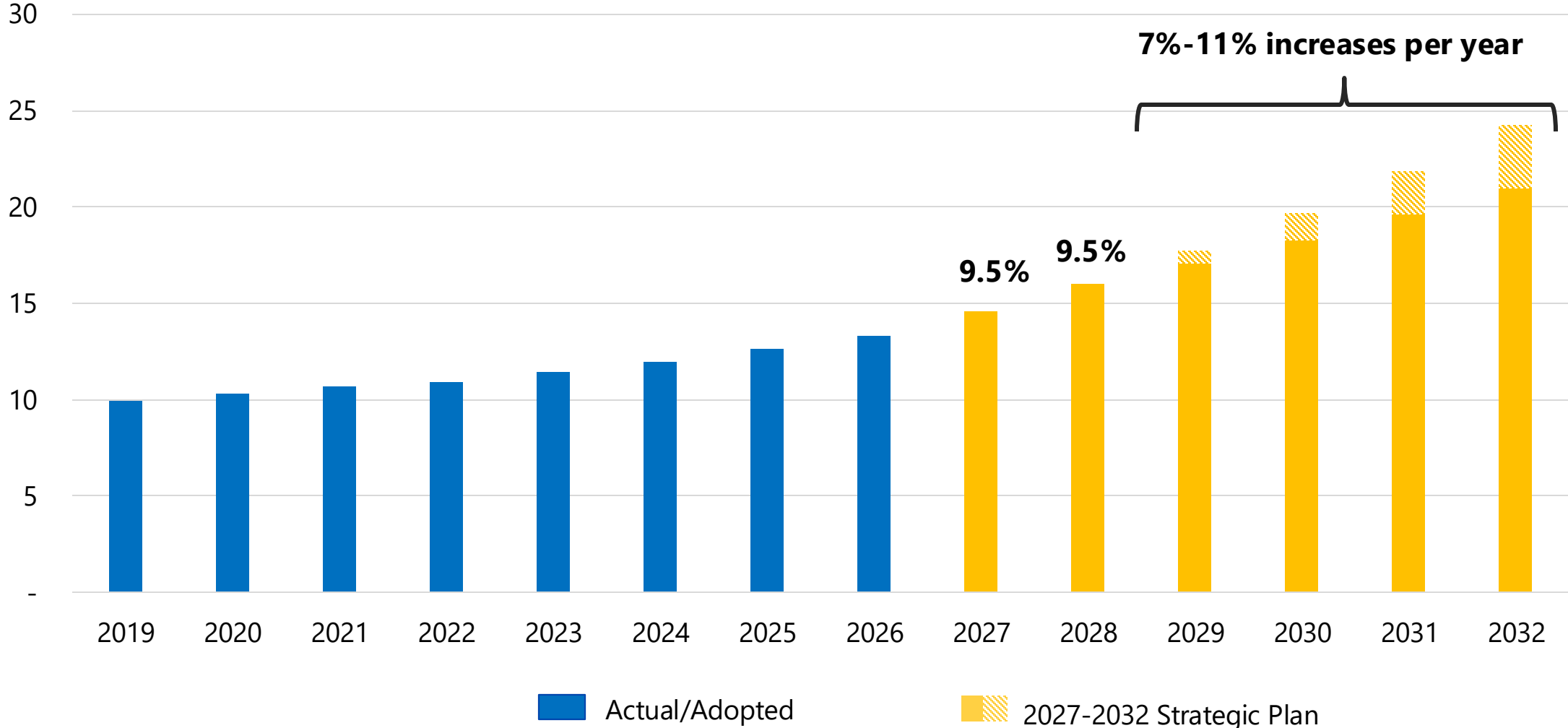
# Rate Ordinance

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1. Sets new electric rates effective Jan 1, 2027 and Jan 1, 2028
  - Increases average 9.5% annually, per strategic plan
  - Updated cost allocation and rate design
2. Establishes rate for new data centers
3. Expands Rate Stabilization Account (RSA)
4. Broadens Utility Discount Program (UDP) eligibility

# Strategic Plan Retail Rate Path

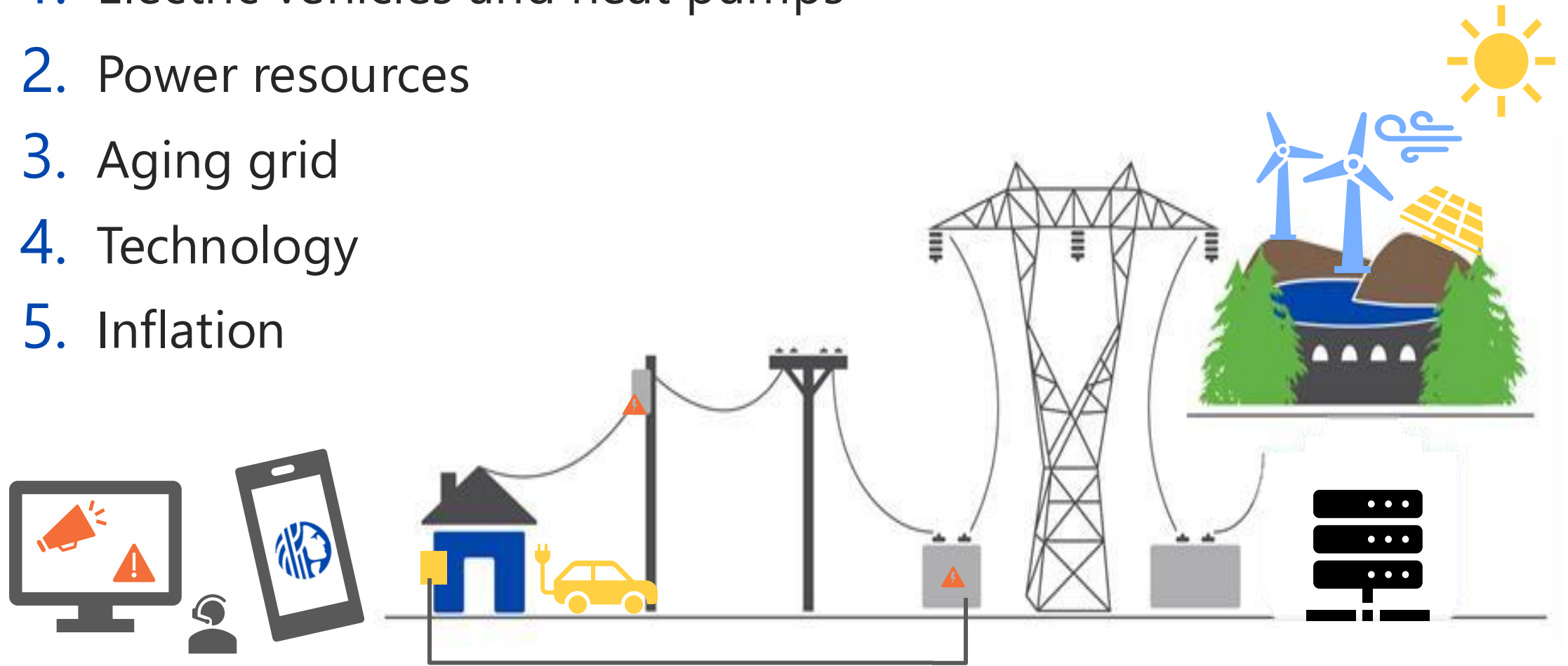
¢ per kWh



# Why Rate Increases are Needed

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1. Electric vehicles and heat pumps
2. Power resources
3. Aging grid
4. Technology
5. Inflation



# Investing in Infrastructure

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- Direct buried underground cable
  - 300 miles of failing cable
  - Replacement cost ~\$2 billion
- Poles & transformers
- Hydroelectric dams
  - Skagit Gorge dam superstructure
  - Boundary forebay bridge
- Wildfire mitigation



# Growth & Urban Density

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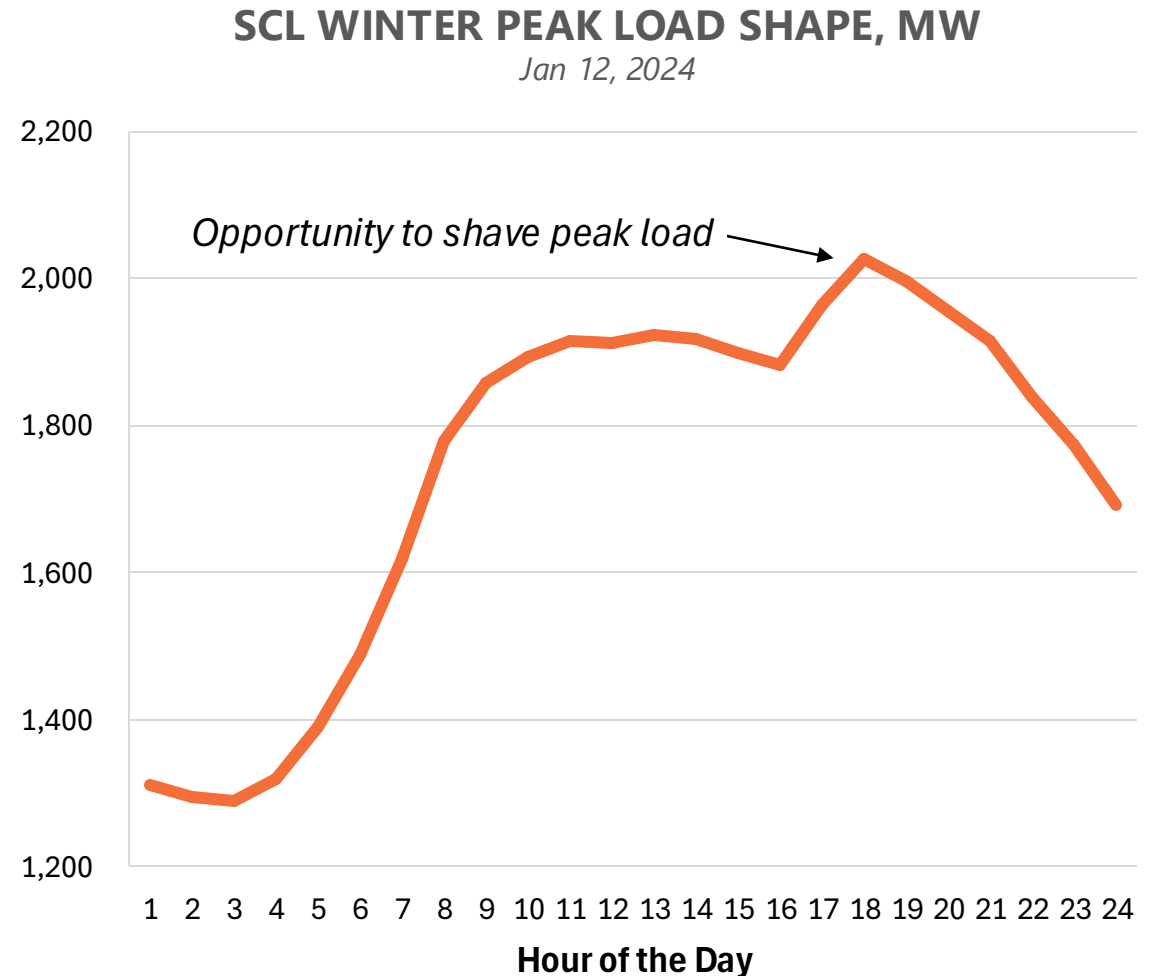
*Service drops for new multifamily developments must be underground for safety.*

*Policies and fees ensure new development pays its fair share, so existing residents and businesses aren't left covering the costs.*



# Managing Peaks in Demand

- Leverage hydro flexibility
  - Skagit
  - New Bonneville contract
- New resources
- Customer demand response
  - Time-of-Use Rates
  - Large Industrial Curtailment
  - DERMS (Distributed Energy Resource Management System)



# Cost Allocation & Rate Design

## AVERAGE ANNUAL RATE INCREASES

	Residential	General Service				Downtown Network		Street Lights	System Average
		Small	Medium	Large	High Demand	Medium	Large		
2027	9.5%	9.5%	9.4%	9.7%	9.1%	7.4%	7.3%	27.2%	9.5%
2028	9.5%	9.5%	9.5%	9.7%	9.0%	8.5%	8.1%	20.9%	9.5%

**Residential and general service:** Increases near the 9.5% average.

**Downtown network:** Lower increases of about 7–8%; network service remains priced at a premium.

**Streetlights:** Significant increases due to rising maintenance costs.

# Bill Impacts: Residential Rates

Residential Standard		2026	2027	2028	
2027 average increase:	9.5%	Energy (\$/kWh)	\$0.1338	\$0.1417	\$0.1457
2028 average increase:	9.5%	Base Service Charge (\$/month)	\$12.00	\$16.78	\$23.55
Number of meters:	467,866				

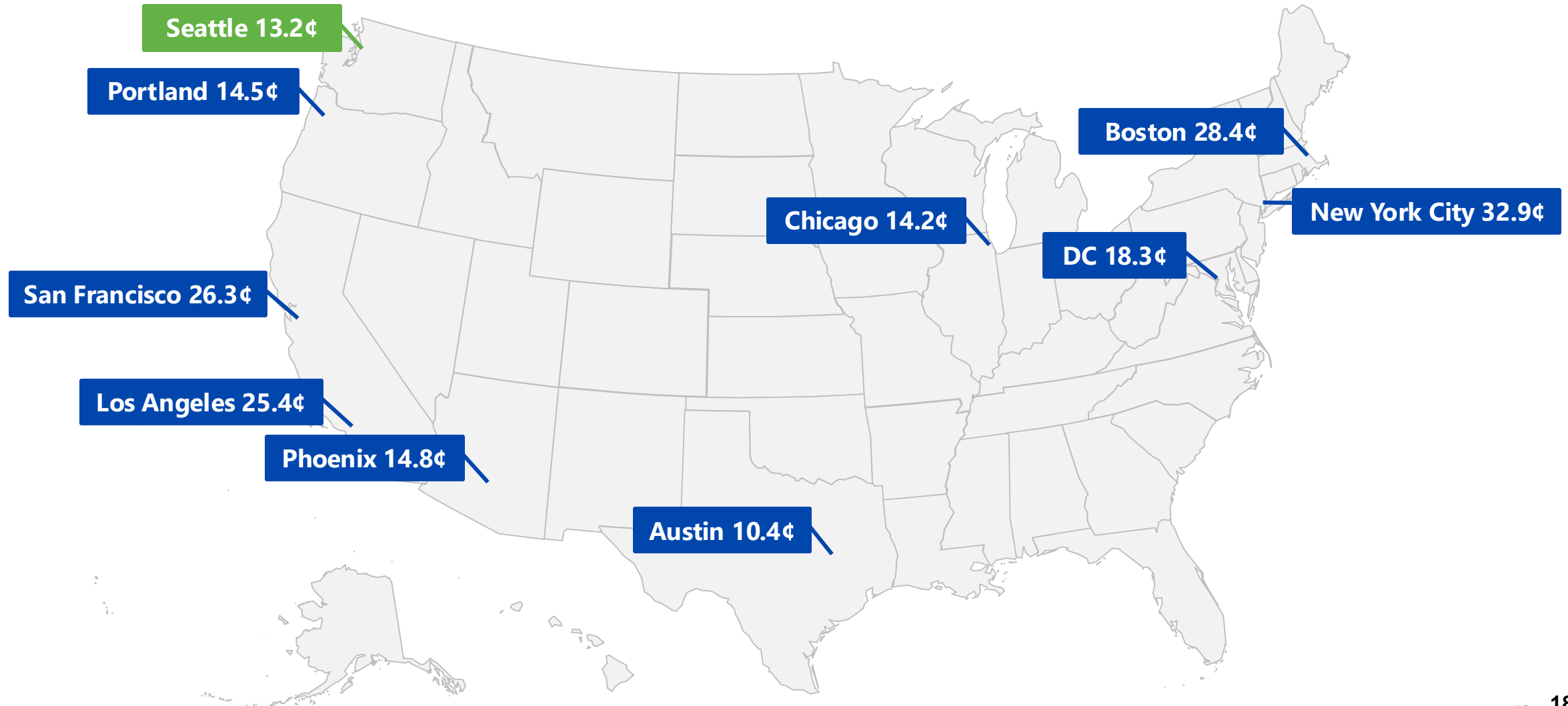
Monthly Bills	kWh	2026	2027	Increase	2028	Increase
Apartment- Gas Heat	204	\$39	\$46	<b>\$6</b>	\$53	<b>\$8</b>
Apartment- Electric Heat	463	\$74	\$82	<b>\$8</b>	\$91	<b>\$9</b>
SF Home- Gas Heat	634	\$97	\$107	<b>\$10</b>	\$116	<b>\$9</b>
SF Home- Electric Heat	841	\$124	\$136	<b>\$11</b>	\$146	<b>\$10</b>
SF Home- High Use	1,180	\$170	\$184	<b>\$14</b>	\$195	<b>\$11</b>

# Bill Impacts: Small/Medium Businesses

Monthly Bills	kWh	2026	2027	Increase	2028	Increase
Small Office	1,195	\$173	\$190	<b>\$16</b>	\$213	<b>\$23</b>
Car Wash	7,573	\$965	\$1,042	<b>\$78</b>	\$1,110	<b>\$68</b>
Investment Firm	8,833	\$1,121	\$1,211	<b>\$90</b>	\$1,288	<b>\$77</b>
Fast Food Restaurant	17,078	\$2,144	\$2,313	<b>\$169</b>	\$2,448	<b>\$135</b>
Small Grocery Store	34,463	\$3,863	\$4,264	<b>\$401</b>	\$4,701	<b>\$437</b>
Apartment Complex	216,300	\$24,614	\$26,673	<b>\$2,060</b>	\$28,995	<b>\$2,322</b>
Real Estate Development	453,050	\$48,411	\$52,306	<b>\$3,895</b>	\$56,727	<b>\$4,421</b>

# Comparing Electric Rates in Other US Cities

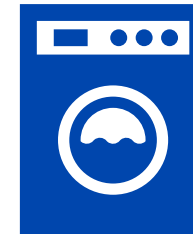
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# Navigating Big Rate Increases

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- Broad customer communication
  - Newsletters, blog, social media, news
  - Community forums and in-person events
- Opportunities for savings
  - “Energy Insights” online tool
  - Time of use rates
  - Efficiency investments and rebates
  - Multifamily home incentives



# Supporting Affordability for All

## For Income-Qualified



**60% bill discount**

*Utility Discount Program*



**Up to \$1,670 for past due bills**

*Emergency Bill Assistance & Project Share*



**Up to \$1,250 for heating costs**

*Federal LIHEAP*



**Up to \$1,000 for energy costs**

*State Home Energy Assistance Program (SHEAP)*

## For Anyone



**Pay a levelized amount each bill, readjusts annually**

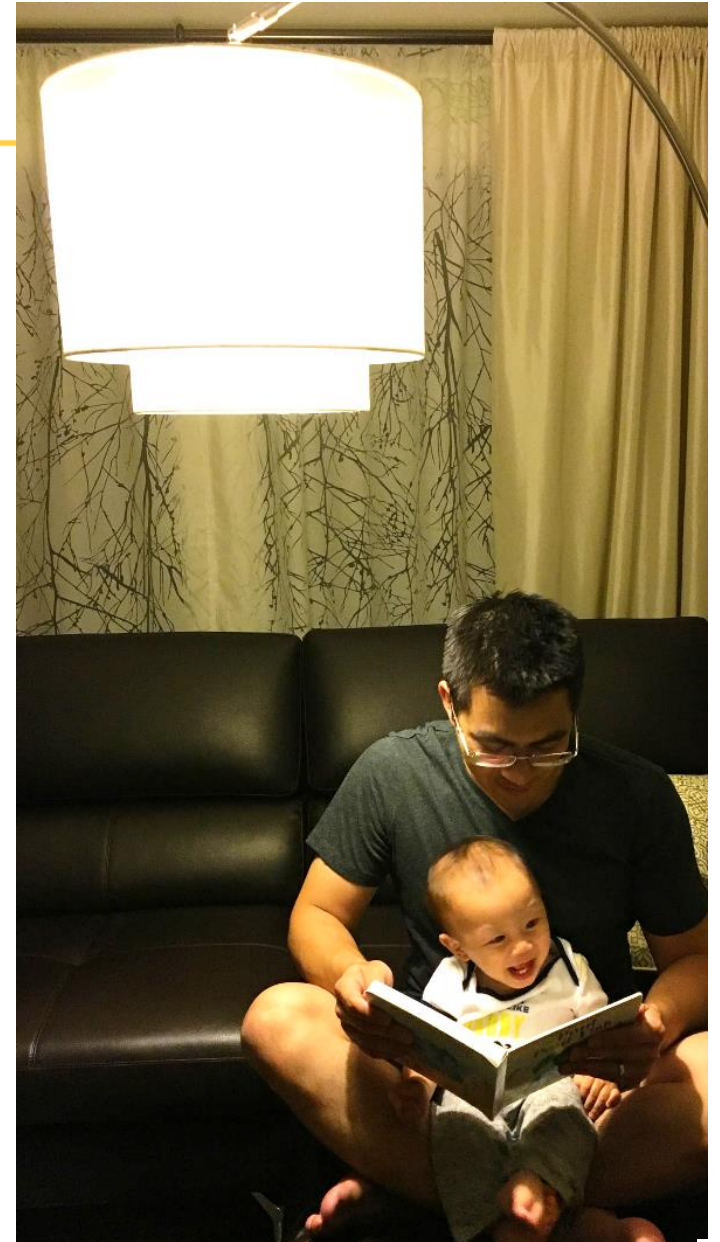
*Budget Billing Program*



**60 days to catch up on past due bills**

*Short Term Payment Plan*

**Ordinance expands UDP eligibility**



# THANK YOU

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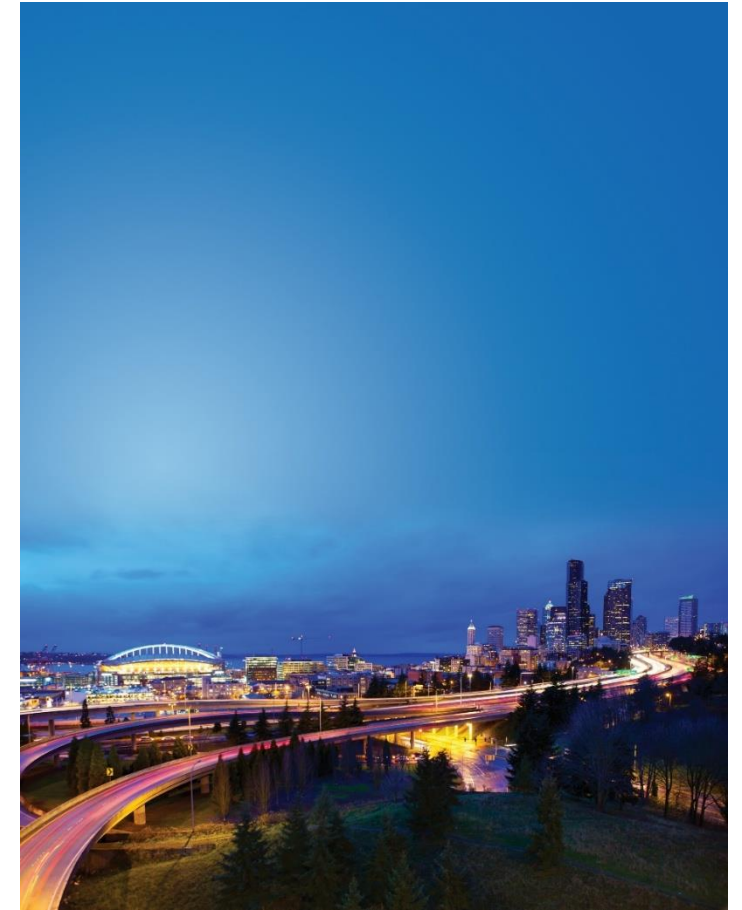


**Seattle City Light**

# New Data Center Rate

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- **New rate class for data centers with new or expanded service greater than 10 MVA**
  - Pay upfront for any grid investments
  - Rate based on cost of new power and transmission
  - Contract demand and overrun fees
  - Required curtailment provisions, conservation
- Policy ensures existing customers are held harmless
- Large load policies are becoming industry standard



# Rate Stabilization Account (RSA) Expansion

- RSA created in 2010 to absorb wholesale cost/revenue fluctuations. If needed, automatic rate surcharges trigger to rebuild the cash reserve.

	Current RSA	Expanded RSA
<b>Applies to</b>	Wholesale	Wholesale + Power Contracts + Retail Load Variation
<b>Size / Ceiling</b>	\$100M / \$125M	\$150M / \$200M
<b>Surcharges</b>	2% at \$75M    4% at \$50M <i>All rate components</i>	2%* at \$120M    5%* at \$80M <i>Per-kWh rates only</i>

\* Percentage of average system rate, all customers pay same per-kWh surcharge

- Expansion does not require higher rates or surcharge.

# UDP Program Expansion

- Utility Discount Program (UDP) provides 60% discount on electric bills
- Ordinance expands eligibility
  - Current: 70% of SMI (state median income)
  - New: 60% of AMI (area median income)
- Adds about 31k more eligible customers

**AVERAGE ENERGY BURDEN AFTER DISCOUNT**

Discount	0<10%	10<20%	20<30%	30<40%	40<50%	50<60%	60<70%	70<80%
80%	3%	1%	1%	1%	0%	0%	0%	0%
70%	5%	2%	1%	1%	1%	1%	0%	0%
60%	6%	2%	2%	1%	1%	1%	1%	1%
50%	8%	3%	2%	1%	1%	1%	1%	1%
40%	9%	4%	2%	2%	1%	1%	1%	1%
30%	11%	4%	3%	2%	2%	1%	1%	1%
20%	12%	5%	3%	2%	2%	1%	1%	1%
10%	14%	6%	4%	3%	2%	2%	1%	1%
5%	14%	6%	4%	3%	2%	2%	1%	1%
No discount	15%	6%	4%	3%	2%	2%	1%	1%

# Regional Rate Increase Comparison

Residential Rate Increases						27/28 Proposals:
Utility	2023	2024	2025	2026	Avg	
Seattle City Light	3.4%	5.5%	4.1%	4.8%	4.5%	
Tacoma Power	3.9%	3.9%	6.5%	6.5%	5.2%	
Puget Sound Energy	8.7%	1.7%	12.0%	12.0%	8.6%	<b>+21%</b>
Snohomish PUD	2.0%	5.8%	4.9%	2.8%	3.9%	
Portland General Electric	7.0%	18.0%	5.5%	2.8%	10.2%	
Avista - Washington	5.0%	2.0%	2.6%	4.4%	3.8%	<b>+19%</b>

as of 3/20/2026



## Legislation Text

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**File #:** CB 121241, **Version:** 1

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The City of Seattle

Ordinance

Council Bill

..title

An ordinance relating to the City Light Department; authorizing the Department to enter into long-term agreements for the acquisition of electric power, including attributes, transmission, or ancillary services; and amending Section 21.49.130 of the Seattle Municipal Code.

..body

Recitals:

The Department forecasts increasing demand for electricity primarily caused by changes in consumer consumption associated with increased adoption of electric vehicles, electrification of buildings, other decarbonization efforts, and installation of new data centers.

The Department's most recent Integrated Resource Plan forecasts load growth through the planning horizon of 2045 and the need to acquire more than 1,700 megawatts of new resources before 2035.

The availability of renewable energy from new or existing generating facilities is not keeping pace with demand from both utilities and other large energy users competing to purchase power from many of the same resources, resulting in an increasingly competitive and higher priced market for renewable resources.

The Department, to meet its increased generation needs, seeks to acquire renewable energy through long-term power purchase agreements.

The Department is better positioned to bid for renewable power purchase agreements and negotiate favorable terms if it can provide assurances during negotiations that it is authorized to execute longer duration agreements without delays or uncertainties associated with obtaining Council approval. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. Section 21.49.130 of the Seattle Municipal Code, last amended by Ordinance 127296, is amended as follows:

21.49.130 Authority

\* \* \*

### B. Rulemaking and contract authority

1. The Department shall have authority to adopt and file as appropriate rules, regulations, policies, and procedures relating to its performance of the provisions of this Chapter 21.49 and to the operation of the Department's light and power system. The Department may require compliance with such rules, regulations, policies, and procedures as a condition for the supply or continued supply of electric service.

2. Effectively managing its power supply portfolio to achieve balance between supply and customer demand requires that City Light transact in the wholesale energy markets for energy and transmission services and products, including the purchase or sale of short-term capacity or energy, or integration, transmission, or ancillary services. The Department may therefore execute, implement, and administer contracts with any city or town, public utility district, governmental agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or corporation, or any other member of the general public, outside its service area, for an effective term of not more than 60 months ((from the month following the date on which the contract is first signed ("prompt month"))) , providing for the acquisition, exchange, or sale of capacity or energy, ((or integration,)) transmission, or ancillary services, or eligible renewable resources, which shall have the same meaning as defined by RCW 19.285.030 ((on terms most favorable to the Department under such circumstances and in compliance with state law, including RCW 43.09.210)) . To meet long-term load and resource requirements, the Department is authorized to execute agreements for a power delivery term up to 240 months for capacity of energy, including attributes, transmission, or ancillary services consistent with the Department's long-term planning process. Such acquisition, sale, or exchange made pursuant to this subsection 21.49.130.B.2 shall be made on a basis representing the value of such capacity or energy, or ((integration,)) transmission, or ancillary services, under then-existing market conditions, on terms most favorable to the Department under such circumstances and in compliance with state law, including RCW 43.09.210, and may include provisions that require

indemnification by the Department.

3. The Department may execute agreements with the Bonneville Power Administration providing for reimbursements from Bonneville of some or all of the costs of operating energy conservation programs authorized by the City Council. The Department shall determine that such agreements or amendments to such agreements shall not incur any indebtedness or the acceptance of moneys imposing any duties or obligations on the City that are inconsistent with the Department's budget appropriation for such energy conservation programs. The Department shall provide a written notification prior to the execution of such contracts and a copy of such contracts to the appropriate authorizing committee of the City Council.

4. The Department may execute contracts for the purchase or sale of environmental attributes, including but not limited to renewable energy credits (RECs), greenhouse gas offsets, and carbon credits to meet policy and regulatory requirements in a cost-effective and timely manner. The Department may enter into such contracts in advance of the target date for acquisition identified in the Department's Integrated Resource Plan or the date required by state or federal law. These purchases will be made within the Department's yearly budget authority limits. Sales will be made on an as-needed basis to balance demand with supply of these products, and to minimize overall costs to ratepayers.

5. The Department may execute contracts for the purchase or acquisition of cost-effective energy conservation resources for an effective term of not more than 84 months, provided that the payment terms for such contracts do not exceed 60 months. "Energy conservation resources" shall have the same meaning set forth in the Energy Independence Act, chapter 19.285 RCW, including, without limitation, long-term energy efficiency projects, new construction, whole-building performance, and pay-for-performance programs.

6. In order to meet the requirements of the Renewable Plus Program, the Department may execute contracts with any city or town, public utility district, government agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or corporation, or any other member of the general public, outside its service territory providing for the acquisition or exchange of capacity or energy, or integration, transmission, or ancillary services, of renewable resources, which shall have the same meaning as defined by RCW 19.280.020 for a term of not more than 20 years. The Department shall endeavor to match the term of the acquisition contracts with the needs and requirements of the Renewable Plus Program customer contract terms. Such acquisition or exchange of capacity, energy, or services shall be made on a basis representing the value of such capacity or energy, or integration, transmission, or ancillary services, under then-existing market conditions, and may include provisions that require indemnification by the Department.

7. The Department is authorized to negotiate and to enter into new leases or subleases and extensions or modifications of existing leases or subleases of any real property now or hereafter owned by the Department or private parties for the purpose of installing and operating electric vehicle charging stations and supporting infrastructure, including but not limited to energy storage systems, distributed energy generation systems, and general electrical infrastructure, for an effective term of not more than 84 months.

8. The Department is authorized to develop programs, enter into agreements with customers and other parties, and provide incentives, including but not limited to monetary compensation, for modifications to customer electricity consumption. Incentives shall be based on the value of the demand response provided to the Department, with the total cost of incentives not to exceed the expected monetary value to the Department of the demand response measures taken by customers and other parties. "Demand response", as it applies to this section, refers to changes in electric usage by demand-side resources from their normal consumption patterns and may include energy storage and measures to increase or decrease electricity production.

\*\*\*

This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council and signed in open session in authentication of its passage on .

President of the City Council

on .

Katie B. Wilson, Mayor

Attested on .

Scheereen Dedman, City Clerk

Seal

SCL Authority to Execute Power Purchase Agreements ORD

Jeffrey Wolf

D1a

2

Template last revised April 2, 2026

DEPT Short Name of Legislation ORD

Author's Name

V1

2

## Summary and Fiscal Note

### 1. Legislation Summary

**Department:** Seattle City Light

**Title:** An ordinance relating to the City Light Department; authorizing the Department to enter into long-term agreements for the acquisition of electric power, including attributes, transmission, or ancillary services; and amending Section 21.49.130 of the Seattle Municipal Code.

**Background:** According to Seattle City Light's 2026 Integrated Resource Plan, the utility needs to acquire more than 1700 megawatts of new resources in the next decade.

The primary mechanism for acquiring these new resources will be through long-term contracts known as a Power Purchase Agreement (PPA) with a private developer.

Many utilities across the northwest are experiencing significant load growth and the availability of renewable energy from new and existing facilities is not keeping pace with demand from electric utilities and large energy users, particularly data centers. This means that purchasing generation resources is increasingly competitive and higher priced, especially for renewable energy resources.

Developers of utility-scale resources are moving more quickly, and City Light is better positioned to bid and negotiate favorable terms if it can provide assurances during negotiations that they are authorized to execute longer duration agreements. As a public utility that is committed to maintaining affordable rates, City Light is at a disadvantage under the current Seattle Municipal Code (SMC), which only authorizes City Light to execute, implement, and administer contracts for up to 60 months. This is increasingly challenging as City Light engages in the competitive bidding process for

renewable resources being developed that could be used to meet anticipated load growth.

This ordinance adds language to section 21.49.130 of the SMC to authorize City Light to execute agreements for a power delivery term up to 240 months for capacity energy, including attributes, integration, transmission and ancillary service, for the purpose of meeting the utility's long-term resource adequacy needs.

**Summary Attachments:** None

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## 2. Capital Improvement Program (CIP)

Does this legislation create, fund, or amend a CIP Project?

- Yes  
 No
- 

## 3. Summary of Financial Implications

Does this legislation have financial impacts to the City?

- Yes  
 No

### 3d. Other Financial Impacts

**a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts.**

No.

**b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle**

**these costs? Or does the department need to shift resources away from other work to handle these costs?**

No.

**c. What financial costs or other impacts might happen if this legislation is not implemented?**

The authority provided to City Light by this ordinance should provide the utility with a more competitive position to secure long-term Power Purchase Agreements (PPAs) with more favorable financial terms for the utility and its customers.

**d. How might this legislation affect other City departments besides the one that proposed it?**

N/A

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#### 4. Other Impacts

**a. Does this legislation require a public hearing?**

Yes

No

**b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?**

Yes

No

**c. Does this legislation affect a piece of property?**

No.

**d. Race and Social Justice Initiative impacts:**

**1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion?**

**Please consider both impacts within City government (like employees and internal programs) and in the broader community.**

N/A.

**2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation.**

N/A

**3. What is the Language Access Plan for communicating with the public about this legislation?**

N/A

**e. Climate change impacts:**

**1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer.**

This legislation allows City Light to secure longer-term Power Purchase Agreements for non-carbon emitting renewable energy resources. This will help City Light meet the demand of its growing load due to building and transportation decarbonization, rather than relying on market purchases, potentially from unspecified resources.

**2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact.**

Resource adequacy is critical for City Light to meet its growing peak demand while the region also experiences increased extreme weather events (heat/cold) due to climate change.

**f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress?**

N/A

**g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization?**

N/A

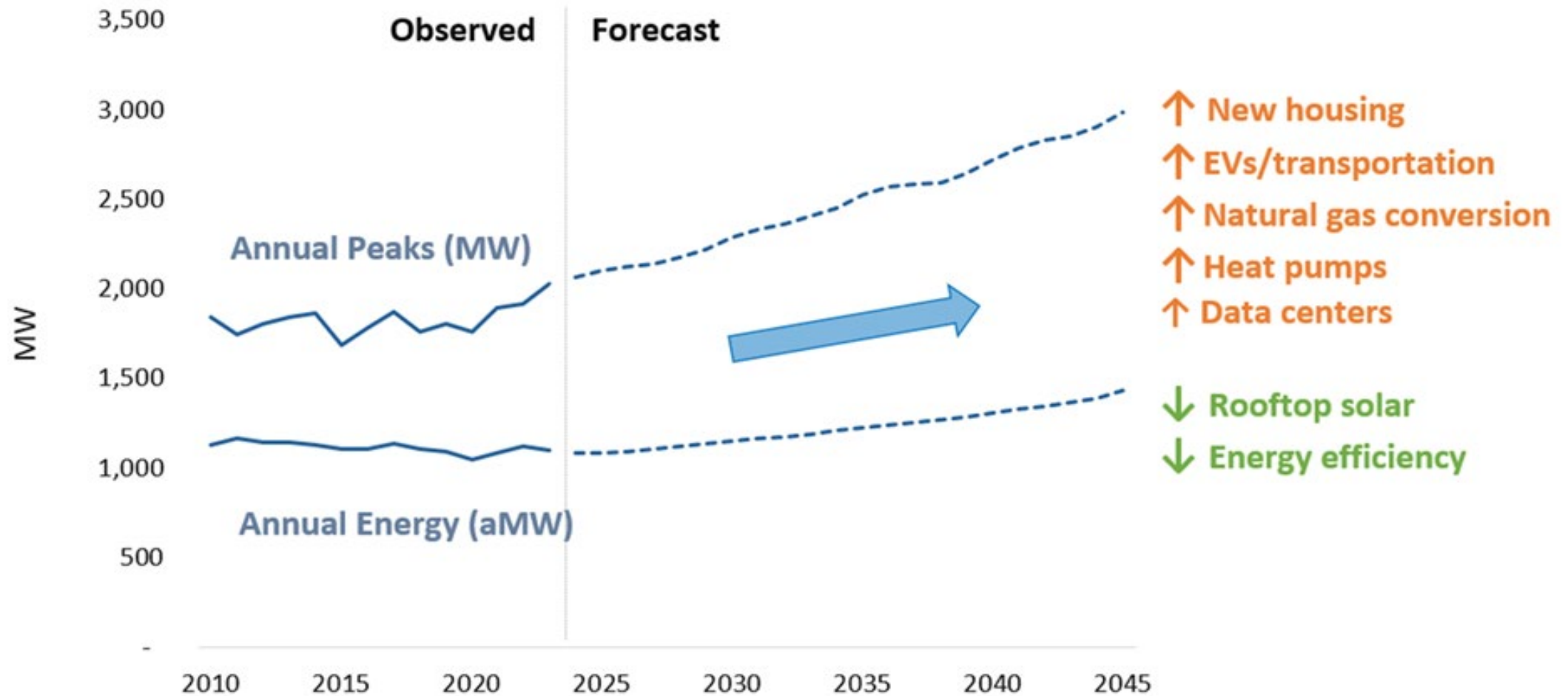
# Power Purchase Agreement ORD

Parks and City Light Committee

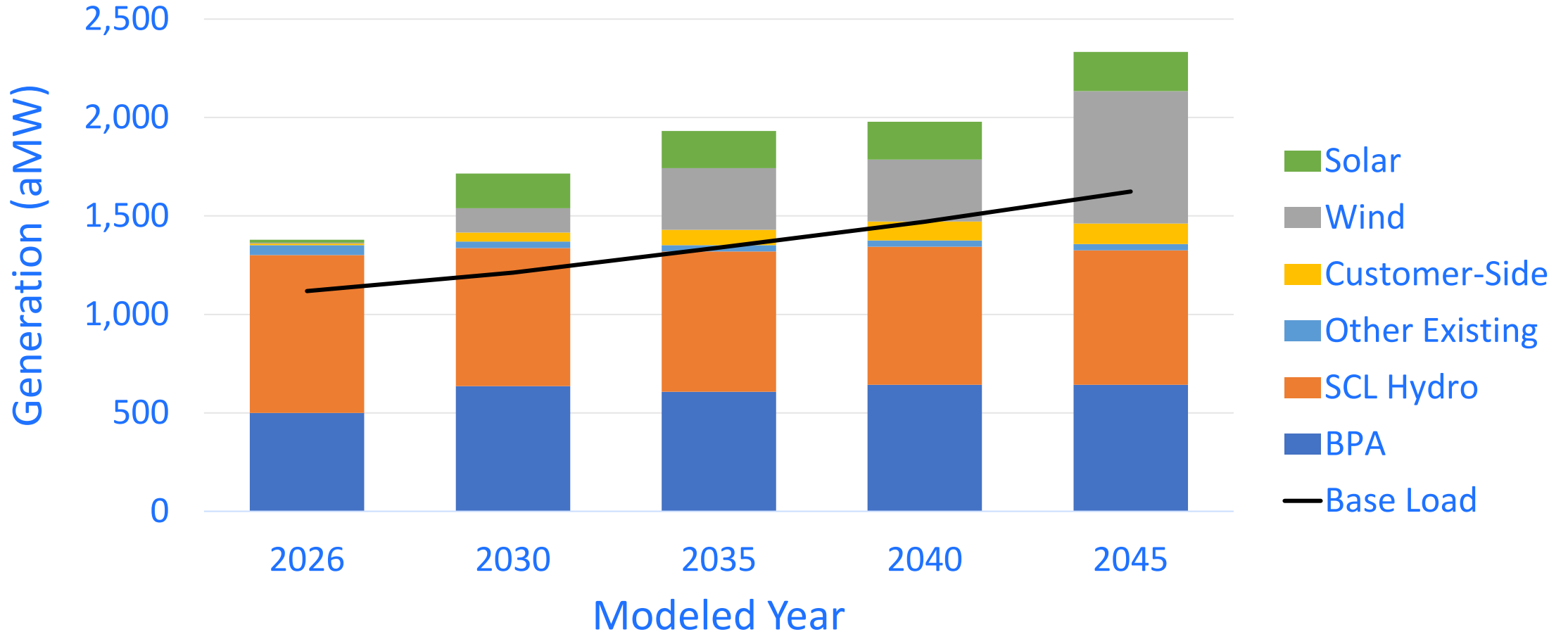
July 1, 2026



# Growing Demand - 2026 IRP Load Forecast



# IRP Results - New Resource Needs



# Preparing Seattle's Energy Landscape for the Future

Supply-Side Resource Additions (MW)	2026-2035	2036-2045	Total
Battery	109	251	360
Solar	600	0	600
Wind	1,002	1,308	2,310
Firm Energy Purchases	0	314	314
<i>Supply-Side Resources Total</i>	<i>1,711</i>	<i>1,873</i>	<i>3,584</i>

# Advanced Authority and Negotiating Position

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- Transmission constraints limit availability.
- IRA tax incentives for many new facilities expiring.
- Competition from other utilities/data centers: numerous entities bidding on same facilities.
- Facilities have preference for entities that can commit quickly.
- Authorization based on IRP adoption puts Department in better bargaining position.

# What is City Light Up Against - The Competition!

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- **Amazon** buys site of Oregon's largest planned solar and energy storage project (1.2GW solar & 1.2GW storage)
- **Meta & QTS** sign solar PPA with Avangrid & PGE in Oregon (120MW)
- **Amazon** inks PPA with Avangrid's Oregon Trail Solar Project (57MW)
- **Grant County PUD** approves 20-year solar PPA (120MW)
- **Avista** issues all-source RFP for new clean resources (415MW)
- **PGE** finalizes 1 GW renewables + battery storage contracts
- **PacifiCorp** issues Oregon-specific 2025 RFP for renewables

# Requested Action

- Amend SMC 21.49.130 B 2 to provide Department with authority to meet its long-term planning needs by executing purchase agreements for a term up to 240 months for capacity, energy, including attributes, transmission, or ancillary services.

# THANK YOU

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**Seattle City Light**