

Professional Experience, Leadership, Philosophy, Vision

1. What is the most publicly controversial issue you have dealt with in your career? Please explain your role, your contribution to its resolution, and the lessons learned including anything you might have done differently.

As the new Chief Information Officer for the Western Area Power Administration (WAPA), a \$1.3 billion federal utility delivering power that reached over 40 million customers across 15 western states, I began a security assessment. In early 2014, I identified a significant threat vector risk. A former WAPA manager had created his own company to preserve the rights of WAPA preference customers. He had created a market settlement tool using Microsoft Excel with macro formulas. He had then marketed this to all of WAPA's customers who paid him to ensure that allocations and costs matched. This tool was populated with data from both WAPA and customers and just shared through e-mail. Microsoft had identified a risk where this type of data sharing with macros had a high likelihood of being intercepted and having a fake "macro update" that could become a Trojan Horse hack.

I raised this concern with all of the senior vice presidents (SVPs) and regional managers who thought there was no risk since they had been doing this for years. I continued to make my case and had the support of the CEO/Administrator after he had a Department of Energy security briefing. The solution was to move to a secure enterprise tool which required investment. The SVPs and regional managers were still skeptical and had expressed that to WAPA's customers – the CEOs of over 600 utilities across the western United States.

At the annual meeting, I began the briefing on this tool currently in use and the risks associated with it. I immediately came under attack from the former employee who had created and monetized this spreadsheet. He noted that I was pretty cocky to think that I knew more than Microsoft. I explained that I did not claim to know more than Microsoft, but that Microsoft had issued the security warning on this type of usage after hackers had successfully used this previously in other industries. He then said, "So you are going to stop the use of spreadsheets entirely at WAPA? Really?" I explained that we didn't need to stop them entirely; we simply needed to stop sending them outside of WAPA via email and cross sharing. I noted that if we were cross sharing then everyone in the room was only as secure as the least secure utility in the room. This raised the eyebrows of several of the CEOs. He then said that I would be wasting WAPA's customers' money by spending it on unnecessary upgrades and even if hackers got a hold of the spreadsheet, then so what. They would have the settlements data. Why was that such a big deal? This also raised some eyebrows of the CEOs in the room.

At this I noted that the risk was much higher than exposing settlement data. If used incorrectly the macros could carry a Trojan Horse with a worm that could work its way through the network, sending IDs and passwords back to the hacker. This would give the keys to the utilities' full systems to a foreign adversary. This gentleman remained sneering but the CEOs in the room were concerned enough to support moving off the platform. Even in that room I reached out to the creator of the Excel spreadsheet, letting him know that we would pay him to consult with us to ensure that the new tool would meet the needs. This is how we proceeded, using a new secure data platform to enable all customers to have access to their data and for this former employee to use our new, secure tool in the way he had used his spreadsheet. He remained a consistently negative voice about this and about me personally for the next several months.

However, in December 2014, the Russians used this vulnerability to access a Ukrainian utility. They had intercepted a shared Excel file in March 2014, and planted the worm as a macro update. Every utility

that shared that file, opened the file, received a message that there was a macro update (a normal occurrence) and then clicked the button, inadvertently uploading the worm. That worm wended its way through the network to the SCADA system. The Russians were able to login as a control room operator since the worm exported user IDs and passwords. They took control of the system, opening and closing switches in the field at random. Eventually it caused the service to “brick” – completely destroying them from the inside. This took months to correct.

At that point my credibility was fully restored to our customers, but this former employee continued to dislike me personally and to denigrate me with customers. Even when the new software tool provided more functionality and better, current, and more secure access than before, he was negative. It took years before I truly earned his trust.

Through this experience I learned some valuable communication lessons. While I had reached out to him prior to the meeting to let him know where we were heading, I had probably not done so early enough, just a week before the meeting. I also did that by phone instead of requesting a face-to-face meeting where I could walk him visually through the risk factors, ensuring that he could hear them and absorb them. I could have helped to allay his fears and enjoin his support by asking for his help from the get-go, letting him know that he would still be able to make a living with our customers but just in a different way. I could have also headed off some of his emotion by leading with an acknowledgement that this tool had served WAPA well for many years and noting that hackers had now made this vulnerable and we needed to respond – just as many, many other companies were having to do.

I was not as aware of the impact to this person as I should have been, nor was I as empathetic as I could have been. These were important lessons for me as a leader and would have prevented the pain of having public utility leaders from 15 western states doubting my competence for the better part of my first year in the role.

There have been many controversial issues that I have dealt with at Burbank Water and Power (BWP) and Colorado Springs Utilities. These include every rate increase, watering restrictions and fines for not following those restrictions, land purchases for easements, installation of automated meter reading, reinstatement of late fees and utility shut off for non-payment post pandemic, and so on. Always it is important to first seek to understand the concerns and then address those concerns and/or explain the need behind the action. Communication plays a primary role and listening is such an important part of communication.

2. What experience do you have guiding enterprise-wide business planning? Please include what you believe are key elements to developing an authentic and disciplined business plan for the utility.

As a senior executive for the last 20 years, I have led enterprise-wide business planning. At Colorado Springs Utilities, not only did I lead the enterprise’s technology delivery and development, I led the development of the 10-year technology strategic roadmap. In addition, I was tapped by then CEO, Jerry Forte, to lead strategic planning for the entire utility while still serving as the GM of IT (CIO). When he first asked me to do this, he had promised consultant help. However, the budget tightened and he asked me if I could research this and develop my own path. I did so and have been using this approach, modified as needed, since then. At Western Area Power Administration (WAPA), I initiated the first ever 10-year strategic technology roadmap, the first strategic plan developed for the Sierra Nevada Region and for the Rocky Mountain Region.

There are several key elements to making a successful business plan for a utility.

The first step is information gathering. This can be done with the help of several models that will keep this work on track, including Kepner-Tregoe, the Five Forces Model, the Balanced Scorecard and Scenario Planning. Key to success is reaching out to multiple diverse stakeholder groups and hearing from them. At City Light, this includes the City Light Review Panel. Outreach efforts also need to include meeting with representatives from underserved and underrepresented communities with help from the Department of Neighborhoods, customer focus groups, other City departments like Seattle Public Utilities, Seattle Department of Transportation, Parks and Recreation, and Finance and Administrative Services. When engaging with stakeholders, I like to focus on what is working and what could be better in an array of areas – quality, value, customer service, communication, follow through, sustainability, affordability, reliability, safety. It is important to confirm that the priorities guiding our enterprise planning strategy are consistent with those of our customers and stakeholders. I would like to see us incorporate feedback from our City Council committee as well.

This step should include an analysis of internal and external forces on the utility – at this time, I would include the renewable environment, rising cost of power, extreme weather events, regulations (federal, state, local) and their impact on the markets as well as the utility, community standing of the utility, market opportunities, load forecasts with impacts from building and transportation electrification. Benchmarking with other utilities in the Pacific Northwest as well as similar sized utilities across the nation gives us an outside perspective on options.

I also want to ensure that we source our employees to see, from their perspective, what is working and what could be better. Based on my meetings to date with employees at all levels, this would include system maintenance and asset management, fleet maintenance and age, transportation electrification, building electrification, big projects like substation builds and FIFA preparation, time of use rates, customer service connection time frames, streetlight repair, culture issues, leadership training, employee opportunity and career planning among other things. City Light's biennial employee culture survey is a good source of data regarding top issues that are impacting our workforce. We will be adding employee focus groups to our process.

Out of this process will come many ideas to address current gaps. We will prioritize those gaps and the opportunities. We will consider risks if we opt not to tackle some of these opportunities. Prioritizing enables us to spread the options across several years. This creates our 10-year strategic roadmap. This stage of the process is iterative. After creating this strategic roadmap, we need to go back to stakeholders, share our proposal and get feedback to adjust the roadmap based on the feedback and input. I also note that at City Light, there is a legislated process requiring a six-year strategic plan updated every two years. We still need the 10-year look to ensure that we have time to build and buy what will be needed to meet our changing needs. We can easily incorporate this into our planning.

From the 10-year strategic roadmap, leadership defines the two-year plan. This plan identifies what we will accomplish in the near term. This plan is also where the rubber meets the road. Leaders and their teams need defined success metrics with identified measures, names of accountable people (not teams – people) and clearly defined SMART goals (strategic, measurable, achievable, relevant and time bound). This then drives the budget needed to achieve those goals.

Next, we need consistent reporting at regular intervals. I prefer monthly so that we don't lose sight of the long-term needs in the short-term urgency. At City Light, I have changed the reporting from

quarterly to monthly. We create a monthly scorecard of our performance with a simple red, yellow, green schema for a quick glance update. This enables managers to take steps to get things back on track. We also need to hold ourselves accountable to our City Light Review Panel.

As we execute and complete, we need to celebrate our successes. In this daily work of keeping the lights on, there are continuous issues that arise from weather, mylar balloons, critters, changing legislation and regulations, etc. To encourage the heart, we need to celebrate as we achieve. It is my sincere wish that people LOVE working at City Light. We need them fully engaged, heart and mind, to execute on this plan well.

3. What do you view as the greatest challenges that public utilities currently face, and what do you see as potential steps Seattle City Light can take to address these challenges?

“May you live in interesting times” is a 1939 quote from Frederic R. Courdet. We certainly do. We face a convergence of challenges. The first is that climate change is real, and it is here. In the last several years, the weather events are stronger (more extreme), last longer and cover a wider land mass than before. In the Pacific Northwest, we saw a 1,000-year heat dome in 2021, harsh cold spells in 2022 and 2024, wildfires and relative drought. Across the US, weather events include a 100-year record cold spell in Texas in 2021, increasing hurricanes, record western heat wave in August 2020 and again in August/September 2022, increasing tornadoes and several severe storm events. These present serious challenges to utilities in numerous ways.

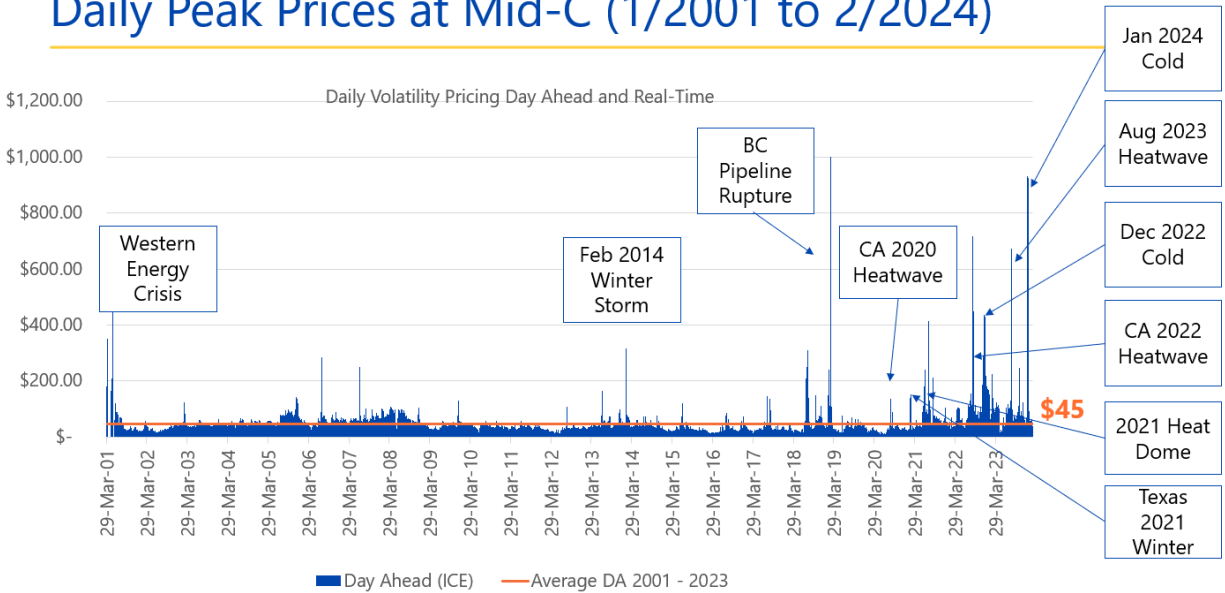
First, we must repair the damage caused by these events. This increases cost and decreases reliability. It also depletes the already short supply of replacement electric equipment as we rebuild. Lead times to receive equipment have risen from several weeks to a delay of one to two years. Short supply has significantly increased cost of these components.

Second, while we hedge energy to cover our expected gaps in winter and summer, we cannot hedge to cover specific weather events since we don't know when or if they will occur. We don't want to over buy power as that costs our communities money we did not need to spend. While we can use strategies like saving our hydro megawatts by buying low-cost solar when available, we must buy energy on the market as soon as it becomes clear that we have a weather event on its way. These widespread storm events have driven prices each of the last three years up to levels rarely seen since the Enron scandal of the early 2000s – as high as \$2,000 per MWh. This past January, City Light traders did an amazing job, spending \$1.25 million more than expected for power over the Martin Luther King Jr. Day weekend compared to neighboring utilities that spent \$35 million to \$50 million. Our most promising time for being able to maximize our hydropower is January-March. If we have a severe event outside of those months, we also could spend significantly more. For the past three years, Jim Robb, the President and CEO of the National American Electric Reliability Corporation (NERC, the federal enforcement arm for electric reliability), has been speaking nationally to CEOs on planning for at least annual severe weather events. We now need to budget for at least one severe weather event annually. For many years City Light was able to offset unplanned expenses by selling hydropower. With the drought conditions of the last three years, the power has not been available to sell.

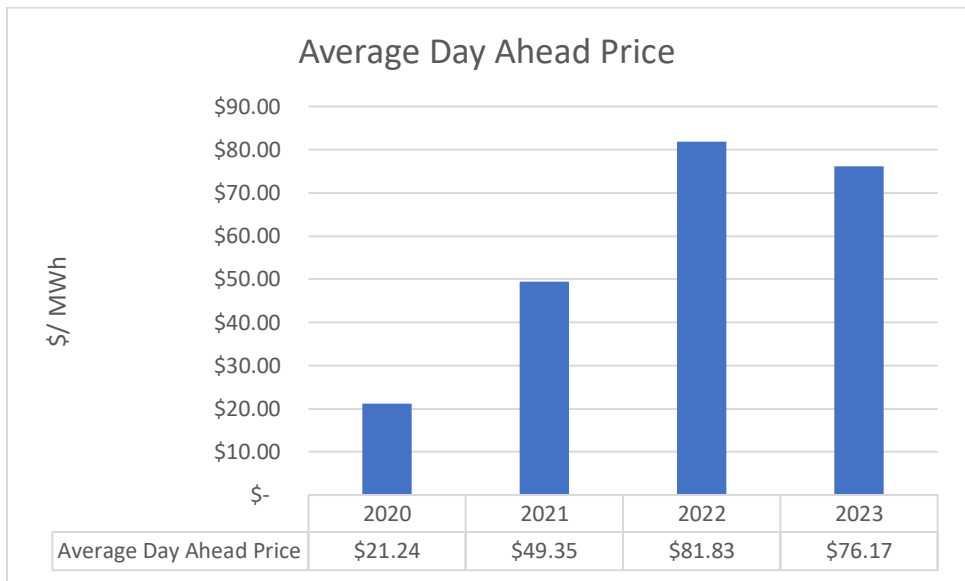
The chart below shows the severe impact of the weather events. The price swings in the last three years have been consistently much more severe than in the previous 20 years. The industry faced price spikes in 2001 due to Enron in 2001, a severe winter storm in 2014 and the British Columbia pipeline rupture in 2019. The financial impact has been much less significant than during the Enron-induced Western

Energy Crisis in 2001 because the hedging strategies work. Now we need to plan for severe weather annually and the associated costs.

Daily Peak Prices at Mid-C (1/2001 to 2/2024)



In addition to the weather events, we have seen average renewable energy prices quadruple in the last four years. In 2020, we could purchase solar contracts at \$21/MW. Now we are looking at prices in the \$70-\$90/MW range. The graph below shows the magnitude of the average annual prices.



Identifying and implementing new generation sources and the transmission and distribution systems to move this energy is the defining adaptive challenge of our time. Seattle is playing a leading-edge role in this as we identify energy to meet our future needs. This truly is an investment in tomorrow for the planet. It is necessary and it is not free.

The high prices we see are a function of very high demand across the US as utilities around the nation respond to regulations requiring carbon neutral to carbon free energy. As we know from economics, high demand and low supply will drive up prices. Demand for wind/solar generation and batteries for storage has soared. This low supply is exacerbated by the recent pandemic and the long delays we still experience for our supply chain items. While the Consumer Price Index saw inflation top 9%, the Handy-Whitman Index, which tracks electric utility costs, is up 36% in the last four years with spikes for some equipment averaging 72%. Transformer costs have doubled.

Unfortunately, these price increases cannot be fully offset and will have an impact on rates. As a public utility, we operate as a non-profit. Knowing that residents and businesses in the community were struggling so much during COVID, City Light kept rates flat in 2021 and reduced the increase for 2022. At Burbank Water and Power, I did the same thing. Nearly all utilities in the US took the same action. This, of course, meant that rates did not keep pace with inflation. The December 2022 cold spell saw a sudden and significant increase in energy cost, which caused City Light to dip into its reserves, the Rate Stabilization Account (RSA). We no longer have adequate reserves, which has triggered the RSA surcharge. Please remember that this surcharge does NOT cover any of the ongoing costs noted here. It only gets the reserves back to the minimum acceptable level. We still must be able to procure assets that cost 36% to 200% more. We must buy energy that is 300% more than it was four years ago.

The drought here has lowered water levels so that City Light does not have the ability to draw at top hydro production. To add to this, we now have a growing load due to the building electrification regulations (our building load is now forecasted to grow three times higher than forecasted in 2022) and due to electric vehicle charging load (projected to be 70% higher than projected in 2022). This is a good thing for the planet and requires investment from all of us to make that happen. The regulations are in place and now we are required to meet them. This is an investment in our future that must be funded by our ratepayers. The utility does not have minimum reserves in place as these were used to offset costs during the pandemic and during the severe weather events that the region has faced.

In wet weather years, City Light can offset some costs with strong wholesale opportunities where we put our amazing, carbon-free hydropower into the market. We simply don't have the same opportunity in drought years. The region is in its third drought year. This adds to the cost pressures that City Light and the electric industry faces.

To offset these challenges, we are taking several steps. First, we must continue to actively hedge, rapidly adjusting to market changes in real time. It is imperative that we have seasoned power marketers on hand to ensure that we take advantage of effective market planning. To this end we must pay these folks at market rates. Over the last few months, I have actively partnered with the Seattle Human Resources team to finalize new pay structures.

Second, we must continue actively planning and assessing our hydro situation and weather, ensuring we maintain adequate supply for the communities' needs and offering what we can on the wholesale market. I have signed two solar purchase power agreements in the last few weeks. When these begin producing in 2026, we will also be able to sell this solar power on the wholesale market when it is not needed here. Selling into the wholesale market also requires seasoned power marketers.

Third, City Light needs to rapidly develop a demand response rate for industrial customers and commercial customers who are willing to let us interrupt their operations during severe weather events. I have already met with Nucor to discuss this. With two hours' notice, they are able to significantly

reduce their load. We are exploring options for how to implement a demand response program now. Shaving our peak load will be key to helping reduce the amount of active market energy that we have to procure at outrageous prices. We also must proceed post haste with implementing our time of use (TOU) rates for all customers, due to launch in 2025. This enables us to incentivize our communities to use less energy during our peak load times.

Fourth, I have asked our communications team to develop a full “conserve energy now” communications strategy to immediately respond to these adverse weather events. We need to be able to reach our customers in many ways to get this message out: TV, radio, newspaper, ethnic media, NextDoor, X, Instagram, Facebook, LinkedIn and other social media platforms. These messages must be pre-written and pre-approved, ready to go to get the word out when needed. By doing this, California saw an immediate drop in load of 7-9%.

Fifth, I plan to continue to pursue purchase power agreements where we can find them for wind and solar combined with battery storage so that we have committed energy to meet our loads.

Sixth, I will partner with other utilities and with businesses to explore new energy sources. With our proximity to volcanoes, geothermal is a real possibility. We can learn from geologists in Hawaii and Iceland, who have determined where to find it consistently. We then need to build transmission to move the energy from where it is generated to where it is needed. We can consider other carbon-free sources, including offshore wind, small modular reactors, and new transmission built to move the energy. Locally, we have four companies actively pursuing fusion as an option and we will keep our eyes on their progress. We can further explore pumped hydro storage as a living battery. City Light has already completed a feasibility study on this at Ross Dam. Local battery storage may also be fruitful. I am watching a San Diego Gas and Electric pilot where they are paying customers for leased garage space to use for local battery storage that the utility can tap for peak load and the homeowner can tap if there is an outage. We can also look at business partnerships to add solar and batteries to existing community rooftops where feasible. This approach was successful in Burbank with 300 days of sunshine.

I believe that it is critical to source energy outside of the region that we can draw into our region when weather affects us. This is where joining a market that can move energy efficiently between regions will demonstrate significant benefit to us, enabling us to rapidly and efficiently buy and sell.

I would be remiss if I did not mention two other significant challenges: finding the right people and replacing/maintaining assets. We need to attract and retain top notch talent to meet the challenges ahead. Staff costs make up only 24% of our budget. These people enable the work that makes up the other 76% – the huge capital projects, asset management, power production and power purchases. We need a diverse workforce, as repeatedly studies show that having diversity leads to better organizational performance across every realm: safety, financial, reliability, quality, environmental transparency and performance. Plus, creating a diverse, inclusive and equitable environment makes work more fun and is the right thing to do – a win-win-win. This means that going forward we truly need to keep wages at market rate. We can draw in civic-minded, service-oriented people with our mission. So can Snohomish PUD and Tacoma Public Utilities.

In addition, training our line workers through their four-year apprenticeship is a huge investment. We spend approximately \$500,000 per person training each one of them. If they leave because we are not paying on par, we lose all of that investment. They can take a job at a neighboring utility without having to move their home.

Finally, like all utilities, we face aging assets. Much of our system is at 50 years of age or older, at or past its useful life. When equipment fails, which has been an increasing occurrence in many of our neighborhoods with underground infrastructure installed in the 1960s and 1970s, customers face unplanned outages. We must replace this infrastructure, which requires investment. We need to have fully functioning components to meet the upcoming additional load from building and transportation electrification, including the waterfront and the University of Washington.

To address new load, City Light will need to build two new substations in the next 10 years. We will need to expand our downtown network capacity to meet the growing electrification needs. We also must invest in grid hardening, especially in those areas frequently impacted by outages. Good vegetation management is crucial to keeping tree branches and critters off of our lines.

It is not only our electric components but our fleet that is not in good shape. In fact, I have never seen a fleet this old in my entire career – many vehicles are 20 years old or older. How many of us drive a car that is 20 years old? These trucks are working vehicles used daily not only to reach worksites but used all day long, moving people and equipment up poles or digging, etc. At my first crew meeting at our South Service Center with over 120 people, the first question I was asked was why they had to drive around in these vehicles that keep breaking down. I asked for a show of hands of who had been in a vehicle that broke down while they were on the job. Every hand went up in the air. When this happens, we spend \$1,000 per hour on crew and vehicle while we get the vehicle towed, get the crew picked up and back to the service center, and get them started out again. This is expensive, disruptive and extends the outage time for our customers.

For medium- and heavy-duty vehicles ordered today, there is a five-year wait. Current City rules dictate that we cannot replace any vehicles until we retire the vehicles we have. While this worked well to help reduce City fleet size, with a five-year lead time on the types of vehicles our crews need, it no longer is viable for City Light to release vehicles prior to ordering. I will work with the Department of Finance and Administrative Services to find a new path forward. We will not be able to go to a 100% electric fleet since we need part of our fleet to rebuild the local electric grid in case of a major disaster like a tsunami or earthquake. We will be able to potentially use hydrogen as that becomes viable and we will stay open to other heavy-duty vehicle options.

All of this adds cost pressures with increasing risk if we do not rapidly begin to address it. Our employees truly are our greatest asset. Since arriving at City Light, I have continued to be in awe of their care, passion, love of community and ability. These folks created cost savings and/or cost avoidance north of \$46 million dollars in the past year. We will continue to count on them to find more efficient and effective ways of conducting our business and helping to keep rates as low as possible.

We can also address this by partnering effectively with other City departments, perhaps finding opportunities with the Seattle Department of Transportation and Seattle Public Utilities. We can expand upon our partnership with the Department of Neighborhoods to help us in our outreach efforts to better engage and meet the needs of the underserved and underrepresented.

Affordable housing is an issue here in Seattle, so I will continue City Light's work with the Home Builders Association and the Association of General Contractors to make our processes as easy to navigate as possible. We will continue to partner with the Seattle Housing Authority, the Housing Development Consortium, Environmental Coalition of South Seattle (ECOSS), NW Energy Coalition (NVEC) and others

to support affordable and sustainable solutions. We are incorporating ideas to lessen the engineering timelines and provide early advice, and to make our service connection timelines as transparent as possible. We will continue to work on being easy to do business with for our customers.

Finally, we need to address how we support those in our community who struggle today to pay bills. We need to reassess our bill assistance programs to ensure that they are meeting the needs of our customers, particularly those customers most in need but also those in the middle and who are still struggling. We are currently assessing programs to expand eligibility and include additional customers.

4. What is your experience implementing race, social justice, and equity practices with regard to recruiting, hiring, and retaining diversity in the workforce? Please include your approach to workforce development and succession planning; understanding the sector's challenges of hiring and retaining staff.

At both Western Area Power Administration (WAPA) and at Burbank Water and Power (BWP), I brought forward the need for employee teams focused on DEI. At WAPA, I was part of the initial executive sponsor team for this effort. We hired an external consultant, Kathleen Nalty, who is a lawyer as well as a speaker and trainer in this space. We brought together a diverse group of employees from multiple levels, races, ages, genders and roles for an intensive three-day training covering DEI in depth, including microaggressions, unconscious bias, history and paths forward.

At WAPA, the team invited me to be the permanent active executive sponsor. I was thrilled to play this role for this dynamic team and together we accomplished much. We brainstormed several areas of focus to improve and assigned subteam leads, teams, objectives and due dates. The areas of focus we tackled included training, communication and awareness, hiring practices, a leadership competency for evaluations, inclusion practices (ways to reach out and help others feel included), a supervisor's toolkit full of articles, videos and training ideas for ongoing retention and growth. For training, we developed a four-hour course that covered key DEI concepts in an interactive format. This training was mandatory for all employees. We used a "train the trainer" method to roll this out to our 1,500 employees over the course of the first year. We then delivered this quarterly for new employees or those needing a refresher.

For hiring practices, we developed a method where names of applicants were removed from applications and resume review. We tried this out first on our annual choice of up-and-coming leaders for our leadership cohort training. The application review team surprised themselves by choosing several employees for this opportunity who had not previously been thought of in a leadership capacity or had not expected to choose. We then rolled it out for all hiring processes.

In communication, we developed visual posters that were changed monthly, messages that appeared upon computer logon, video messages from leadership, articles and employee statements. Starting with top leaders, we implemented a required DEI competency on leadership evaluations to improve accountability for ongoing advocacy.

At Burbank Water and Power (BWP), we had a series of cultural issues to address on race, gender and age. In that case, I had to deal with the specific issues and the workgroups to address both the immediate issues and the underlying residual effects of those issues. In 2021, I brought in Kathleen Nalty to do training for every leader. We had to do this virtually due to COVID and it was not quite as effective.

I also initiated an employee team (the first one that BWP had ever had on DEI) that began celebrating cultural identities and addressing hiring practices as we had done in WAPA.

In addition, the City of Burbank, which had a legacy of being a sundown town, began intensive race training, using the same films as the City of Seattle uses in its Race and Social Justice Initiative. That citywide effort complemented the direction of BWP's efforts.

For workforce development and succession planning at City Light, the executive team has already begun this planning. I believe that we should have at least three people ready to step into any leadership position at any time. To this end, we will need to identify the skills gaps we have today and the skills gaps we have as we look at the 10-year horizon, including skills in artificial intelligence, data analytics, technology, solar and battery maintenance, EV charger installation and maintenance, etc. With our craft employees, we need to have a constant pipeline of apprentices and we need to hire for some attrition.

It is critical to build leadership-specific skillsets and to have growth paths into technical expertise as well as leadership. Both training (facilitation, problem solving, conflict resolution, giving and receiving feedback, encouraging the heart, effective communication and presentation skills, project leadership, political savvy, managerial courage, etc.) for leadership as well as opportunities to lead (project teams of increasing size, process improvement rapid improvement events of increasing scope, event leadership) are necessary to build both technical lead skills as well as leadership skills. Staffing appropriately to allow room to sharpen the leadership saw through training is critical for continued learning on increasingly complex opportunities. Cross-industry connection and service plays a key role in leadership development, innovation and effective benchmarking.

Finally, we need to measure our progress. What gets measured, gets done. We need to measure for effective outcomes and adjust when things are not going as expected. This is a key facet of development – being willing to face results that are not as expected and change course when necessary to improve outcomes.

5. What are specific actions the department is taking to create a safety culture, particularly in preventing harassment? What is your philosophy on creating a safety culture for the department?

Safety culture includes both physical and psychological safety. I am a proponent of taking the human behavior/just culture approach to safety. Safety has both a systems side and a human behavior side. For far too long, utilities focused only on the system side – identifying root causes that could be engineered out of processes. This is an important component and needs to continue but this only improves a safety record and, more importantly, reduces the number of injured people to a degree.

Equal focus must also be given to the human side of performance. This includes increasing awareness every single day as well as driving a just safety culture – one where people are not punished when an incident occurs unless there is gross negligence or an intention to not follow the safety rules. Tools such as employing a daily tailgate meeting prior to starting the day in the field where the team defines the jobs for that day, identifies the risks with the jobs and works through reminders on each person's role to bring safety awareness to the forefront keeps safety top of mind. Recognizing when an employee may not be at their most focused (e.g., going through a divorce, having a seriously ill child) is important too, so that the team and the employee can decide if they are up to the riskier tasks.

An organization must be constantly aware of where poor safety culture exists. For example, Americans have a poor safety culture on highways. Our rules define a speed limit on the roads. This is the max speed allowed. Yet, try driving at the speed limit in the left lane of the highway. A person who does that will get honked at, shouted at, gestured to and, in other ways, find themselves being coached by other drivers to speed up or get over. This is because in our road safety culture, slower drivers are supposed to be in the right-hand lane and fast drivers in the left. The speed limit is often the slow speed.

At work, we need to ensure that limits are set and adhered to. If the rule is that we do not operate a piece of equipment without a safety guard, then that rule needs to be followed. If we require three-way communication for switching, then we must never operate a switch without it. In this way, we reinforce the culture we want to create, a culture where everyone goes home in the same or better shape than when they came to work.

This brings us to psychological safety. This means creating an environment where every employee feels welcome at work, is included in important work and feels they are a valued part of completing our mission. Not only does this create a better work environment but it also enables employees to actively engage their hearts and minds fully in contributing to the betterment of City Light and all of the customer groups whom we serve.

An old Irish proverb says, "It is in the shelter of each other that the people live." This is certainly true at work where we, as adults, spend the majority of our waking time during the work week. Leaders and employees need to understand the expectation that we have a workplace where we work through conflicts and problems in ways that preserve relationships to the best of our ability. It means recognizing and changing behaviors that don't deliver on this tenet.

At City Light, we have had some areas of the organization where a leader or an employee has crossed the line on sexual or other forms of harassment, creating an unwelcome and uncomfortable workplace for others. This cannot be tolerated. While sometimes people misunderstand communication and signals from other people, repeated incidents or refusing to stop a behavior that causes issues for others does need to be addressed. City Light does an excellent job of walking new employees through expectations. This good start needs to be followed up by accountability when these values are not upheld.

Under the leadership of People & Culture Officer DaVonna Johnson, City Light is in the process of holding monthly leadership training sessions on leadership basics. We expect this to continue for at least two years. In addition, due to previous missteps on recent issues, all leaders are required to attend training on mandatory reporting so that they understand their responsibilities to employees who report unwanted behavior. In the past, unwanted behavior was not always addressed and this created untenable work environments for some.

My goal is that we address these issues quickly. We need to complete the investigations necessary to identify what has happened and why. When behavior has been egregious and constitutes an ongoing threat, those committing those behaviors need to be on administrative leave until the investigation completes. At that time, leadership will need to assess the appropriate corrective steps to take, up to and including termination.

Unfortunately, in my short tenure at Seattle City Light, I have had to address some of these types of situations. Where necessary, I have already had to make the decision to terminate employment due to

repeated unwelcome and inappropriate behavior. In my role as GM and CEO, with ongoing training, I will strive for a future where this does not happen at City Light.

In addressing these issues, we reinforce the behaviors we need in our workplace. We will get the behavior we are willing to accept. To that end, we need to define those behavior expectations, reward those who live them and correct those who do not.

To the credit of the People & Culture (P&C) team at City Light, in the last year, they have implemented several improvements that I will continue to build on. These include the following:

1. City Light recently created a P&C Business Partner program. The team is a human resource support function that reports to P&C Business Unit but is co-located and assigned to work closely with employees and leadership in the work units to ensure equity, fairness and compliance with City Light's rules and expectations. As issues arise, the Business Partners are a resource to employees to help the resolve issues and connect them with the right resources at the utility and the City. While they do deal with day-to-day employee issues, they are also able to identify and bring forward systemic workplace concerns and help implement policy and procedure changes to create a safer workplace culture. City Light has directly engaged the workforce in discussions and training related to workplace culture. Existing employees have all been required to take the City of Seattle's anti-discrimination training and new employees take the training within their first 30 days on the job.
2. In 2023, senior leaders held facilitated discussions about how off-duty conduct has implications at work with operations leadership and all employees in areas where there have been issues. This team also received bystander training to help identify inappropriate conduct and how to appropriately intervene. In addition, utility-wide mandatory reporter training has been developed and implemented. This course has already been delivered in person to executive leadership and P&C employees, and will also be delivered to all people leaders including crew chiefs. Mandatory reporter e-learning will be required training for all utility employees. This training is intended to inform employees of their obligations for reporting inappropriate conduct and their role in ensuring a safe workplace culture.
3. The P&C Business Partners and our Safety Health and Wellness team have developed psychological safety training that has been initially rolled out to employees in operations. This training will be expanded to other work groups in the future. This training and other efforts have been focused on engaging all employees directly in culture change, letting them know that they are entitled to a psychologically safe work environment.
4. City Light conducts a bi-annual all-employee survey to assess employee engagement and the workplace culture. The previous survey was conducted in 2022 and we are on schedule to conduct our next survey in fall 2024. We have used the feedback from the survey to make structural and workplace culture changes, including increasing transparency and communication to employees about developmental and promotional opportunities and identifying workgroups where leadership needs additional support/coaching or guidance.

Energy and Environment

6. Seattle City Light not only distributes power to residential and commercial customers but is also a major generator through a series of hydroelectric dams, and an active participant in wholesale energy markets. How has your experience prepared you to manage a utility that provides generation, transmission, distribution, as well as selling energy in the market? What steps do you believe Seattle City Light could take to be more effectively engaged in the Western energy market?

Every utility where I have worked and led has provided generation, managed transmission and/or distribution and sold/bought energy in the available energy markets. At Burbank Water and Power (BWP), crews operate the Magnolia Power Plant, the most efficient GE combined cycle gas plant in North America, to supply power to the cities of Burbank, Glendale, Anaheim, Colton, Cerritos and Pasadena. In doing so, BWP supplied energy to utilities operating in the California Independent System Operator (CAISO), which manages the flow of electricity on high-voltage power lines, operates a wholesale energy market, and oversees infrastructure planning, as well as in the balancing authority of the Los Angeles Department of Water and Power (LADWP) (not part of CAISO). BWP also owns and operates hydropower at Tieton in Washington. BWP owns transmission, operated through LADWP's balancing authority. BWP is 15 years into a 30-year conversion from 4kv to 12kv distribution (the primary standard used in the US). BWP operates in the market every day, both buying and selling power with planning annually, monthly, daily and hourly to ensure that Burbank is adequately powered and that BWP maximizes wholesale revenue of both energy and gas into the market to help offset costs, much like City Light does with hydropower today and soon, solar. All of this fell under my direction and accountability.

At Western Area Power Administration (WAPA), I ran two regional hydropower utilities whose employees marketed power from federal dams and maintained the transmission grid required to wheel power from where it was generated to where it was needed. I have personally been in the bucket truck for live line high voltage transmission work up to 345kv. In California, at the Sierra Nevada Region, WAPA and Sacramento Municipal Utility District (SMUD) jointly supplied the sub-balancing authority work that makes up the BANC (balancing authority of northern California) today. At the Rocky Mountain Region, I was responsible for balancing authorities in both Loveland, CO, and Phoenix, AZ, balancing generation with load not only for WAPA but for hundreds of utilities who belonged to our balancing authorities.

I am well qualified to lead in generation, transmission, distribution utilities operating in point-to-point markets, energy imbalance markets, and full regional transmission operator markets. WAPA's Upper Great Plains region operates in both Southwest Power Pool (SPP Markets) and MISO (Midcontinent Independent System Operator). Under my leadership, and at WAPA customer request, the Rocky Mountain Region Balancing Authority (Western Area Power Administration, Colorado-Missouri Region or WACM) was slated to join the SPP market and the Phoenix Balancing Authority (Western Area Power Administration, Lower Colorado Region or WALC) was set to join the CAISO, so my regions were planning to operate in each market.

Seattle City Light currently participates in the CAISO Western Energy Imbalance Market (WEIM), which is a "real-time" five-minute automatic dispatch organized market allowing participants to buy and sell resources at lowest cost and closest to the time power is consumed. City Light has been participating in this market since 2020 and the benefits accrued to City Light over this time total \$58.8M.¹

¹ [Benefits - Western Energy Imbalance Market \(westerneim.com\)](https://www.westerneim.com/)

Now there are two day ahead markets in development: CAISO's Extended Day Ahead Market (EDAM) and SPP's Markets Plus. At City Light we must fully understand both market offerings and must continue to be actively involved to help shape those market design decisions to protect and advocate for Seattle's interests. City Light staff have closely followed and engaged in the tariff development processes for both EDAM and Markets Plus through participation in workshops, submitting comments to each organizing entity and through conversations directly with CAISO and SPP. City Light staff have approached engagement on these issues with a focus on creating the most value for City Light's customers. I have already stepped into this effort, providing insight from my experience not only to City Light but also to the region through the Public Power Council.

Josh Walter, City Light's Power Contracts & Regional Affairs Manager, serves on the West-Wide Governance Pathways Initiative (WWGPI) Launch Committee. WWGPI's mission is to develop and form a new and independent entity with an independent governance structure that is capable of overseeing an expansive suite of West-wide wholesale electricity markets and related functions. This is designed to move the CAISO from a governance led only by California to one led equally by participants of all states. The governing body must be set up to ensure market equity for all participants to the greatest extent possible.

I have also connected with the CEO of SPP who then invited Seattle City Light to visit and learn more about SPP and their planned markets offering. I will assign staff to be deeply involved in the development of the operating parameters for SPP's Markets Plus. SPP currently operates in the Midwest states who are far behind the state of Washington with respect to environmental sustainability. Today, SPP operates an efficient market, fairly governed. However, it allocates power based on lowest cost power. To meet Washington's needs it will need to allocate based on lowest cost carbon-free power. They have agreed to this but the systems to do so must be built and funded. The development of Markets Plus is funded through contributions by participants. SPP will need contributions from enough participants to continue defining and developing its western market options. Having choice is good for western utilities at this stage.

An important consideration in Seattle's eventual decision on joining a day ahead market is which market Bonneville Power Administration (BPA) ultimately joins. City Light receives 36% of its power through a long-term contract with BPA and most of City Light's access to transmission (including to bring power from Boundary Dam to Seattle) is through BPA's transmission network. Therefore, BPA's market decision will have a large impact on City Light. BPA has expressed a staff leaning, but not a decision, toward the SPP Markets Plus option. City Light staff have been closely engaged in BPA's public process around its leaning and ultimate decision on whether to join a day ahead market. I know BPA's CEO John Hairston from my time at WAPA. I have reached out to him as well and we are meeting next month to further talk through market options and their impact.

Under my leadership, City Light will continue with our studies on costs, benefits and feasibility of operating in either market, running scenarios where various other regional utilities make choices to be in either market. Our choice must be based on our long-term goals of reliability (access to multiple sources of alternative power when we need it), affordability (cost to participate in either market, risks of operating in each market and expected financial benefits) and sustainability (ensuring that the energy we receive has been sustainably generated and minimizing the environmental impact).

7. Seattle City Light owns and operates large and small hydroelectric projects with very significant fish and wildlife protection obligations. What is your experience with hydropower operations, fish, and wildlife restoration efforts, and working with Tribes? How will you apply your experience to uphold Seattle City Light's environmental commitments and obligations?

Colorado Springs Utilities operates five hydroelectric plants (four flow through on spring runoff) and one dam in Woodland Park. At this organization, my IT team provided SCADA systems, PI Historian software and other operational technology used to monitor and adjust hydropower generation as well as all other generation types. There, the Prebles Jumping mouse was an endangered species and received special attention during the planning and delivery of the southern water delivery system. I was on the team that worked to bring this to fruition as a supporting player.

Western Area Power Administration (WAPA) is a federally owned hydropower marketing and high voltage transmission organization. Intensive negotiations have long occurred around the Colorado River. Over 100 years ago, seven states came together to allocate the water according to seniority of water rights. Because they could not agree, they eventually allocated 3 million more acre feet annually than were actually in the river. Tribal nations shamefully were not invited to participate in this allocation. Today, Tribal nations do have a seat at the table and the reality of the over-allocated river has come home to roost. Agents of fish, water management, recreation, other environmental concerns and hydropower have met to work through issues. While not directly involved, I was so proud of the WAPA environmental team whose work led to the humpback chub being downgraded from endangered to threatened thanks to successful efforts to increase the fish count.

My own tribal experience occurred at WAPA. When I arrived at the Rocky Mountain Region as the Sr. Vice President, I quickly learned that our easement upon which we were operating high voltage transmission lines through the Crow Nation had expired two years before my arrival. I engaged our real estate team to immediately begin negotiations with the Crow Nation, who owned part of the easement land, and with the 40+ individual members who also owned parcels so that we could renew our lease on the land. It took two full years, but we did successfully work through the new long-term lease plan and successfully (from all sides) came to agreement.

At WAPA, we had an environmental team focused on finding working solutions to problems. Located in Lakewood, CO, they serve all 15 states. In one instance at the regional utility I led in California, we had a substation that was overwhelmed with birds each night. They were roosting and defecating all over the equipment, causing corrosion. The Chief Environmental Officer researched and discovered that the birds did not like grape extract. He was able to work to procure a non-sticky version, which we sprayed via remote sprayers every evening, making the substation into a place the birds did not enjoy. This was a non-harmful, natural solution preserving both wildlife and equipment. I love giving staff the freedom to exercise their creativity to come up with solutions like that one.

I grew up, in part, on a farm owned by my parents in Indiana. There I learned the value of hard work and that for the land to take care of us, we must take care of the land. I have deep respect for sustainability practices and the environmentalists who advocate for those. I consider myself to be one of them. I also have deep respect for our Tribes. It is this foundational respect and sincerity that enables us to reach the agreements that are best for all involved.

At a high level, the foundation of this work is rooted in relationships. City Light has worked closely with multiple agencies and Tribes for decades to build working relationships among staff and across our

leadership, including elected officials. We are proud stewards of our hydro systems and water basins and we are accountable to our ratepayers. This creates opportunities for telling our story so everyone understands the ongoing balance required as part of the stewardship obligations.

We will continue to look for improved fishery performance for all of our hydro projects. Relicensing efforts underway for our Skagit River Hydroelectric Project will define our obligations for the next 50 years and we have committed to fish passage and other measures for the next license. The same holds true for Boundary Dam, where we recently commissioned our first conservation fish hatchery as part of our ongoing license obligations. We also just commissioned development of a Fishway Development Plan to explore the feasibility of fish passage at Boundary. We operate (along with Seattle Public Utilities) our Cedar Falls Project under a comprehensive Habitat Conservation Plan that maintains strict operational measures for fishery and wildlife enhancement. The South Fork Tolt Project (also a co-operated with SPU) began relicensing efforts last year, which creates an opportunity for robust collaboration with agencies and Tribes to enhance this fishery and wildlife for the impacted basin. In addition to the aquatic measures summarized above, we are actively managing wildlife mitigation measures for all of our rights of way, watersheds and basins in close collaboration with agencies, Tribes and local communities.

In support of all our efforts, we maintain a staff of highly qualified scientists in a variety of disciplines and levels of experience. We also contract with a wide range of experts from across the country to ensure we have the best minds working on solutions with us. We have created several opportunities for government-to-government interactions between our elected officials and the various Tribal councils in and around our hydro project lands.

8. Our transportation system, powered by fossil fuels, is responsible for sixty percent of Seattle's climate pollution. How do you see the role of developing electric vehicle infrastructure, and how do you see state and federal grants' role in funding these developments?

I believe that City Light has a key role in the reduction of regional transportation emissions and we can do this in many ways. I personally own an electric vehicle as my own primary car. At Burbank Water and Power (BWP), under my direction, we went from owning and operating 20 EV charging stations to over 200. We also offered rebates to businesses and residential customers to add their own charging infrastructure. The busiest Tesla charging station in America is in Burbank, according to Tesla. We partnered with them to add additional stations as well. All of this was done to address the concern that many potential EV buyers have and that is, once I buy this car, where do I charge it? Another step we took at BWP was to create an app for potential buyers to use that enabled them to compare both new and used electric vehicles for features, range and charging options so that they could get comfortable with the options out there and make the right choice for themselves and their families.

Of course, we also changed all of our light duty vehicles to electric and, while I was there, bought our first electric Ford truck, a medium-duty vehicle. Our mechanics were fully trained to support these.

Grants play a key role in moving this needle. At BWP, we received a \$10 million grant to install DC fast chargers and a smaller grant of \$125,000 to put in mid range chargers. Here, at City Light we are in a great position to move the needle. We are a clean fuel provider and almost all the electric power City Light delivers comes from renewable sources like hydroelectric dams, which do not pollute. Seattle's electricity is clean and net carbon neutral. One in four new vehicle sales are electric in King County compared to one in 10 nationwide, which shows that our customers are embracing EVs.

I love the direction that Seattle City Light is headed through with the Transportation Electrification Strategic Investment Plan (TESIP), which the City Council approved in October 2020. Now in its third year of implementation, this community-informed plan to electrify the transportation sector leverages our carbon-free hydroelectricity.

Transportation electrification is a highly visible portfolio that aims to reduce greenhouse gas emissions, expand access to charging infrastructure, and increase awareness of electrification benefits. The Council's passage of TESIP gave us new authority to offer incentives and services to our customers, which City Light has been busily implementing with a values-based approach focused on three core areas:

- **Equity:** Ensuring benefits are focused to support and uplift underserved communities
- **Environment:** Improving air quality and public health
- **Grid:** Operating the electricity delivery system as a community asset to deliver public good

I will continue to support this effort as we expand existing programs and launch new offerings, including incentives for public and single-family charging. We will continue to engage with King County Metro to support transit electrification and partner with Washington State Ferries to bring Colman Dock online to charge the first electric ferry in the region. We plan to develop a medium- and heavy-duty electric truck charging depot to provide affordable, reliable charging for small and independent truck operators interested in electrification. We will also explore using a comparison app to support our EV buyers in the community.

I want City Light to take another look at owning and operating more EV charging stations. To date, City Light owns a limited number of chargers and has partnered with other organizations to operate and maintain that charging infrastructure, focusing the utility's role on the service connection, strategy, management, and community engagement. There is an opportunity to work with the IBEW to explore options with their low-voltage electrical workers (Local 46), to offer a career path with a shorter apprenticeship (two- to two-and-a-half-years versus four-years) to reach journey level (Local 77). Local 46 has a much more diverse membership than Local 77. This could be a win-win-win – for employees, our communities and the climate.

I fully support going hard after grant funding to further enable EV infrastructure for our communities. At the federal level, I am asking staff to seek Climate Pollution Reduction Act grants for planning (\$250M) or implementation (\$4.6B) and USDOT Rebuilding American Infrastructure with Sustainability and Equity (\$25M maximum grant award).

Several Washington state programs provide an opportunity for continued investing in electrification, including the Washington State Clean Fuels Program, Washington State Climate Commitment Act, Washington Department of Transportation Zero-emission Vehicle Infrastructure Partnership grant program (\$30 million dollars was awarded to sites along state routes), and the Washington Department of Ecology Charge Where You Are Level 2 EV Charging grant (since 2019, more than \$100 million dollars have been distributed to communities statewide). Earlier this year, the state Department of Commerce announced grant awards for 5,000 new chargers in Washington. City Light partnered with community groups, and thanks in part to these collaborations, 1,539 L2 chargers and 11 DC fast chargers are coming to City Light's service area. More than half (833), are applications where City Light partnered with the recipient, including 1,292 L2 chargers at multifamily sites.

At the state level, City Light has registered for and is generating credits in the Washington Department of Ecology-administered Clean Fuels Program based on direct investments in transportation electrification infrastructure and on our status a “clean fuel provider” for the significant levels of EV adoption in our service territory. As soon as later in 2024, this will lead to the generation of additional revenues that must and will be applied back into transportation electrification outcomes in alignment with City’s Transportation Electrification Blueprint and TESIP goals and outcomes.

9. What are your thoughts on a demand response program for large industrial users, given the electrical load constraints in the Pacific Northwest region currently and into the future? Do you support such programs, and if so, how would the utility move forward in developing a demand response program?

Demand response is a must-do and a relatively easy way to reduce our peak load and, by extension, reduce the amount of expensive peak-hour energy that we need to purchase. This is especially true during severe weather events. City Light’s large industrial customers make up a large portion of City Light’s load, and there is valuable opportunity for us to work with these customers to develop demand response programs that can be a win-win for both the businesses and the utility in terms of cost. These customers can provide capacity value by reducing load during peak hours and may also provide energy value through shifting load with the day.

Our staff is beginning the development of a demand response program for large commercial and industrial customers to provide the utility load relief on the hottest and coldest days. The goal is to develop a program that meets the needs of both the customers (affordability) and the utility (resource adequacy).

We have already started conversations with several large industrial customers who have expressed an interest, including Nucor, to ensure we understand their needs and capabilities as we develop a demand response offering in this space. We will need to build this into our billing systems after we establish the rate. We anticipate other large customers will be interested in this product as well and we will need the partnership of the Mayor and City Council to establish the rate mechanisms.

After meeting with Nucor, we have agreed to partner with them to develop a demand response rate that works for them and for us. They have multiple locations across the US and multiple iterations of a demand response rate. We have asked for their help in understanding all of those and we will be working with the utilities in each location to understand what works well and what could be improved with these rates. This gives us a strong foundation and lessons for building our own.

Customer and Community Service

10. Communicating with rate payers: How will you ensure notices regarding power outages and maintenance in neighborhoods will be communicated to the impacted neighborhoods in a timely manner? What race and social justice measures would you take to ensure notices are sent equitably for communities’ preparations?

Power outages cause disruption for our customers each and every time they happen. With even a short outage, we have to fix those annoying flashing clocks on our microwaves and longer outages impact business revenues, family plans and communication. This is an area where City Light is on an improvement path that I will continue.

City Light schedules planned outages for various reasons, including to energize new customers' facilities and regular or emergency maintenance of our infrastructure. Historically, this scheduling and customer communications had been decentralized, depending on the type of work and who was conducting it, and the customer experience was inconsistent. In 2023, City Light stood up a Planned Outage Facilitation Team to centralize communication, provide greater clarity and better customer service to both customers and employees across divisions. Internally, the team helps identify the customer impact of any needed outage, advises on appropriate customer notifications, and maintains a centralized calendar of planned outages. Externally, the team is the main point of contact for impacted customers, reducing multiple points of entry or frustrating redirection when customers inquire about a planned outage. Depending on the extent of the outage and the lead time, the communication methods currently can include mailed notifications, door hangers, or direct customer contact. The team has initially focused on outages initiated by line crews, and feedback has been positive – from both customers and crews. We are working toward further enhancements by broadening their purview to include coordination of notifications for work scheduled by other workgroups and contract crews.

I plan to have us continue to seek out customer feedback on this. At Burbank Water and Power (BWP), we partnered with non-profit organizations who served the underrepresented and underserved in our community to get the word out on planned outages and on the programs for these communities as well. We can improve on our partnership with the Department of Neighborhoods and show up with them as they meet with these communities. We can ensure that people know about our online outage map so that they can see the impact and the updates on our outages in real time.

Communication and customer engagement is greater with capital improvement projects, which are typically more disruptive but also provide clear customer benefits such as improved reliability. A project lead will serve as the main point of contact and communication channels will include mailed flyers, a project webpage, and depending on the project impacts, we will hold a public meeting to gather input or answer questions. We assess the demographics of the project work area and follow guidance from the Office of Immigrant and Refugee Affairs to determine language access needs and will translate materials as appropriate. Beyond direct contact to known impacted customers, we utilize NextDoor and leverage community councils and neighborhood organizations for broader notification. We will continue to show up in the affected neighborhoods and work to adjust our communication methods so that they best serve the people who live and work there.

For unplanned outages, in addition to the online Outage Map where customers can view outage information, City Light has teams that provide 24/7 targeted and broad communications to customers. We proactively contact key account (e.g., very large customers, schools), critical care (e.g., hospitals, assisted living facilities), and registered life support customers who are impacted by unplanned outages. This is staffed by the City Light Business Customer Services team during regular business hours while employees from Customer Operations cover evenings, overnight, weekends and holidays for 24/7 service. They will call an identified contact to confirm the customer is experiencing the outage, provide details on cause and estimated restoration time if available. They will do follow-up communications for extended outages, and after restoration efforts are complete, confirm the customer is back on utility power.

In response to widespread outages, the City Light Communications team has a rotating 24/7 on-call staff member who provides proactive customer-facing messaging and responds to individual customer inquiries on our social media channels. When there is a major outage event or extreme weather activity,

we often supplement with proactive messaging to help customers prepare for the inclement weather, provide tips on what to do during an outage, and how to report damage or downed wires.

We are exploring opportunities to enhance our customer communications for unplanned outages. In the near term, we're aiming to add functionality to our outage map including the ability to report outages online and receive text alerts/notifications about estimated time of restoration updates. As part of our technology roadmap, we're also excited to leverage our enhanced advanced meter technology to add capability to proactively notify customers when an outage has occurred and then provide restoration updates via text or email based on the customer's preference.

As we continue to look for ways to improve, we can engage directly through community meetings and focus groups for major projects and customer issues. Partnering with the Department of Neighborhoods, non-profit organizations and affordable housing groups can give us inroads to people we have not connected with before. City Light has worked closely with communities who have expressed an interest in understanding more about our work. One example is how we have on several occasions facilitated community walks with constituents and our experts to review the nature of specific community infrastructure and field questions along the way. This has proven helpful in building a culture of open and honest communication with impacted neighborhoods. Examples include Ballard, the Chinatown International District, Pioneer Square, Magnolia, West Seattle and Leschi. I will be participating at our next one, Pinehurst, which is scheduled to happen on May 16. We will continue to leverage evolving communications channels to reach customers in the way that they would prefer.

11. Community Engagement: What is your approach to identifying and managing community impacts and what strategies will you use to ensure input (particularly from underrepresented constituencies) and center communities most impacted? What experience do you have contacting and involving community stakeholders in infrastructure projects, public works, and policy development?

Communication with the many communities we serve is necessary so that we can make the best possible decisions as we go about our vital work of keeping the electricity flowing. By being present and listening, we gain trust and build relationships. Doing so not only helps us set a better direction with input, it also enables us to provide information on what we are doing and education around how our customers can conserve to lower their bills and take advantage of our programs. People deserve a voice in the changes that happen where they live and work.

We cannot overcommunicate. We want our customers to know what we are doing and why. We need their help to conserve. We need their engagement and ideas on what kinds of affordability programs work and how we can improve them. We need the ingenuity of environmental groups, low-income support teams, engineers, academics, other City departments and businesses to help us overcome the adaptive challenges that we face.

At Burbank Water and Power (BWP), we utilized a wide array of stakeholders in our strategic technical advisory group that helped us to develop our Integrated Resources Plan, including which scenarios to model. We also invited the entire community to several public meetings (five total) to hear the plans and weigh in with their concerns and ideas. This enabled us to appear before the City Councilmembers with a well-vetted and well-supported plan. That plan considered the voice of our customers and reflected the energy choices that they wanted us to consider as we modeled out the next 20 years of generation.

We translated our materials into several languages used by people in our community. We also had translators available at City Council to enable non-English speakers to speak at the podium. On our customer service team, we had people who spoke several languages who could help us better communicate directly with customers to meet their needs. At Colorado Springs Utilities, when I ran our customer service operation there, we hired the first-ever language service for three-way translations with our customers in Spanish, Korean and over 20 other languages. I believe that we humans can find a path together when we can communicate with one another.

When embarking on large construction projects or new locations for storage, we mailed, knocked and talked, left door hangers to ensure that impacted people understood what was happening, for how long and what to expect. This was not a "one and done" exercise. We returned at different times and on different days to be available to talk with people to problem solve mitigations together.

We used focus groups to gather perspectives on a community garden and bike trail update in partnership with the Parks Department. We did the same when we needed to make changes on ballfield turf that covered some underground water tanks. We used surveys and customer meetings to develop the drought driven water restrictions and consequences. Through all of these efforts, we modified our approach with the input we received and the result was better because of it.

From my few months of experience at City Light, I see that staff has been working on improving our community connections, especially with those in underserved and underrepresented communities. We will continue to do this and, by asking for feedback and adjusting our methods, we will continue to improve.

Equitable service is embedded in City Light's Mission, Vision, and Values: *We are proud to be a local, community-owned utility. We are visible and actively involved in the communities we serve. We are rooted in our commitment to racial diversity, social justice and the equitable provision of services to all.* To fully and effectively achieve this, we must shift how we make decisions to align our values-driven intentions with meaningful impact. We also must strategically and thoughtfully engage with our customers, especially those most impacted by environmental inequities.

City Light has advisors focused on service equity, environmental equity, inclusive outreach and engagement, and partnership and policy development with community. These staff establish best practices, provide tools for appropriate engagement, and train our project and program staff so they can incorporate measures tailored to our customers into all of our program development. They also work to cultivate meaningful relationships with community-based organizations to build trust and facilitate two-way communication.

To further support this work at City Light, our new Customer Experience division is developing an expanded Voice of the Customer and Community program. By listening to the voice of our customers and the community members who serve them, we can better understand and meet customer needs and expectations and improve our product and service delivery. Our Voice of the Customer Program will empower everyone at City Light to understand the "why" behind "what" customers do, say and need. We'll continue our commitment to equitable access by leveraging different channels, including focus groups, surveys and customer panels; translating our materials into the City's top languages; and targeting underrepresented groups to ensure we hear from all perspectives not just the loudest voices.

I have already encouraged staff to use the City of Seattle [Racial Equity Toolkit](#), which outlines a process and a set of questions to guide the development and evaluation of policies, initiatives, programs, and budget proposals to eliminate or mitigate inequities. Proper use of the tool (1) encourages planners, project managers and decision-makers to account for implicit bias; (2) engages the most vulnerable communities impacted by a circumstance in the decisions that affect them, and (3) examines and resolves business processes that perpetuate disparities. Additionally, City Light developed the [Outreach and Engagement Resources Hub](#) on the SCL Hub, City Light's internal employee website, to provide tools and resources to assist staff with planning and facilitating inclusive community outreach and engagement. The tools and resources provided are based on industry best practices, input from community-based organizations (CBOs), and are continually updated and shared with employees across the utility.

Effective community engagement takes careful planning. Each population we work with presents a unique opportunity to broaden our understanding of who makes up our community and how to strengthen connections across the communities we serve. As we build our own capacity, we also seek to partner with other City departments. Last year, City Light began leveraging the Department of Neighborhoods' Community Liaisons program to enhance community engagement related to specific projects and programs. Since my arrival, we have met with the Department of Neighborhoods to better understand their offerings and how we can expand this partnership.

We know that one of the most effective ways to reach our customers is through their trusted community partners. During our Road to Recovery effort, which aimed to support customers who had fallen behind on their bills during COVID, City Light engaged numerous CBOs to help us communicate key updates and new program offerings to customers. In collaboration with Seattle Public Utilities and our trusted partners, we developed toolkits with social media messaging, posters, handouts, etc., that were translated in the top seven languages for community-based organizations. We met with our community partners to discuss our new payment plan and bill assistance offerings and to leverage their expertise as to the best ways to communicate with our customers, particularly our customers in underrepresented communities.

To ensure meaningful inclusion across our service area for the priorities identified in the Transportation Electrification Strategic Investment Plan (TESIP), City Light conducted a transportation electrification racial equity analysis, which included: (1) leveraging the City of Seattle's Racial Equity Toolkit and (2) conducting in-depth outreach and engagement. City Light conducted a comprehensive analysis of existing information on environmental justice communities' transportation electrification wants and needs. (Environmental justice communities include communities of color, immigrants, refugees, people with low incomes, youth, and English language learners.) City Light reviewed relevant reports by regional stakeholders and CBOs as well as feedback from several sources, including the City's Environmental Justice Committee, CBOs, and stakeholder surveys.

City Light gathered feedback from community leaders and stakeholders on priorities most important to them for transportation electrification. The order of the priorities identified in the plan were a direct result of the feedback City Light received from 25 environmental justice community leaders and over 40 stakeholder groups. The priorities were also informed by the racial equity analysis.

Showing up in the community is vital to our work at City Light. We have built a solid foundation of working relationships and partnerships with CBOs like the Environmental Coalition of South Seattle (ECOSS). In 2022, City Light hired ECOSS to conduct outreach in support of TESIP to educate

communities on transportation electrification, and to discover these communities' attitudes toward electrical vehicle (EV) ownership. Through stakeholder meetings, event outreach, and community interviews in a variety of languages, ECOSS helped City Light better understand the barriers communities encounter when trying to access this information. With this, ECOSS pivoted their approach and addressed these barriers more directly during outreach efforts. ECOSS discovered that workforce development and a more multicultural approach will be key pieces of any initiatives City Light moves forward.

City Light and ECOSS' partnership allowed for further reach in the community and the discovery that the populations critical to the future of electrification were not being included in the planning of this desired shift. ECOSS was able to provide City Light with supporting data and information to develop a more inclusive and comprehensive approach to electrification planning. The working relationship between ECOSS, City Light, and community members has provided a strong foundation for the work to come.

We have added three CBO partners – Duwamish Valley Sustainability Association, EcoInfinity Nation and Kambo – to expand on the work ECOSS is doing with community engagement and education around transportation electrification. In 2024, we will update and revise TESIP, informed by similar community outreach and engagement efforts. We'll also expand existing programs and launch new offerings (public and single-family EV charging). I'm excited to lead the utility as it accelerates this important work.

12. Customer Affordability: What role or value can Seattle City Light provide in making Seattle an affordable city? How would utility rate increases take into account the economic burden on moderate to low-income households? What opportunities do you see to control the growth of utility expenses and minimize the financial burden on rate payers?

Seattle City Light prides itself on offering electricity rates that are competitive compared to other large cities around the country. In 2023, the City Light average rate was 11.4 cents per kWh, while the average across the 25 largest cities in the country was 15.1 cents per kWh. That said, nobody likes to see their utility rate increase. For our customers with the tightest budgets, even small increases have impacts. With the challenges we face and the cost pressures that those challenges bring, we are not able to absorb all of those costs. In fact, City Light has already dipped into reserves, taking them below the minimum allowed to meet the electricity needs of the community.

When rate increases are required, I do not take them lightly. This year, we have scrubbed the budget considerably and tightened our belt to help offset the largest cost impacts (inflation, the cost of new green power to meet our increasing load, weather impacts) that I have seen in my career. So, how do we minimize the impacts of these and how do we proceed with meeting the challenges in the most economical way?

Of course, having reliable, high-quality, clean, and cost-effective energy helps to make Seattle a great place to work and to live. Businesses located here can readily share that the energy provided by City Light is greenhouse gas neutral and enhances their ESG (environmental, social, and governance) triple bottom line. Keeping jobs in Seattle provides opportunities enabling people to live here and enjoy all Seattle has to offer.

With market purchased energy at 300% higher than it was four years ago and with electric asset costs increasing by at least 36% and as much as 200%, City Light cannot absorb all of the costs. We are

working very hard to keep our rate increases lower than most of our peer utilities. We are also working hard to offset costs where possible and to provide support for those who need it.

One step that I have taken at City Light is to engage with employees and document the savings or cost avoidance that they are achieving as they look for the least expensive way to complete their work. Doing so rewards this way of thinking and encourages others to apply the learning elsewhere in the organization. Under my direction we identified and documented \$46 million in cost savings/cost avoidance that these employees achieved over the past year, through efficiencies, process improvements, smart procurement and employee ingenuity. This can be strengthened by bringing lean six sigma into the organization. At Western Area Power Administration (WAPA), we started with just one black belt who implemented a training program by developing yellow belts and green belts using process improvement opportunities and needs identified by employees. By year two, these folks were saving over \$30 million annually and we added a second black belt and expanded the program.

We can also invigorate employees with a “Find Savings and Make us Better” campaign. I floated this idea past our employee advisory group and they leaped at the chance, brainstorming ideas on the spot. We can engage the entire utility in this. We can do a “Stop Doing” exercise, asking employees for their ideas on ways to reduce waste and improve efficiency.

We can put technology to work for us by using bots for routine tasks like some accounts receivable and accounts payable functions. This enables us to reduce staff on these functions, keeping a smaller staff to work the non-routine items and enabling these analytically minded employees to gain new skills and serve as analysts to help us with data analytics, trend analyses and other opportunities where we know we need to grow our skills.

By partnering with other departments and sharing costs where possible, we can find better paths together as One Seattle. This includes the sharing of customer service center resources for service by phone and in the Seattle Municipal Tower lobby with Seattle Public Utilities (SPU), partnering with the Department of Neighborhoods on outreach, partnering with the Seattle Department of Transportation and Parks and Recreation on EV charging options, partnering with City IT on email, payroll, learning management systems and financial systems. This year we will be working with SPU to identify other opportunities for shared resources between our two departments.

We also need to look beyond rates to customer bills. Even as rates rise, we can help customers lower their City Light bills by helping them become more efficient users of electricity. Seattle has a long tradition of investing in conservation and energy efficiency both through financial incentives and also outreach and education. In 2021, we supported our customers’ projects with more than \$27 million in energy efficiency incentives and over \$25 million in 2022. As of the end of 2022, City Light’s suite of energy conservation programs had cumulatively saved customers \$140 million on their energy bills. As a result of this legacy and current programs, City Light’s customers have conserved 1,819,755.72 megawatt-hours. That is the equivalent annual electricity use of over 240,000 average Seattle homes.

Conservation and efficiency work is more important than ever, as all signs point to market prices continuing to go up as factors like electrification and retirement of old fossil fuel burning power plants shift the supply-demand balance. Helping each of our customers save electricity through investment in efficient lighting and appliances, insulation, smart thermostats, heat pumps and heat pump water heaters is an investment in keeping Seattle affordable.

One way that City Light can continue to improve affordability is to re-imagine our bill assistance programs for low- and moderate-income households. While Seattle's (City Light and Seattle Public Utilities) utility discount and emergency bill assistance programs offer a level of assistance unparalleled by any other utility in Washington state, and rank among the most substantial and robust in the country, we will not rest on our laurels. There is still work to do. We know that not all eligible customers access our program, and we know that there are customers in our community who are struggling to pay their electric bills but are not eligible for our programs because they make more than our gross household income limits.

One improvement that will help in the near term is that City Light will be raising our income threshold for our financial assistance programs from 70% of the state's median income (SMI) to 80% of area median income (AMI), in line with guidance from the Clean Energy Transformation Act (CETA). This change will increase the maximum gross yearly income for a household of three from \$71,520 (SMI) to \$90,850 (AMI) based on 2024 income guidelines.

City Light, in collaboration with SPU and the Human Services Department, also recently finished a comprehensive evaluation of our utility assistance programs to better understand gaps in our program offerings. The evaluation included an assessment of participation and barriers to enrollment, as well as insights on attrition rates and recertification. Our next steps will be to implement process changes to improve outreach, streamline customer's enrollment and recertification journey, and inform the design of a new benefits structure that more closely aligns discount benefits to income and energy burden.

We also have successfully advocated at the state legislature for funding to lower bills for our customers, many of whom are still struggling with lingering financial impacts from the COVID pandemic. In 2024, City Light is receiving \$19 million to provide \$200 credits to 90,000 customers behind on their bills. These credits will come out in September.

Finally, our Race and Social Justice (RSJ) Program staff and the City Light Change Team provide input on programs that impact the affordability of energy services for low-income and communities of color. This includes support in engaging community on large projects with impacts on underrepresented communities, demand rate response and time of use rate pilot. In addition, they provide technical support and guidance on translation needs in the community. City Light RSJ staff deliver presentations and technical support regarding energy equity to utilities and industry groups nationally.

While I have listed a lot of ideas for the future, I want to acknowledge that City Light's current programs are effective. I think that sharing a couple of customer stories will bring that point home:

Energy efficiency is clean, green and local, and provides direct benefits to participating customers. One example is a resident named Evelyn, an 82-year-old customer who lives and maintains her electrically heated single-family house in the northern part of our service area on a fixed income. Because Evelyn's income is less than \$20,000 in a city where the median is \$120,000, she receives a 60% discount on her water and electricity bills. She also took advantage of the City Light-funded weatherization program to install a ductless heat pump and have her home weatherized for free. Now, she is more comfortable in winter, AND she can cool her home in summer. During extreme heat events, like the summer 2021 heat dome where temperatures reached 108 degrees, she can cool her home and keep it cool. And she can afford to stay in the home that she dearly loves.

Evelyn is representative of a lot of our customers. Despite the 50 years of conservation programs that City Light has been offering, many homes have not yet been reached. And the main culprit is cost – it is prohibitively expensive to make these energy upgrades for people like Evelyn.

I also think of small business customers like Fou Lee Market and Deli in the Beacon Hill neighborhood, and of how efficiency measures lower their operating costs by hundreds of dollars per year. By installing efficient lighting and systems, we helped this small business stay open through the pandemic. We also helped create more comfortable well-lit spaces, with more features and better technology.

I will work with the team to expand these kinds of customer programs in the future. I will also lead us to expand our outreach so that we can find more Evelyns and more Fou Lee Markets to serve with our programs.

I have been providing feedback to the team working on our new (still in-progress) Integrated Resource Plan (IRP) which calls for significant new demand-side resource additions, including energy efficiency, customer solar and demand response to meet customer demand in an affordable, reliable and environmentally responsible manner. Our IRP presents a least-cost method for City Light to meet its resource needs and relies increasingly on demand-side resources. City Light’s portfolio of customer energy programs plays an important role in executing on our strategic plan and can help promote financial stewardship and affordability by managing resources to minimize power costs, aligning resource strategies with customer priorities, and limiting energy burden on residential customers.

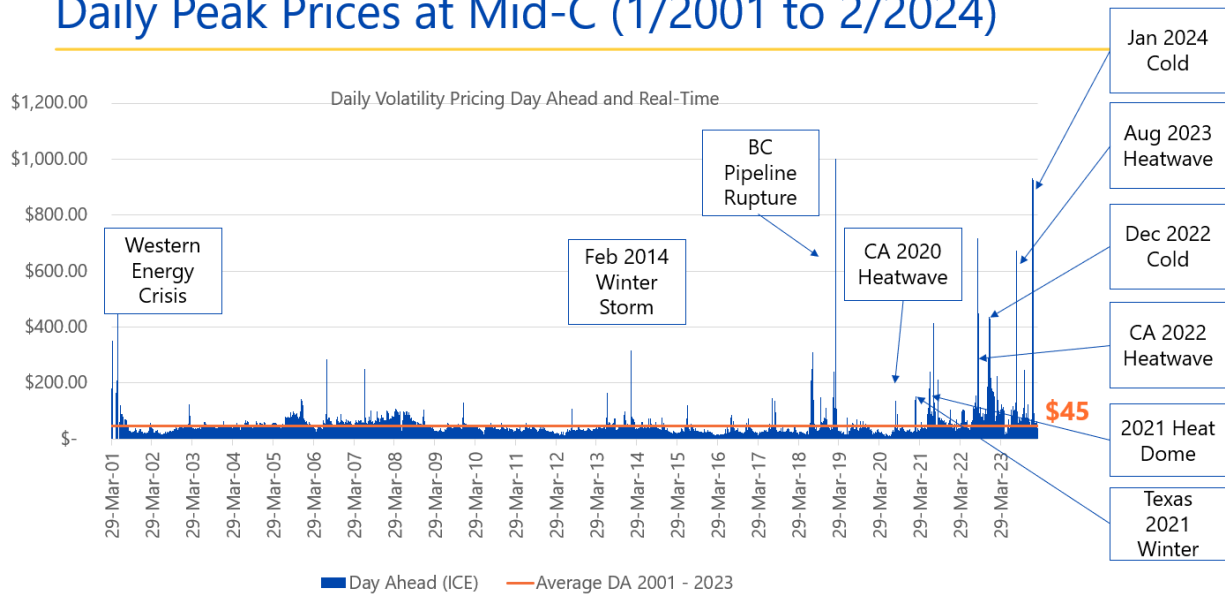
NEW RESOURCE ADDITIONS BY TIME PERIOD	2022–2031	2032–2041	TOTAL
Solar (MW)	175	0	175
Wind (MW)	225	50	275
Energy Efficiency (aMW)	85	31	116
Customer Solar Programs (MW)	24	28	52
Summer Demand Response (MW)	47	31	78
Winter Demand Response (MW)	79	43	122

2022 IRP Recommended Top Portfolio Plan

13. What are your plans, if any, to keep rates low? If there are no plans to keep rates low, please explain why.

I am firmly committed to keeping rates as low as possible. It is important to understand that in the last three years, like all utilities, City Light has been faced with unprecedented energy price swings that are consistently higher than ever before. The chart below shows the daily volatility by year over the last 24 years. Prior to the last three years’ worth of weather events, we saw two short-term spikes. One was due to market manipulation by Enron. The second was due to the British Columbia pipeline rupture. In the last four years, we are seeing multiple events annually due to extreme weather. The retirement nationwide of over 30,000 MW of coal-fired generation has created an energy shortage for baseload resources – those resources that are not weather dependent but instead can deliver a steady stream of energy 24x7, 365 days per year.

Daily Peak Prices at Mid-C (1/2001 to 2/2024)



This is absolutely the right direction for the industry to move. However, there is a cost. While some of this capacity has been replaced with renewable resources, most of these resources are solar and wind. These are weather variable resources – not baseload generation. By definition solar is available for less than half the hours in a day. Wind is only available when blowing. This inconsistent production often happens at the worst possible times, leaving a system wide shortage of energy. Batteries can help with this on the first day of the weather event. After that first day, they are expended and, until they can be recharged, they do not have energy to supply to the grid. We need to find additional baseload resources – available 24/7 like hydropower, geothermal or small modular reactors to replace some of the energy lost in the retirement of coal and natural gas plants. Until that happens, we will see these types of price spikes and we will need to plan for them.

That said, our current rate path is a smaller annual increase than many utilities. This helps us to avoid the rate shock to our customers that comes with keeping rates too low to cover the costs. Many of our neighboring utilities are contending with double-digit rate increases; in Portland residential customers saw a 17.2% increase this year, and Avista (which serves Spokane) increased rates 13.8%. This chart shows the expected rate paths of other neighboring utilities. These may also be adjusted as they work through their new rate paths. We are not showing the expected rate increases for City Light as these are still in progress.

Neighboring Utilities Residential Rate Increases/Proposals				
Utility	2023	2024	2025	2026
Seattle City Light	3.4%	9.5%*		
Tacoma Power	3.9%	3.9%		

Puget Sound Energy	8.7%	1.7%	6.9%	9.6%
Snohomish Public Utilities	2%	6%		
Portland General Electric		17.2%		
Avista - Washington		13.8%	6.7%	

**includes 4% RSA surcharge*

However, by not taking rate increases needed to keep up with inflation, our reserves have dipped below minimum levels. The 4 % Rate Stabilization Account surcharge does not pay for any of our added costs. It simply brings our reserves back to a level to support response in an emergency. Without that surcharge, the rate increase in 2024 would have been 5.5%.

Unfortunately, one rate increase will not cover the continuous increases in market power required to meet the electric usage of the communities. It will also not cover the costs to fund maintenance and replacement of our aging equipment. Utility equipment has experienced a 36% inflation rate – well above the consumer price index inflation rate with many components needed for new electrification costing more than twice as much as prior to COVID. Examples of the equipment inflation include:

Category	5 Year Material \$ Percent Change Range and Average (2019-2024)	Comment
Cable	Range 45% - 139%, Average 74%	Averaged over 9 types of cable. Total cable length represented is 761K feet or 144 miles
Facility Conduit/Crossarms	Range 23% - 330%, Average 135%	21,175 units over 5 different varieties
Switches/Switchgear	Range 24% - 140%, Average 51%	Represents typical classes of different switchgear
Transformer	Range 24% - 140%, Average 61%	Approximately 1000 transformers represented of various size
Utility Electric Component	Range 40%-177%, Average 96%	This represents about 64,000 total devices
Utility Poles	Range 27%-28%, Average 28%	City has over 90,000 wooden utility poles and we have replaced on average 1500 per year over this 5 year span

The rising costs of both the market power needed to keep the lights on during high-load periods and the rising cost of equipment have far outpaced what the utility can absorb through cost savings/cost avoidance. Unfortunately, it is necessary for us to make an investment in the future we have legislated. I want to stress that I fully support that future. We must invest in reducing greenhouse gas in every sector. However, this is not free.

We are taking a measured approach, looking at cost savings/cost avoidance (as described above in Question 12) and new revenue opportunities. We will be looking at cost savings opportunities big and small. By adding the necessary power resources, to meet peak demand, we also add to our ability to generate cost-offsetting wholesale revenue, selling power south in the summer and east in the winter to those who experience adverse weather, helping other utilities to meet their load needs. Joining a day ahead market will enable us to do this even more efficiently.

We can continue to utilize technology to create efficiency. One place where we lag behind our peers is in implementing an Advance Distribution Management System (ADMS). This system replaces SCADA in enabling us to manage, at the speed of light, our growing distributed generation, including rooftop solar, local battery storage, eventually EV on-grid support and even virtual power plant models. On May 17, we anticipate submitting an application for the US Department of Energy's Grid Resilience and Innovation Partnerships (GRIP) grant program for a project combining substantial investment in the utility's technology, hardware, and enterprise architecture, with a commitment to providing direct benefits to historically marginalized communities. If we are successful, this \$40 million grant will cover nearly half the cost of the ADMS implementation.

I believe in the ingenuity and creativity of our employees. We hire people with a service mindset who care deeply about the communities in which they serve. They also serve on non-profit boards, in their churches, at their kids' schools and they enjoy Seattle and the surrounding communities immensely. How we serve matters to them, and it matters to me. We will continue to look for every opportunity to be better, to partner effectively and to supply power that the communities want and need.

We need to ensure that we are paying our employees at market rates. While this may seem counterintuitive to the question, studies show that the cost to hire and train new employees to replace the ones who left amounts to 2.5 times their salaries. Every vacancy costs our rate payors money in opportunity cost and in hiring and training new people. In the case of our apprenticeship program this becomes even more critical. We invest approximately \$500,000 in EACH apprentice over the course of their four years of training required to become a journey-level high voltage worker. Our employees have options. Snohomish, Tacoma, Puget Sound Energy have all hired these highly sought after employees right out from under us. This leaves us shorthanded and in a constant training mode. Journey-level vacancies can also limit the number of apprentices we bring on in any given year due to mandated ratios. We need to do all that we can to be the employer of choice – from pay to equipment to culture.

We also need to ensure that we have a working fleet. The average lead time for a new bucket truck is about five years and we are limited in how much inventory we can have as dictated by the Fleet Reduction regulations that require one asset to be retired in order to procure a new asset. For 2024, we have issued purchase orders for \$40 million in new assets and some of our inventory is over 20 years old. The current five- or six-person crew for most of our line work equates to over \$1,000 per hour when we include supervision and vehicles, which means we do not want any downtime waiting for a vehicle to be repaired or towed, which slows down customer work and can extend outages.

We will also work very hard to help our customers conserve and save energy and money, as described in the answer to question 12 above.

14. How are neighborhoods with chronic power outages prioritized for structure fixes?

City Light maintains approximately 2,680 circuit miles of distribution lines within its service territory with approximately 35% or 941 miles of infrastructure buried underground. Approximately 341 miles of this infrastructure is directly buried, meaning cables are installed directly into the soil based on industry practice in the 1960s and 1970s. Most of our "chronic" outages can be traced to this legacy direct-buried cable that has been in service well beyond its useful life. Age as well as exposure to the underground environment over decades has degraded the cable to the point where approximately 300 linear miles is deemed critical/near failure and causing frequent and hard-to-restore outages.

Replacing underground lines costs approximately \$10 million per mile. We have been taking a measured approach to replacing the highest-risk cable segments throughout the service territory. This means that there will always be neighborhoods that experience outages due to seasonal influences like rain and heat, which both put strain on underground infrastructure.

Today, our priorities as tracked by our Engineering Planning and Asset Management teams are based on City priorities, outage frequencies and co-located work. The work to replace these circuits is invasive, destructive, very expensive and typically takes years in planning and execution. In addition to the installation of new electrical equipment, these projects require mandated civil improvements such as new street panels, sidewalks, ADA ramps, etc. On average, we have been spending \$16 million per year on these direct-buried replacement projects. We will need to invest additional funds for this effort over the coming years. We are also continuing to explore ways to replace this line less expensively. We are not the only utility facing this challenge and we can engage with the Electric Power Resource Institute (EPRI) to use collective industry brain power on this issue.

Since my arrival we have been in discussions on how we can better prioritize and complete this work. With over 300 miles of problem line, our current budget and staff are not adequate to address the reliability issues we have. Our current long-term solution to addressing our underground cable replacement needs includes hiring a Design-Build Consultant and project manager who will lead the contract development, procurement, evaluation, and execution of this body of work. We anticipate the Design-Build Partner to be selected in 2025. Additionally, we are improving our prioritization process and ensuring it is data driven. Currently, City Light determines the replacements for underground cable through a combination of engineering assessments, escalations, and customer outages. We will hire a data scientist for the program later in 2024 who will develop an improved prioritization model for the utility that will integrate existing asset information, customer outage data, geographic location, and complexity of scope to scale our efforts to meet the needs across our service area.

Governance

15. How will you cultivate partnerships with other City departments, including Department of Transportation, Seattle Public Utilities, and even with Council in the Legislative Department?

Cultivating partnerships is a hallmark of my leadership. When I became the Sr. VP and Regional Manager for the Rocky Mountain Region at the Western Area Power Administration (WAPA), the staff were in a 10-year-long battle with the Forest Service over tree cutting under the large transmission lines in several national forests. At that point, we had over 400 danger trees within the safe zone of the transmission lines above that had to be cut down before the June summer days started or we had a very real risk of fire. Because the local level relationship was so contentious, I decided to fly to D.C. to meet with the US Forest Service Administrator. Since he was out of the country, he had an acting leader in place who normally was the leader in charge of the forests in the northwest. I met with her and explained the dire situation and asked for her help in assigning staff who could help us get this done in a manner that preserved the wildlife and also eliminated the risk of fire in the forests that we both loved. She did that and we forged a new, cooperative relationship. We completed the cutting needed prior to summer.

Burbank Water and Power had a poor relationship with several city departments – especially the Public Works Department and the Community Development Department. Upon my arrival, I met with each of those leaders for lunch and we agreed to initiate regular meetings with key staff members to address issues impacting our communities. This included improving the permitting process, coordinating more effectively on projects that would cut into streets and developing a joint water plan. This saved

frustration, created mutual understanding and reduced costs. As I exited, this team was still meeting every other week and truly enjoyed working together.

Here at City Light, I have already begun to demonstrate this approach by working with Seattle Department of Transportation Director Greg Spotts on the Magnolia Bridge streetlight issue. The bridge is old and in severe disrepair. City Light was unable to drill into the concrete of the bridge to rewire the streetlights and get them working again. Drilling into the concrete would have exposed the rebar and further weakened the bridge. Two City Councilmembers approached us for help after customers expressed concerns about the last five streetlights that could not be fixed without closing lanes on the bridge and requiring an SDOT permit. Prior to meeting with the Councilmembers to discuss this issue, I reached out to my counterpart at SDOT so that we could each understand the issues faced by our teams. Mike Haynes, our Chief Operating Officer, drove with me to the bridge to point out the issues for me. In this way, we could come to the table with up-to-date information and a plan for a permit to enable the work to be completed. Fortunately, Mayor Harrell has included needed funding for bridge re-enforcement in the new levy.

With Mayor Harrell's Chief Operations Officer Marco Lowe and Seattle Public Utilities Director Andrew Lee and their respective teams, I am confident that we will be able to find the right path for additional shared resources. The two utilities already share a billing system, customer service staff in both the lobby and on the phones.

City Light also participates in various Interdepartmental Teams focused on topics like climate, the City's 2025-2035 Comprehensive Plan, transportation electrification, major events (FIFA, MLB), the Waterfront Project, and major transportation projects (SR 520, Sound Transit, KC Metro). This collaboration will become even more important as we navigate the new state emission regulations and our role in managing revenue from programs like the new Clean Fuel Standard, the Clean Energy Transformation Act and the Climate Commitment Act. City Light has compliance obligations and also plays a key role in working with other City departments on eligible program funding and project execution.

City Light has a dedicated staff person, Maura Brueger, Director of Government & Legislative Affairs, who serves as the primary point of contact with Councilmembers' individual offices and works closely with Council Central Staff to support the review and adoption of Council legislation and to address Council-elevated customer or constituent concerns or issues. This engagement includes scheduling issue-specific meetings and participating in Councilmember-hosted meetings or community tours. We also closely coordinate on Council legislation with Eric McConaghy from Council Central Staff and Nina Park from CM Tanya Woo's staff, who serves as committee clerk and policy director to CM Woo. As GM and CEO, I would welcome regularly scheduled (perhaps quarterly) check-ins with each Councilmember to discuss projects impacting their districts or other areas of specific interest.

16. SCL has an essential advisory panel, the City Light Review Panel, that provides advice to the utility and Council. What commitments about collaboration can you make to the Review Panel, particularly around recommendations that impact our rate payers such as rate paths, grid upgrades, and outage management

City Light continues to work closely with the City Light Review Panel to develop the biennial Strategic Plan and accompanying rate path. Members of the panel, selected to represent our diverse customer classes and important stakeholder groups, provide invaluable advisory input into this work. Their input, insight and ideas inform each plan and rate path that is put forward to the Mayor and City Council.

Since my arrival at City Light, I have had the opportunity to meet with the panel at each monthly meeting. In fact, I attended the January meeting even before I began my employment at City Light. During every meeting, there is time designated for a GM/CEO update and question/answer with the panel. This has given me a great opportunity to hear from the members and to better understand their role, their point-of-view, and concerns. I am impressed by the depth of knowledge and commitment to positively contribute to City Light from each of the nine members. They truly play a vital role in the development and ongoing implementation of our Strategic Plan. I am committed to meeting individually with each member at least three times each year to better understand their thinking and to develop a relationship with each member. I believe this will positively contribute to the open, transparent and productive interaction we have with the panel today.

We have Leigh Barreca on staff to serve as our primary liaison with the panel, ensuring that the members have all the information and meeting materials that they need to fully contribute to meeting presentations and discussions. Leaders across the utility are also present during monthly meetings, ensuring that they are able to incorporate Review Panel feedback into all of our work.

Following the submission of the Strategic Plan, we will continue to work with the panel to share our progress on the efforts outlined in the plan, especially issues that impact our ratepayers. This allows us to remain accountable to them as well as provides the opportunity to continue to incorporate their insights throughout our implementation and project delivery efforts.

The Strategic Plan includes five areas of focus, including “We Power,” which is specifically focused on operational excellence. To achieve operational excellence, we must be measuring our performance and benchmarking nationally with both public utilities in total as well as utilities of all types that are our size. Providing transparency on our performance to the panel on grid upgrade plans and project delivery as well as outage management metrics will provide them with the information that they need to advise us as we prioritize the funding necessary to improve our performance.

For me, full transparency on grid upgrades, outage management and the planned rate path necessary to supply City Light’s customers with quality, carbon-free power is the way that I operate. I believe in sharing information to enable solid decision making. The Review Panel provides a strong mix of diverse perspectives that enable City Light leadership to understand and consider these in defining our path forward.

While I love sharing good news and the many great accomplishments by City Light staff, I am fully aware that bad news does not get better with age. Therefore, as we have been working with the Review Panel, we have walked them through the difficult news around the four-fold increase in power marketing costs, the significant inflation around our component assets as well as the cost savings and cost avoidance that staff has been able to achieve. That \$46 million plus in savings is critical for us to be able to move forward on the projects we must do especially in the technology arena. We are a solid decade behind in updating our technology to meet the evolving grid regulations.

I am grateful to each review panel member for their donated time and wisdom as we work together to make City Light even better.