

CITY OF SEATTLE

ORDINANCE 127296

COUNCIL BILL 121063

AN ORDINANCE relating to the City Light Department; authorizing the Department to develop programs, enter into agreements with customers and other parties, and provide incentives for modifications to customer electricity consumption; and amending Section 21.49.130 of the Seattle Municipal Code.

WHEREAS, in its 2019 session the Washington State Legislature passed, and the Governor signed in to law, Senate Bill 5116, known as the Clean Energy Transformation Act (CETA) (“legislation”), which commits Washington to an electricity supply free of greenhouse gas emissions by 2045; and

WHEREAS, the legislation created what was codified as RCW 19.405.040, which requires that “an electric utility must, consistent with the requirements of RCW 19.285.040, if applicable, pursue all cost-effective, reliable, and feasible conservation and efficiency resources, and demand response”; and

WHEREAS, the legislation created what was codified as RCW 19.405.060, which provides that each consumer-owned utility must develop and submit a four-year clean energy implementation plan that proposes “specific targets for energy efficiency, demand response, and renewable energy”; and

WHEREAS, the City Light Department has identified the need for demand response in its 2022 and 2024 Integrated Resource Plans to help supply customers with reliable, affordable, and environmentally responsible energy consistent with CETA; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 21.49.130 of the Seattle Municipal Code, last amended by Ordinance 126887, is amended as follows:

21.49.130 Authority

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B. Rulemaking and contract authority

1. The Department shall have authority to adopt and file as appropriate rules, regulations, policies, and procedures relating to its performance of the provisions of this Chapter 21.49 and to the operation of the Department's light and power system. The Department may require compliance with such rules, regulations, policies, and procedures as a condition for the supply or continued supply of electric service.

2. Effectively managing its power supply portfolio to achieve balance between supply and customer demand requires that City Light transact in the wholesale energy markets for energy and transmission services and products, including the purchase or sale of short-term capacity or energy, or integration, transmission, or ancillary services. The Department may therefore execute, implement, and administer contracts with any city or town, public utility district, governmental agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or corporation, or any other member of the general public, outside its service area, for an effective term of not more than 60 months from the month following the date on which the contract is first signed ("prompt month"), providing for the acquisition, exchange, or sale of capacity or energy, or integration, transmission, or ancillary services, or eligible renewable resources, which shall have the same meaning as defined by RCW 19.285.030, on terms most favorable to the Department under such circumstances and in compliance with state law, including RCW 43.09.210. Such acquisition, sale, or exchange shall be made on a basis representing the value of such capacity or energy, or integration, transmission, or ancillary services, under then-existing market conditions, and may include provisions that require indemnification by the Department.

1 3. The Department may execute agreements with the Bonneville Power
2 Administration providing for reimbursements from Bonneville of some or all of the costs of
3 operating energy conservation programs authorized by the City Council. The Department shall
4 determine that such agreements or amendments to such agreements shall not incur any
5 indebtedness or the acceptance of moneys imposing any duties or obligations on the City that are
6 inconsistent with the Department's budget appropriation for such energy conservation programs.
7 The Department shall provide a written notification prior to the execution of such contracts and a
8 copy of such contracts to the appropriate authorizing committee of the City Council.

9 4. The Department may execute contracts for the purchase or sale of
10 environmental attributes, including but not limited to renewable energy credits (RECs),
11 greenhouse gas offsets, and carbon credits to meet policy and regulatory requirements in a cost-
12 effective and timely manner. The Department may enter into such contracts in advance of the
13 target date for acquisition identified in the Department's Integrated Resource Plan or the date
14 required by state or federal law. These purchases will be made within the Department's yearly
15 budget authority limits. Sales will be made on an as-needed basis to balance demand with supply
16 of these products, and to minimize overall costs to ratepayers.

17 5. The Department may execute contracts for the purchase or acquisition of cost-
18 effective energy conservation resources for an effective term of not more than 84 months,
19 provided that the payment terms for such contracts do not exceed 60 months. "Energy
20 conservation resources" shall have the same meaning set forth in the Energy Independence Act,
21 chapter 19.285 RCW, including, without limitation, long-term energy efficiency projects, new
22 construction, whole-building performance, and pay-for-performance programs.

23 6. In order to meet the requirements of the Renewable Plus Program, the
24 Department may execute contracts with any city or town, public utility district, government

1 agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or
2 corporation, or any other member of the general public, outside its service territory providing for
3 the acquisition or exchange of capacity or energy, or integration, transmission, or ancillary
4 services, of renewable resources, which shall have the same meaning as defined by RCW
5 19.280.020 for a term of not more than 20 years. The Department shall endeavor to match the
6 term of the acquisition contracts with the needs and requirements of the Renewable Plus Program
7 customer contract terms. Such acquisition or exchange of capacity, energy, or services shall be
8 made on a basis representing the value of such capacity or energy, or integration, transmission,
9 or ancillary services, under then-existing market conditions, and may include provisions that
10 require indemnification by the Department.

11 7. The Department is authorized to negotiate and to enter into new leases or
12 subleases and extensions or modifications of existing leases or subleases of any real property
13 now or hereafter owned by the Department or private parties for the purpose of installing and
14 operating electric vehicle charging stations and supporting infrastructure, including but not
15 limited to energy storage systems, distributed energy generation systems, and general electrical
16 infrastructure, for an effective term of not more than 84 months.

17 8. The Department is authorized to develop programs, enter into agreements with
18 customers and other parties, and provide incentives, including but not limited to monetary
19 compensation, for modifications to customer electricity consumption. Incentives shall be based
20 on the value of the demand response provided to the Department, with the total cost of incentives
21 not to exceed the expected monetary value to the Department of the demand response measures
22 taken by customers and other parties. “Demand response”, as it applies to this section, refers to
23 changes in electric usage by demand-side resources from their normal consumption patterns and
24 may include energy storage and measures to increase or decrease electricity production.

Section 2. This ordinance shall take effect as provided by Seattle Municipal Code
Sections 1.04.020 and 1.04.070.

Passed by the City Council the 16th day of September, 2025,
and signed by me in open session in authentication of its passage this 16th day of
September, 2025.



President _____ of the City Council

☒ Approved / ☐ returned unsigned / ☐ vetoed this 18th day of September, 2025.



Bruce A. Harrell, Mayor

Filed by me this 18th day of September, 2025.



Scheereen Dedman, City Clerk

(Seal)