



MEMO

JULY 22, 2025

TO

Seattle City Council Sustainability, City Light, Arts & Culture Committee

FROM

Dawn Lindell, City Light General Manager & CEO
Siobhan Doherty, Power Supply Officer

SUBJECT

Bonneville Power Administration 2028 Provider of Choice Contract Status for Legislation

City Light purchases power from the Bonneville Power Administration (BPA) to meet 40-45% of its electric load. BPA is required under law to sell power to northwest public utilities, including City Light. City Light's current power purchase contract with BPA will expire on September 30, 2028 (the "Current Power Purchase Contract"). City Light is requesting authority for the City Light General Manager and CEO to sign and enter into a new contract with BPA, which will begin deliveries on October 1, 2028, and extend for a 16-year term (the "Provider of Choice Contract").

The following is a list of documents associated with the 2028 Provider of Choice Contract legislation:

- 2028 Provider of Choice Contract Ordinance
 - Attachment A - Memo BPA 2028 Provider of Choice Contract Status for Legislation
 - Attachment B - BPA Provider of Choice Slice Block Power Sales Agreement Contract Template
 - Attachment C - BPA Creditworthiness Agreement Template
- 2028 Provider of Choice Contract Summary & Fiscal Note

City Light would normally bring a finalized contract to City Council for approval rather than a contract template. However, this was not possible due to a timing mismatch between City Council's and BPA's schedules. BPA requires that all contracts be executed by December 5, 2025, but will not be able to provide the City Light-specific contract until sometime between August 29, 2025 and September 30, 2025. BPA cannot guarantee delivery of a final, City Light-specific contract for review prior to the first City Council Sustainability, City Light, Arts & Culture Committee Meeting on September 5, 2025.

Earlier this year, City Light staff alerted BPA this timeline would not align with Seattle's legislative calendar, because final contract review and submission to City Council for authorization of the Provider of Choice Contract must be completed by August 2025. However, BPA was not able to change its timeline.

On June 18, 2025, BPA released its “Final Slice Block Contract Template” (the “Template”), which is a finalized contract template for public preference customers that will choose the Slice/Block product, like City Light. The Template is the most up-to-date contract available, and contract terms will be applicable to all public preference customers that choose this product. BPA offers a suite of power supply products during each contract term that can be grouped into the following categories: Load Following, Block, and Slice/Block. City Light elected the Slice/Block product following financial and economic analysis completed earlier this year.

Beginning in 2021, contract terms were discussed and negotiated during open public forums as part of the Provider of Choice contract implementation policy. The terms outlined in the Template are reflective of a years-long collective negotiation by public preference customers. City Light expects minimal language changes in the final contract and believes the Template best represents the contract BPA will present to City Light for signature. The expected language changes could include punctuation corrections and customer-specific details such as Seattle’s customer name and contract exhibit values that BPA intends to finalize in 2025 and 2026.

The approach to bring a contract template to Council has precedent. Specifically, [Ordinance 122805](#), passed in 2008, authorized the Superintendent of City Light, or his designee, to enter into the Current Power Purchase Contract, with the approved attachments to such ordinance being the contract template, not a finalized power purchase agreement between City Light and BPA.