

SCL 2025 and 2026 Retail Rate Ordinance

Sustainability, City Light, Arts and Culture Committee

September 6, 2024



Seattle City Light

Purpose of the Ordinance

- Sets retail rates for City Light customers for 2025 and 2026
 - In line with the rate path approved as part of the 2025-2030 Strategic Plan
- Updates to
 - Large solar program
 - Net wholesale revenue baseline for Rate Stabilization Account (RSA)



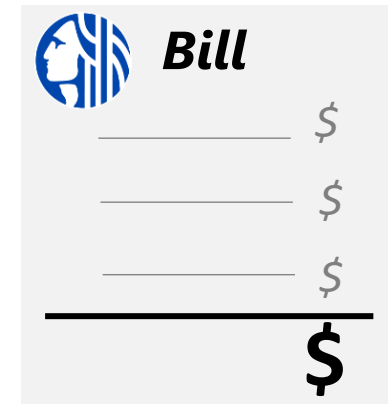
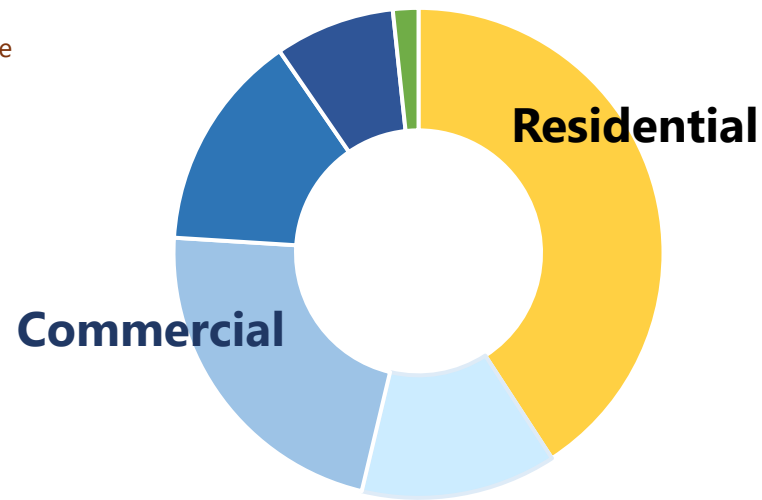
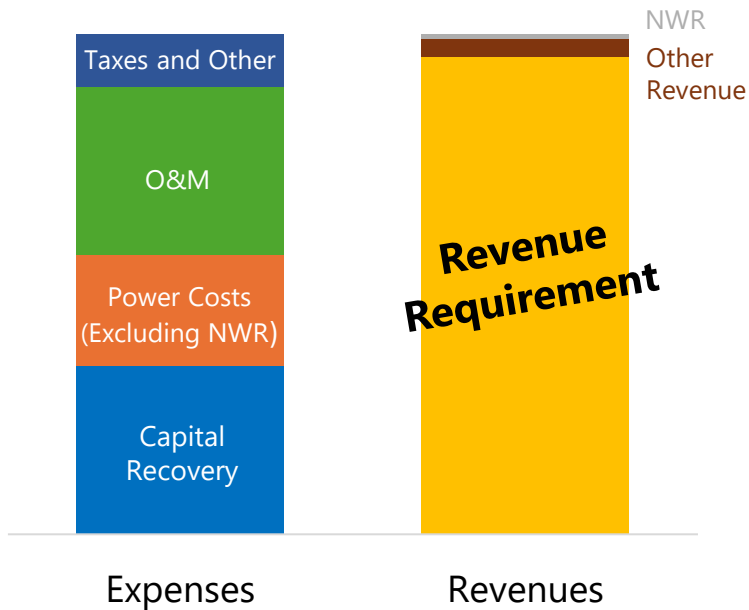
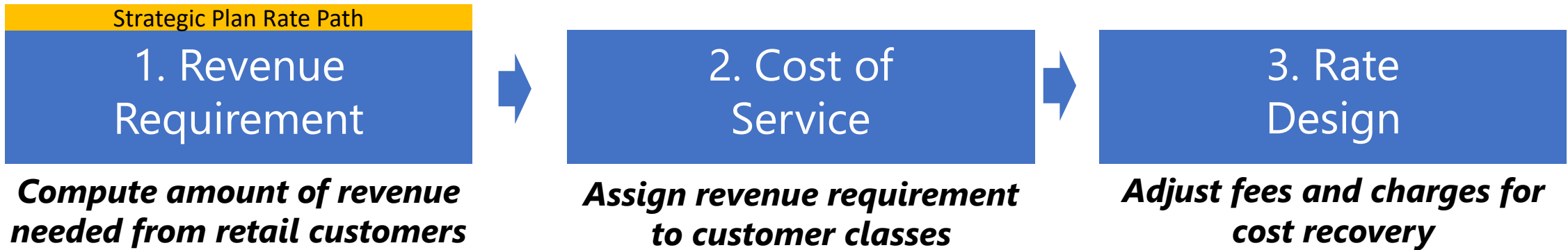
Review: Strategic Plan Rate Path

Strategic Plan Six-Year Rate Path is a system average

2025-2030 Rate Path	
2025	5.4%
2026	5.4%
2027	5.0%
2028	5.0%
2029	5.0%
2030	5.0%



Background: City Light Rate Setting Process



Cost of Service Allocation to Customer Classes

Energy

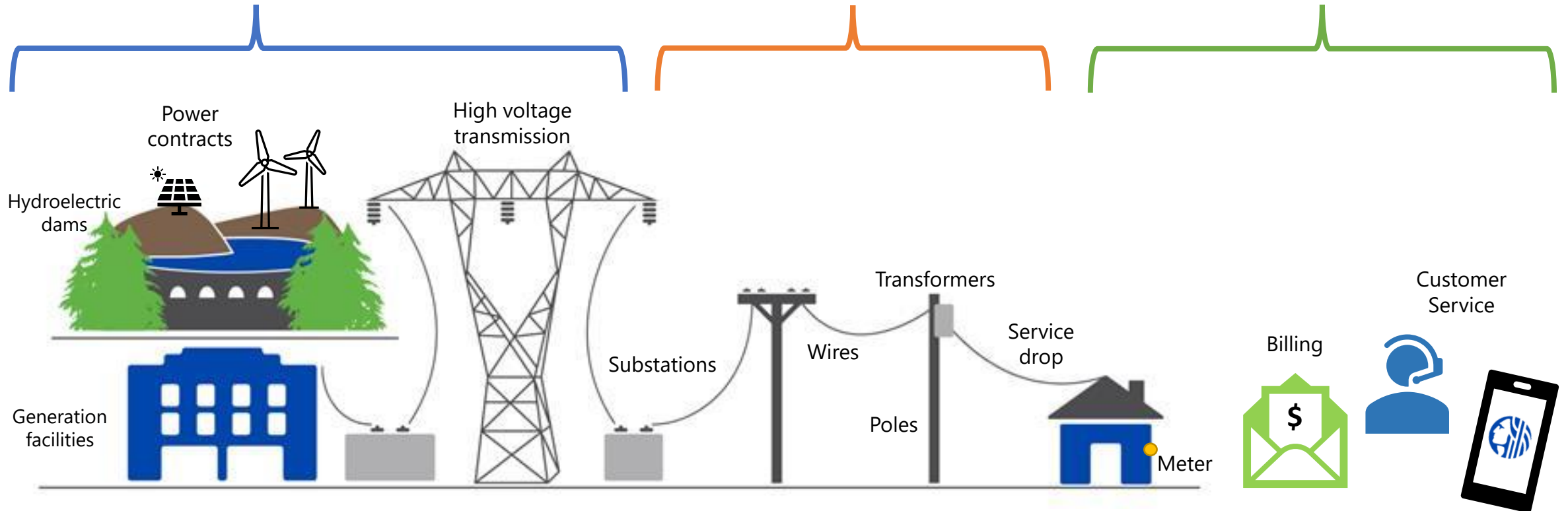
Primary allocator: amount and timing of electricity use

Delivery

*Primary allocator: Proportion of demand during system peak**

Customer Service

Primary allocators: meter counts and past customer service costs



*City Light's distribution system is sized to reliably meet peak system load (generally coldest days of winter)

What Does Cost of Service Do?



Determine cost to provide service to all customers



Fairly assign cost of service to different customers classes



Design charges to recover the right amount from each class

Cost of Service Results

AVERAGE RATE INCREASES

	Residential	Small	Medium	Large	High Demand	Street Lights	System Average
2025	4.3%	5.8%	5.7%	6.2%	4.4%	9.4%	5.4%
2026	4.9%	5.8%	5.9%	6.0%	4.6%	8.8%	5.4%



Long-Term Rate Design Strategy

City Light's long-term rate design objectives were developed in collaboration with the Review Panel

The 2025-2026 rate proposal further advances key rate design strategies to achieve those objectives:

- a) Establish and gradually increase customer charge for all customers
- b) Introduce time-of-use (TOU) rates
- c) Phase out stepped block residential energy charge

RATE DESIGN OBJECTIVES

Transparency

Revenue
Sufficiency

Cost-Based

Stable and
Predictable

Efficiency

Decarbonization

Affordability

Customer
Choice

* [City Light Rate Design Final Report, Apr 2019](#)

Summary of Rate Design

Bill Component	Residential	Small	Medium	Large	High Demand
Customer Charge	✓	✓	✓	✓	✓
Demand Charge			✓	✓	✓
Block Energy Charge	✓				
Flat Energy Charge	✓	✓	✓		
Time-of-Use Energy Charge	✓	✓	✓	✓	✓

Used in current rates

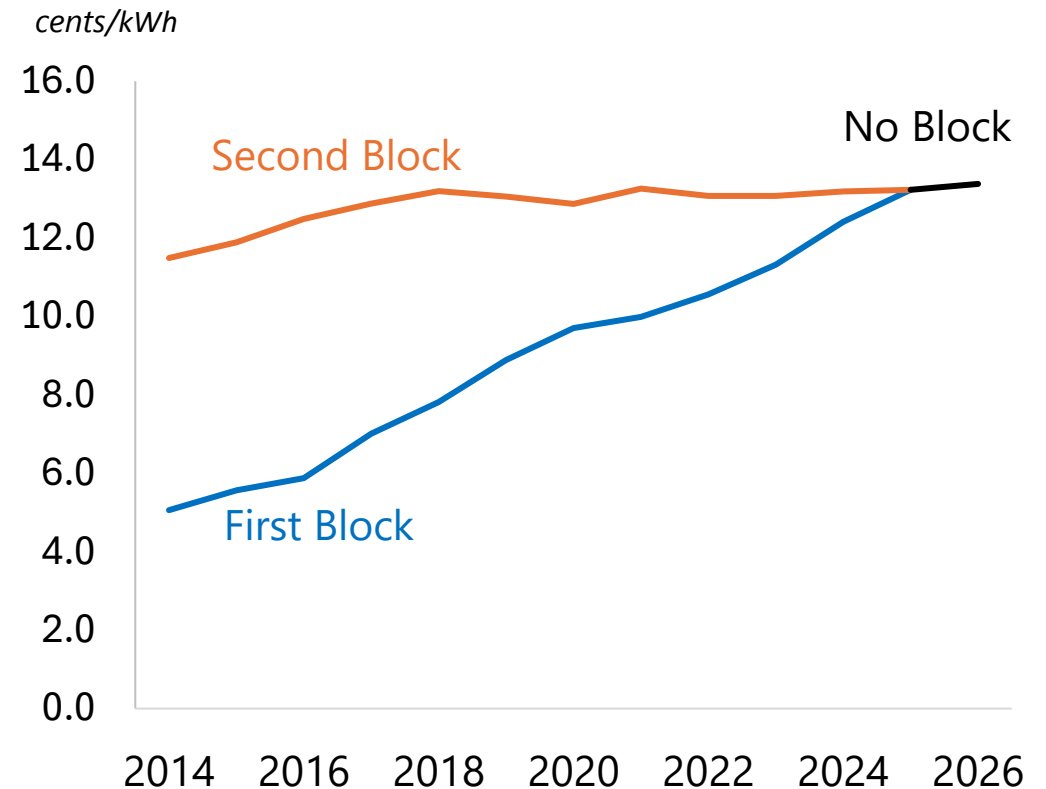
Coming in 2025-2026 rates

Residential Rate Design

2025-2026 Rate Design Goals

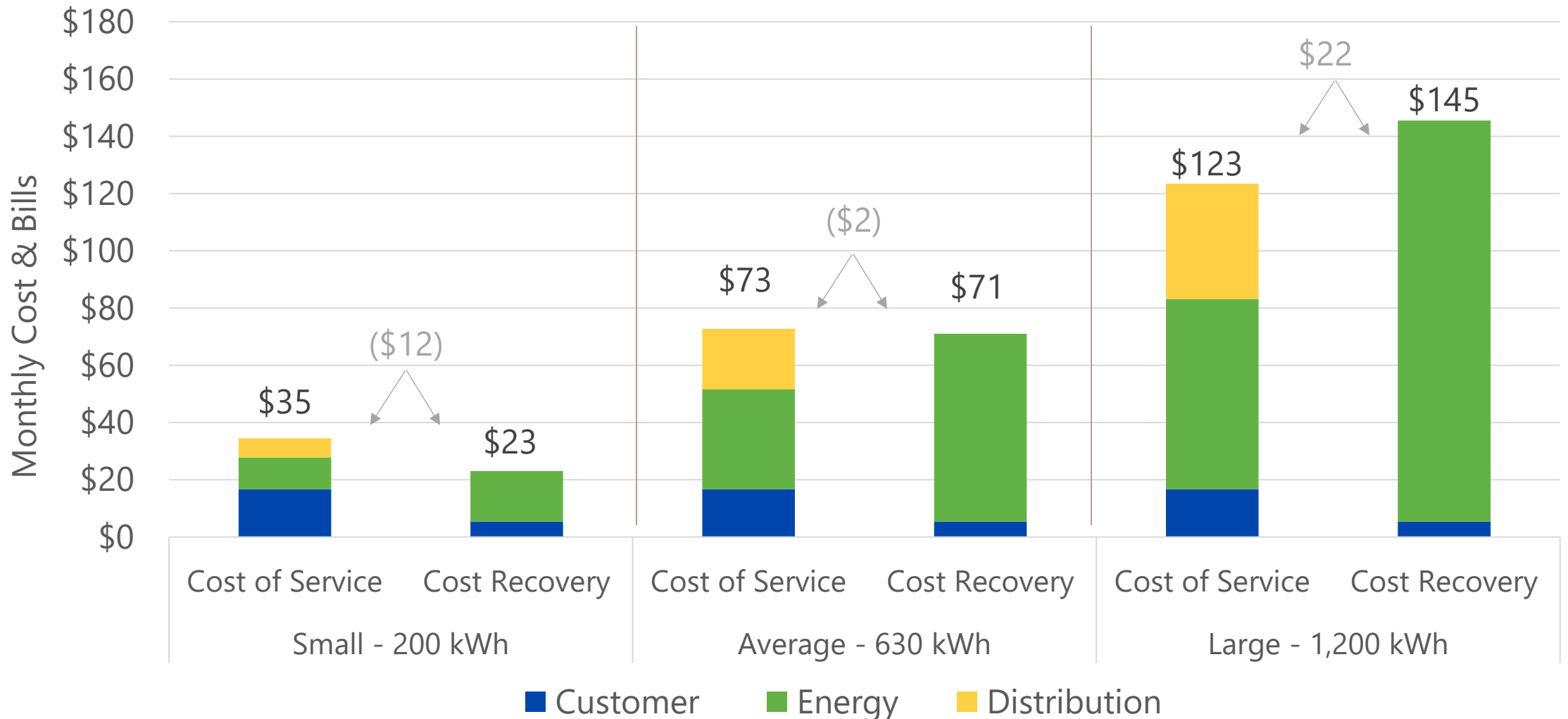
- ✓ Eliminate block energy charges
- ✓ Increase customer charge
- ✓ Provide opt-in TOU rates in 2025

	2024	2025	2026
Monthly Base Charge	\$8	\$9	\$12
Energy Charge, per kWh		13.2¢	13.4¢
First Block	12.4¢		
Second Block	13.2¢		



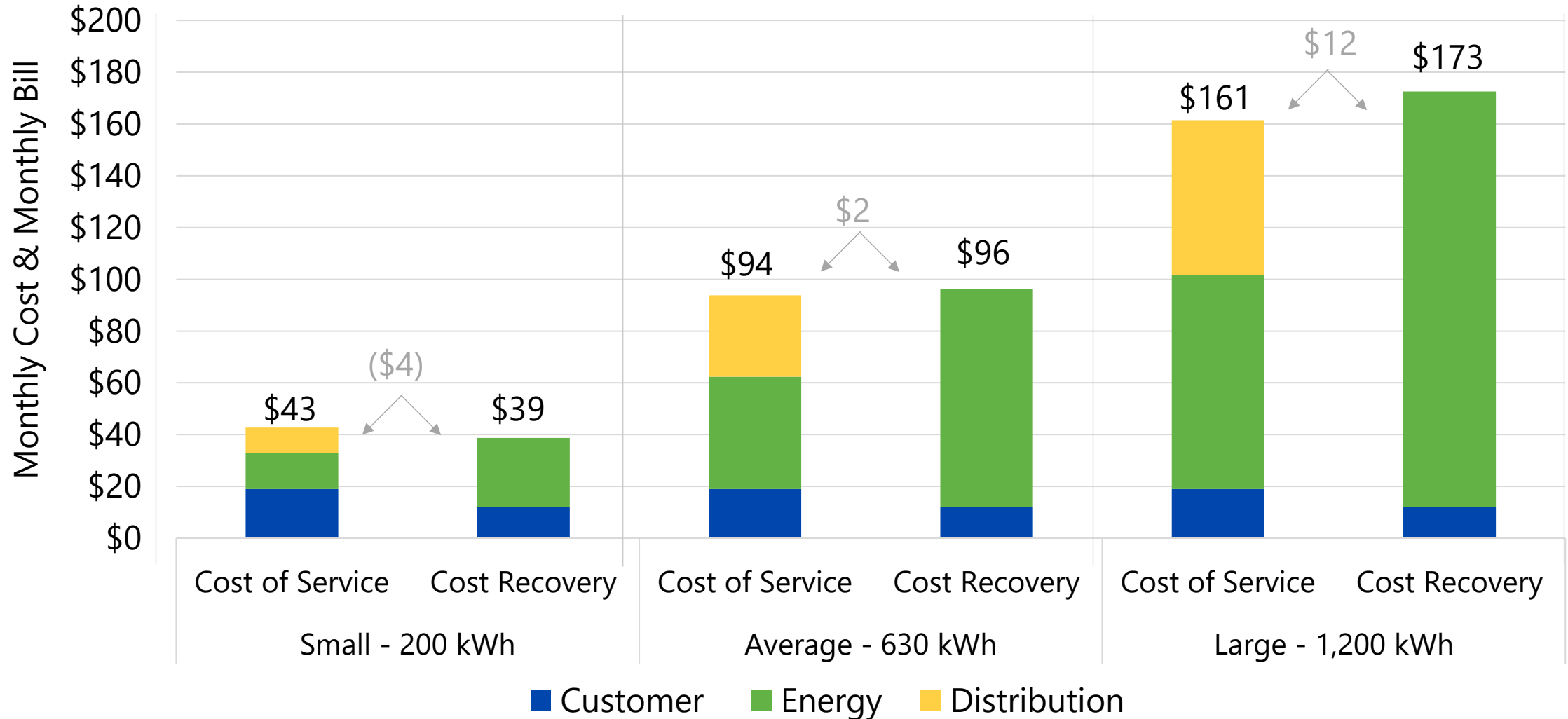
Cost and Recovery 2019

2019 Residential Cost of Service and Cost Recovery

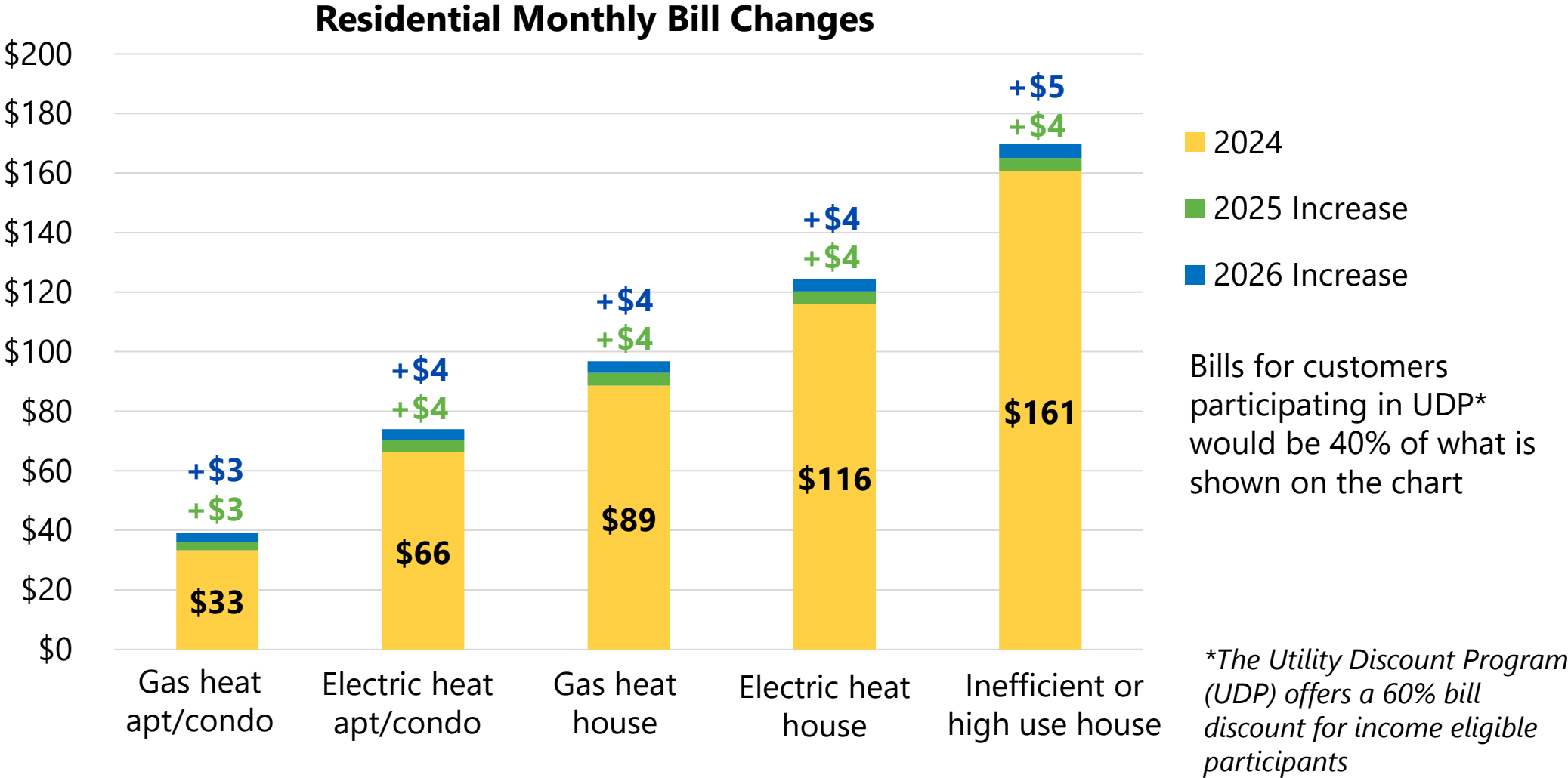


Better Matching Costs and Recovery 2026

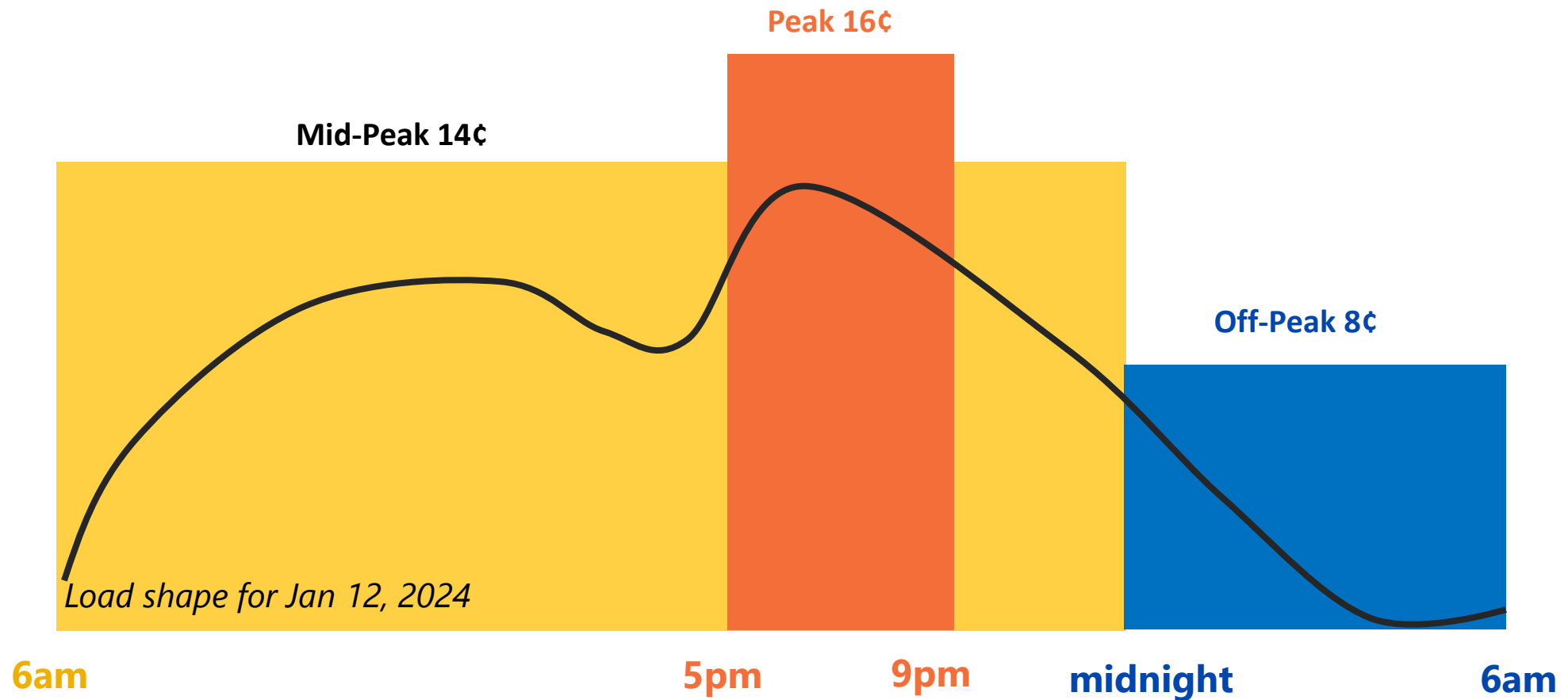
2026 Residential Cost of Service Recovery



Residential Rates and Bill Impacts



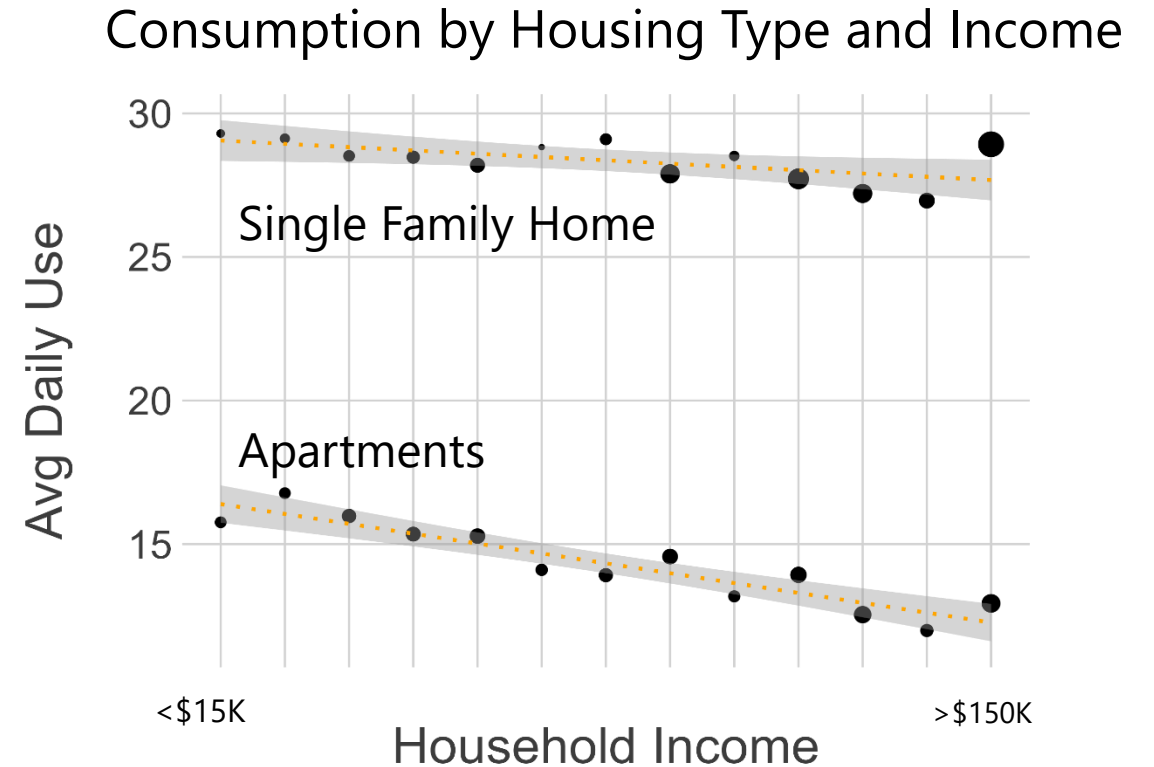
Opt-in Time of Use (TOU) Rates 2025



Example TOU rates shown are representative for residential Seattle customers. Rates for Small, Medium General Service customers will be similar but slightly lower, and rates outside the City of Seattle will be slightly higher.

Affordability and Rate Design

- There is a large range of consumption at every income level
- So, there are limits to what rate design can accomplish for affordability
- Assistance programs—like the Utility Discount Program's 60% discount—are the most efficient method to achieve affordability



Size of the circle indicates the number of customers in each income bracket

Commercial Rate Design

2025-2026 Goals

- ✓ Keep rate structure the same
- ✓ Increase customer charge
- ✓ Provide opt-in TOU rates in 2025



Small and Medium General Service Rates

	2024	2025	2026
Small			
Customer Charge, \$/month	\$14	\$19	\$25
Energy Charge, cents/kWh	11.4¢	11.9¢	12.4¢
Medium Non-Network			
Customer Charge, \$/month	\$55	\$70	\$92
Demand Charge, \$/kW	\$4.86	\$5.10	\$5.36
Energy Charge, cents/kWh	8.8¢	9.3¢	9.9¢
Medium Network			
Customer Charge, \$/month	\$55	\$70	\$92
Demand Charge, \$/kW	\$11.06	\$11.61	\$12.19
Energy Charge, cents/kWh	10.0¢	10.4¢	11.1¢

Large and High Demand General Service Rates

	2024	2025	2026
Large Non-Network			
Customer Charge, \$/month	\$688	\$1,156	\$1,656
Demand Charge, \$/kW	\$4.69	\$4.93	\$5.18
Peak Energy Charge, cents/kWh	10.49¢	11.34¢	11.86¢
Off-Peak Energy Charge, cents/kWh	5.88¢	5.67¢	5.93¢
Large Network			
Customer Charge, \$/month	\$688	\$1,156	\$1,656
Demand Charge, \$/kW	\$10.02	\$10.52	\$11.05
Peak Energy Charge, cents/kWh	11.19¢	12.26¢	13.14¢
Off-Peak Energy Charge, cents/kWh	6.27¢	6.13¢	6.57¢
High Demand			
Customer Charge, \$/month	\$3,625	\$4,517	\$5,416
Demand Charge, \$/kW	\$4.69	\$4.93	\$5.18
Peak Energy Charge, cents/kWh	9.89¢	10.64¢	11.12¢
Off-Peak Energy Charge, cents/kWh	5.55¢	5.32¢	5.56¢

APPENDIX



Seattle City Light

Residential Standard

Residential Standard						2024	2025	2026	
2025 average rate change:	4.3%					First Block (\$/kWh)	\$0.1241		
2026 average rate change:	4.9%					End-Block (\$/kWh)	\$0.1319		
Number of meters:	456,379					Flat Rate (\$/kWh)	\$0.1323	\$0.1338	
						Base Service Charge (\$/month)	\$8.00	\$9.00	\$12.00
Monthly Bills		kWh	2024	2025	Increase	%	2026	Increase	%
Apartment- Non-Electric Heat		204	\$33	\$36	\$3	8%	\$39	\$3	9%
Apartment- Electric Heat		463	\$66	\$70	\$4	6%	\$74	\$4	5%
Single Family Home- Non-Electric Heat		634	\$89	\$93	\$4	5%	\$97	\$4	4%
Single Family Home- Electric Heat		841	\$116	\$120	\$4	4%	\$124	\$4	4%
Single Family Home- High User		1,180	\$161	\$165	\$4	3%	\$170	\$5	3%
Monthly Bills - UDP									
Apartment- Non-Electric Heat		204	\$13	\$14	\$1	8%	\$16	\$1	9%
Single Family Home- Non-Electric Heat		634	\$35	\$37	\$2	5%	\$39	\$2	4%
Single Family Home- Electric Heat		841	\$46	\$48	\$2	4%	\$50	\$2	4%

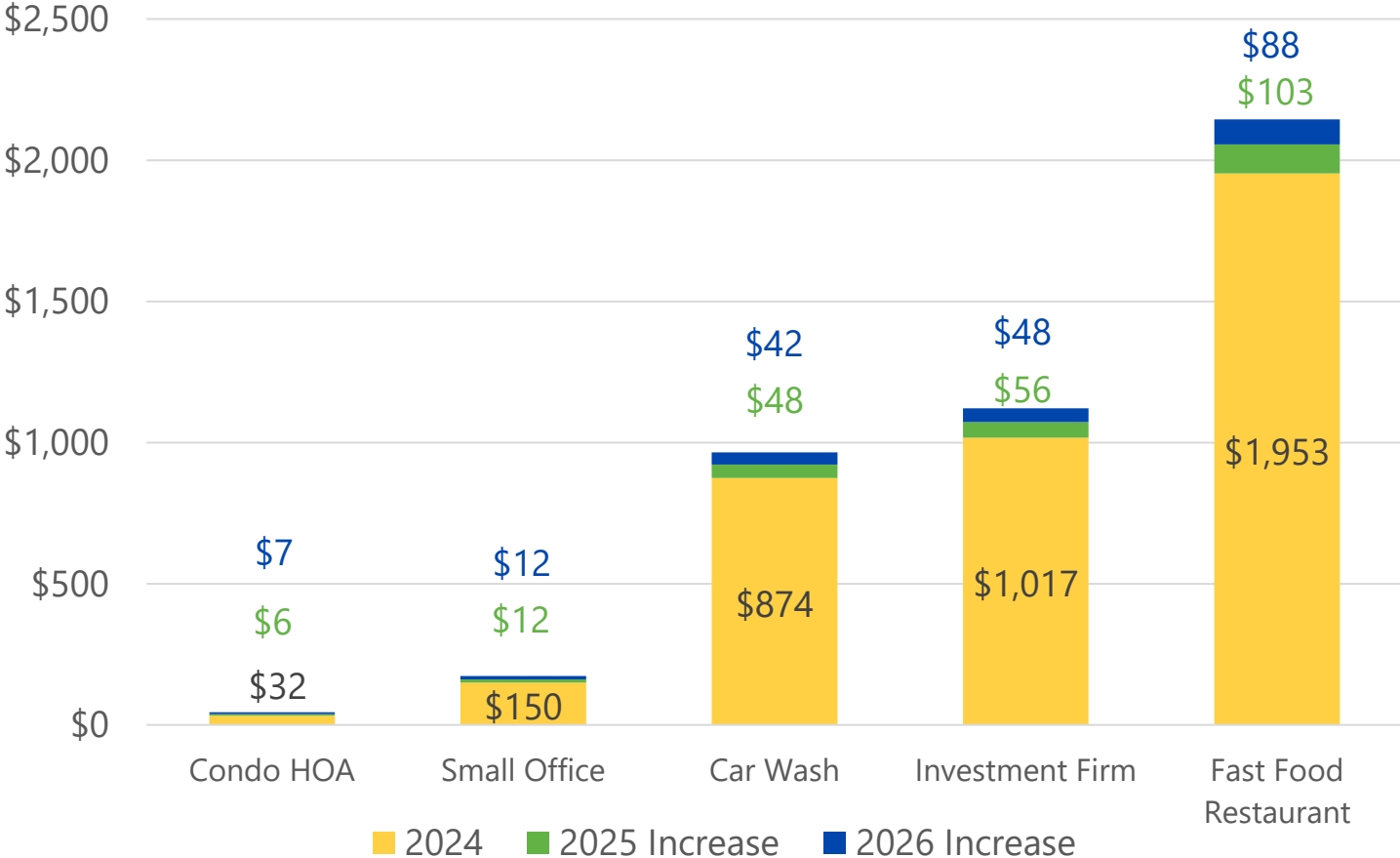
Small General Service

Small General Service (< 50 kW)		2024	2025	2026	
2025 average rate change:	5.8%	Energy (\$/kWh)	\$0.1136	\$0.1193	\$0.1241
2026 average rate change:	5.8%	Base Service Charge (\$/month)	\$14	\$19	\$25
Number of meters:	46,110				

Monthly Bills	kWh	2024	2025	Increase	%	2026	Increase	%
Condo HOA	162	\$32	\$38	\$6	18%	\$45	\$7	18%
Small Office	1,195	\$150	\$161	\$12	8%	\$173	\$12	7%
Car Wash	7,573	\$874	\$922	\$48	6%	\$965	\$42	5%
Investment Firm	8,833	\$1,017	\$1,073	\$56	5%	\$1,121	\$48	5%
Fast Food Restaurant	17,078	\$1,953	\$2,056	\$103	5%	\$2,144	\$88	4%

Small General Service

Monthly Bill



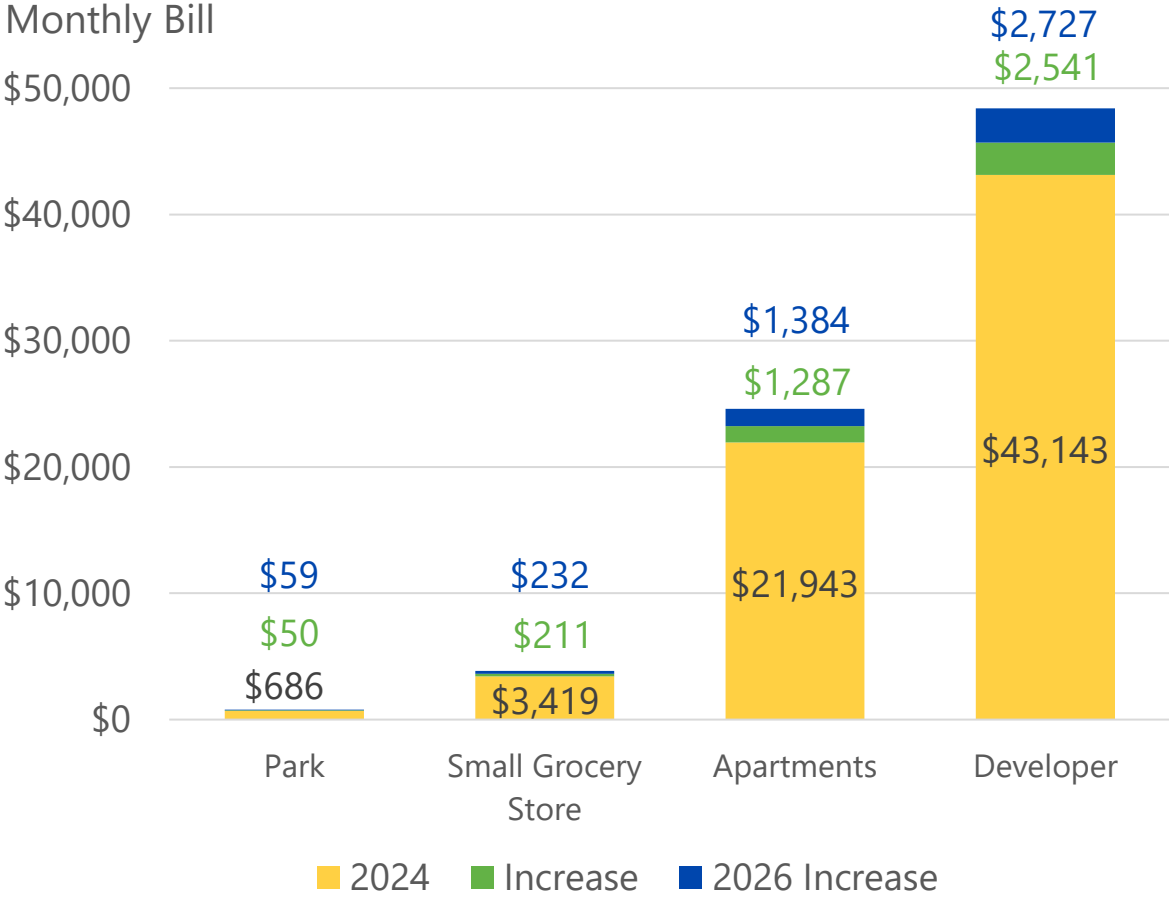
	2024	2025	2026
Base Service Charge, \$/month	\$14	\$19	\$25
Energy Charge, cents/kWh	11.4	11.9	12.4

Medium General Service

Medium General Service (≥ 50 kW and $< 1,000$ kW)							2024	2025	2026
2025 average rate change:	6.0%					Energy (\$/kWh)	\$0.0882	\$0.0934	\$0.0990
2026 average rate change:	5.9%					Demand (\$/kW)	\$4.86	\$5.10	\$5.36
Number of meters:	2,569					Base Service Charge (\$/month)	\$55	\$70	\$92
Monthly Bills	Load Factor	kWh	2024	2025	Increase	%	2026	Increase	%
Park	10%	4,002	\$686	\$735	\$50	7%	\$795	\$59	8%
Small Grocery Store	59%	34,463	\$3,419	\$3,631	\$211	6%	\$3,863	\$232	6%
Apartment Complex	34%	216,300	\$21,943	\$23,230	\$1,287	6%	\$24,614	\$1,384	6%
Real Estate Development	82%	453,050	\$43,143	\$45,683	\$2,541	6%	\$48,411	\$2,727	6%

Medium Network General Service (≥ 50 kW and $< 1,000$ kW)							2024	2025	2026
2025 average rate change:	4.7%					Energy (\$/kWh)	\$0.0997	\$0.1042	\$0.1106
2026 average rate change:	5.9%					Demand (\$/kW)	\$11.06	\$11.61	\$12.19
Number of meters:	504					Base Service Charge (\$/month)	\$55	\$70	\$92
Monthly Bills	Load Factor	kWh	2024	2025	Increase	%	2026	Increase	%
Parking Garage	20%	15,430	\$2,373	\$2,496	\$123	5%	\$2,658	\$162	6%
Office Building	66%	43,325	\$5,537	\$5,804	\$267	5%	\$6,164	\$360	6%
Hotel	42%	89,220	\$11,258	\$11,788	\$530	5%	\$12,502	\$714	6%
Shopping Center	44%	285,700	\$35,891	\$37,556	\$1,664	5%	\$39,791	\$2,236	6%

Medium General Service



	2024	2025	2026
Base Service Charge, \$/month	\$55	\$70	\$92
Demand Charge, \$/kW	\$4.9	\$5.1	\$5.4
Energy Charge, cents/kWh	8.8¢	9.3¢	9.9¢

Large General Service

Large General Service ($\geq 1,000$ kW and $< 10,000$ kW)			2024	2025	2026	
2025 average rate change:	5.7%		Energy On-Peak (\$/kWh)	\$0.1049	\$0.1134	\$0.1186
2026 average rate change:	5.2%		Energy Off-peak (\$/kWh)	\$0.0588	\$0.0567	\$0.0593
Number of meters:	112		Demand On-Peak (\$/kW)	\$4.69	\$4.93	\$5.18
			Demand Off-Peak (\$/kW)	\$0.30	\$0.30	\$0.30
			Base Service Charge (\$/month)	\$688	\$1,156	\$1,656

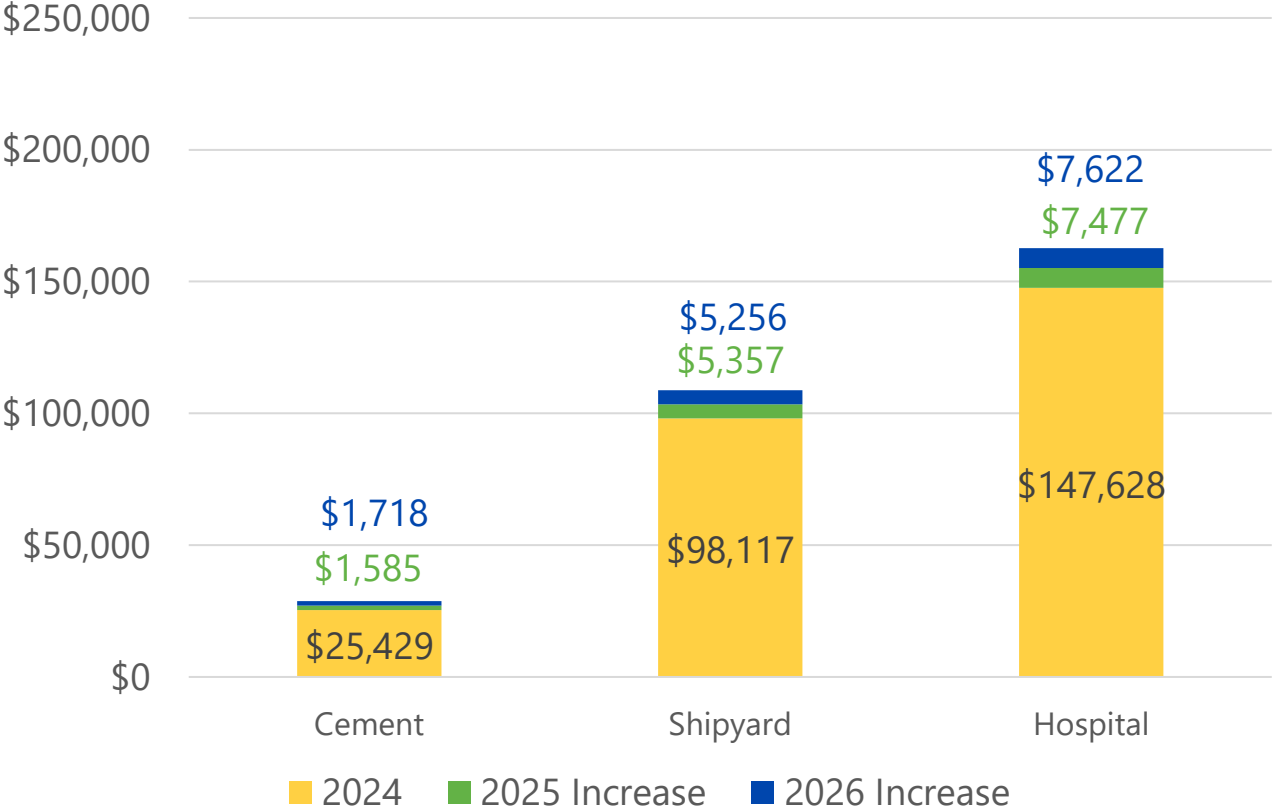
Monthly Bills	Load Factor	kWh	2024	2025	Increase	%	2026	Increase	%
Cement	18%	218,316	\$25,429	\$27,014	\$1,585	6%	\$28,732	\$1,718	6%
Shipyard	35%	974,837	\$98,117	\$103,475	\$5,357	5%	\$108,731	\$5,256	5%
Hospital	69%	1,569,322	\$147,628	\$155,105	\$7,477	5%	\$162,727	\$7,622	5%

Large Network General Service ($\geq 1,000$ kW)			2024	2025	2026	
2025 average rate change:	6.8%		Energy On-Peak (\$/kWh)	\$0.1119	\$0.1226	\$0.1314
2026 average rate change:	6.9%		Energy Off-peak (\$/kWh)	\$0.0627	\$0.0613	\$0.0657
Number of meters:	75		Demand On-Peak (\$/kW)	\$10.02	\$10.52	\$11.05
			Demand Off-Peak (\$/kW)	\$0.30	\$0.30	\$0.30
			Base Service Charge (\$/month)	\$688	\$1,156	\$1,656

Monthly Bills	Load Factor	kWh	2024	2025	Increase	%	2026	Increase	%
Event Space	34%	353,063	\$41,968	\$44,945	\$2,977	7%	\$48,393	\$3,448	8%
Office Tower	46%	971,088	\$139,096	\$148,966	\$9,871	7%	\$159,126	\$10,159	7%
Data Center	81%	2,074,714	\$220,508	\$233,835	\$13,327	6%	\$250,316	\$16,481	7%

Large General Service

Monthly Bill



Large Non-Network	2024	2025	2026
Base Service Charge, \$/month	\$688	\$1,156	\$1,656
Demand Charge, \$/kW	\$4.7	\$4.9	\$5.2
Peak Energy Charge, cents/kWh	10.5	11.3	11.9
Off-Peak Energy Charge, cents/kWh	5.9	5.7	5.9

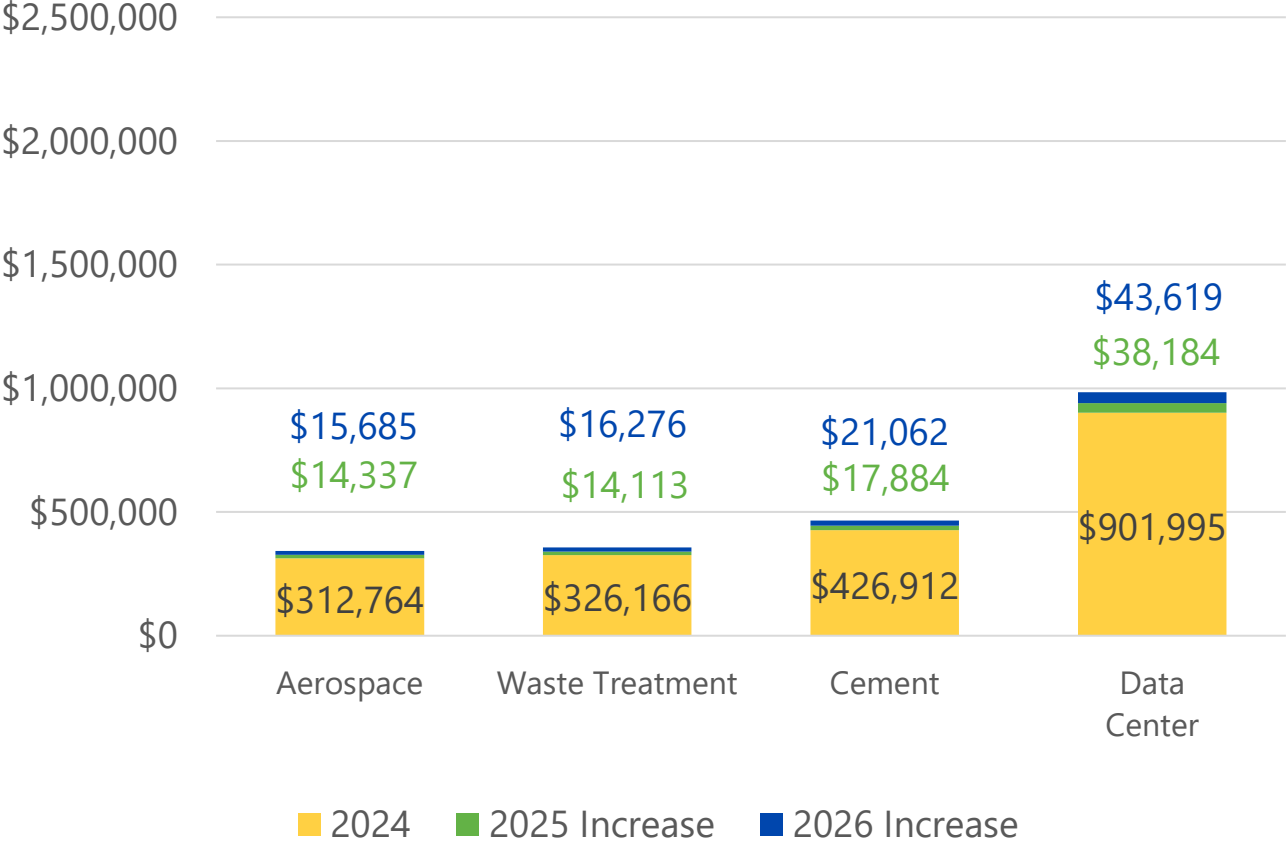
High Demand

High Demand General Service (>= 10,000 kW)				2024	2025	2026	
2025 average rate change:	4.4%			Energy On-Peak (\$/kWh)	\$0.0989	\$0.1064	\$0.1112
2026 average rate change:	4.6%			Energy Off-peak (\$/kWh)	\$0.0555	\$0.0532	\$0.0556
Number of meters:	12			Demand On-Peak (\$/kW)	\$4.69	\$4.93	\$5.18
				Demand Off-Peak (\$/kW)	\$0.30	\$0.30	\$0.30
				Base Service Charge (\$/month)	\$3,625	\$4,517	\$5,416

Monthly Bills	Load Factor	kWh	2024	2025	Increase	%	2026	Increase	%
Aerospace	61%	3,326,093	\$312,764	\$327,101	\$14,337	5%	\$342,786	\$15,685	5%
Waste Treatment	71%	3,540,713	\$326,166	\$340,279	\$14,113	4%	\$356,555	\$16,276	5%
Cement	62%	4,688,931	\$426,912	\$444,796	\$17,884	4%	\$465,858	\$21,062	5%
Data Center	40%	10,123,980	\$901,995	\$940,179	\$38,184	4%	\$983,798	\$43,619	5%

High Demand

Monthly Bill



High Demand	2024	2025	2026
Base Service Charge, \$/month	\$3,625	\$4,517	\$5,416
Demand Charge, \$/kW	\$4.69	\$4.93	\$5.18
Peak Energy Charge, cents/kWh	9.89	10.64	11.12
Off-Peak Energy Charge, cents/kWh	5.55	5.32	5.56

THANK YOU



Seattle City Light