The City of Seattle

Ordinance 127465

Council Bill 121241

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

Recitals:

The Department forecasts increasing demand for electricity primarily caused by changes in consumer consumption associated with increased adoption of electric vehicles, electrification of buildings, other decarbonization efforts, and installation of new data centers.

The Department's most recent Integrated Resource Plan forecasts load growth through the planning horizon of 2045 and the need to acquire more than 1,700 megawatts of new resources before 2035.

The availability of renewable energy from new or existing generating facilities is not keeping pace with demand from both utilities and other large energy users competing to purchase power from many of the same resources, resulting in an increasingly competitive and higher priced market for renewable resources.

The Department, to meet its increased generation needs, seeks to acquire renewable energy through long-term power purchase agreements.

The Department is better positioned to bid for renewable power purchase agreements and negotiate favorable terms if it can provide assurances during negotiations that it is authorized to execute longer duration agreements without delays or uncertainties associated with obtaining Council approval. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. Section 21.49.130 of the Seattle Municipal Code, last amended by Ordinance 127296, is amended as follows:

21.49.130 Authority

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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~~)) . To meet long-term load and resource requirements, the Department is authorized to execute agreements for a power delivery term up to 240 months for capacity of energy, including attributes, transmission, or ancillary services consistent with the Department’s long-term planning process. Such acquisition, sale, or exchange made pursuant to this subsection 21.49.130.B.2 shall be made on a basis representing the value of such capacity or energy, or ((~~integration,~~)) transmission, or ancillary services, under then-existing market conditions, on terms most favorable to the Department under such circumstances and in compliance with state law, including RCW 43.09.210, and may include provisions that require indemnification by the Department.

3. The Department may execute agreements with the Bonneville Power Administration providing for reimbursements from Bonneville of some or all of the costs of operating energy conservation programs authorized by the City Council. The Department shall determine that such agreements or amendments to such agreements shall not incur any indebtedness or the acceptance of moneys imposing any duties or obligations on the City that are inconsistent with the Department’s budget appropriation

for such energy conservation programs. The Department shall provide a written notification prior to the execution of such contracts and a copy of such contracts to the appropriate authorizing committee of the City Council.

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

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

6. In order to meet the requirements of the Renewable Plus Program, the Department may execute contracts with any city or town, public utility district, government agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or corporation, or any other member of the general public, outside its

service territory providing for the acquisition or exchange of capacity or energy, or integration, transmission, or ancillary services, of renewable resources, which shall have the same meaning as defined by RCW 19.280.020 for a term of not more than 20 years. The Department shall endeavor to match the term of the acquisition contracts with the needs and requirements of the Renewable Plus Program customer contract terms. Such acquisition or exchange of capacity, energy, or services shall be made on a basis representing the value of such capacity or energy, or integration, transmission, or ancillary services, under then-existing market conditions, and may include provisions that require indemnification by the Department.

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

8. The Department is authorized to develop programs, enter into agreements with customers and other parties, and provide incentives, including but not limited to monetary compensation, for modifications to customer electricity consumption. Incentives shall be based on the value of the demand response provided to the Department, with the total cost of incentives not to exceed the expected monetary value to the Department of the demand response measures taken by customers and other parties. “Demand response”, as it applies to this section, refers to changes in electric

usage by demand-side resources from their normal consumption patterns and may include energy storage and measures to increase or decrease electricity production.

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

Passed by the City Council and signed in open session in authentication of its passage on July 7, 2026.

President ________ of the City Council

Approved on July 9, 2026.

Katie B. Wilson, Mayor

Attested on July 9, 2026.

Scheereen Dedman, City Clerk

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