

The City of Seattle

Ordinance _____

Council Bill _____

..title

An ordinance relating to the City Light Department; establishing new retail rate schedules; establishing a new customer class and conditions of service for data centers whose electricity demand constitutes a new large load; modifying customer charges for service connections; modifying customer eligibility for residential rate assistance; augmenting the rate stabilization account mechanism; amending Sections 21.49.020, 21.49.030, 21.49.040, 21.49.052, 21.49.055, 21.49.057, 21.49.058, 21.49.060, 21.49.065, 21.49.083, 21.49.086, 21.49.110, and 21.49.130 of the Seattle Municipal Code; adding a new Section 21.49.059 to the Seattle Municipal Code; and repealing Section 21.49.081 of the Seattle Municipal Code.

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Recitals:

The City Light Department (Department) is projecting growth in retail electricity sales driven largely by increased adoption of electric vehicles and other forms of environmentally beneficial electrification.

The cost for procuring new, reliable, carbon-free power resources needed to serve this growing load has risen substantially in an increasingly competitive regional market.

The region's transition from bilateral power trading to organized energy markets is increasing the complexity and volatility of both long-term resource procurement and short-term energy trading, requiring new tools, expertise, and staffing the Department has not needed during decades of declining load.

The Department's costs for labor, materials, and contracted services necessary to provide electrical services are increasing faster than general inflation.

The Department has deferred a significant amount of maintenance and asset replacement in the distribution system, including underground cable replacement, requiring accelerated work over the coming decade to maintain adequate reliability to customers.

The combined effect of rising load, higher power-supply costs, escalating construction and labor expenses, and the need to address deferred infrastructure work will require retail rate increases higher than recent historical levels.

The City Light Department's Proposed 2027–2032 Strategic Plan Update establishes the revenue requirements for 2027 and 2028, which translate to average rate increases of 9.5 percent in both years.

The Department has completed a cost-of-service study that identifies the amount of revenue to be collected from each customer rate class.

In addition to system-wide cost pressures, the Department is experiencing increasing interest from customers whose significant and often location-specific power needs may require substantial new infrastructure as well as incremental power. Although the Department has historically maintained a surplus of energy and capacity, increasing electricity demand will outpace the capabilities of legacy resources and existing infrastructure, necessitating new investments to reliably serve customers.

The regional market for new bulk electricity and transmission resources indicates that the marginal cost of serving new demand will be considerably higher than the cost of the Department's legacy power resources.

Because the marginal cost of new power supply is significantly higher than the cost of legacy resources, large new loads create upward pressure on retail rates unless their full costs are directly assigned to them.

To protect existing ratepayers from bearing the cost of serving new large loads, it is essential the Department establish a clear framework ensuring new large loads pay the full cost of the facilities, services, and power required to serve them.

A significant share of recent inquiries for new large service connections indicates the most likely near-term source of new demand approaching 100 megawatts will come from data centers.

Data centers collectively pose a higher risk of stranded investment to the Department and its ratepayers due to the more portable nature of their business model compared to other similarly sized industrial and commercial customers.

Reliably serving large additions to system load will require the Department to procure new resources, whether by constructing and operating new facilities or entering into long-term power purchase agreements, at costs significantly higher than those of its existing portfolio.

RCW 80.28.010 requires rates for electricity service to be just, fair, reasonable, and sufficient, and provides the Department with the authority to establish distinct customer classes when necessary to ensure that no group of customers imposes undue costs on others.

The Department's longstanding policy of requiring customers to pay the full cost of new or enlarged service connections, including transformers and other dedicated facilities, reflects the principle that costs should be borne by the customers who cause and also benefit from them, and this same principle underlies the Department's approach to large new loads.

The creation of a separate customer class for data centers is necessary to mitigate the combined risks associated with their substantial infrastructure requirements, higher marginal power-supply costs, potential for stranded investment, and material rate impacts on existing customers.

Protecting existing customers from the cost impacts of large new loads and reducing energy burden for households with limited incomes are complementary strategies that advance the Department's core obligation to maintain affordability, fairness, and equitable treatment for all customers.

Rising energy costs and increasing energy burden in Seattle place disproportionate strain on households with limited incomes.

The Washington Clean Energy Transformation Act (CETA), codified in chapter 19.405

RCW, directs electric utilities to identify and reduce the energy burden on income-constrained households and to demonstrate measurable progress toward meeting the energy-assistance needs of those customers.

Expanding eligibility for the City's Utility Discount Program is a necessary strategy to reduce energy cost burden, improve affordability, and ensure the transition to a clean-energy future does not exacerbate inequities for households least able to absorb higher utility costs.

Updating the eligibility threshold from 70 percent of the Washington State median income to 60 percent of the United States Department of Housing and Urban Development (HUD) Multifamily Tax Subsidy Project area median income limits will allow more households in the Department's service area to qualify for rate assistance.

Ensuring affordability for all customers requires not only expanding assistance programs, but also strengthening the Rate Stabilization Account (RSA) within the Light Fund, which provides financial stability to the Department and its customers.

Customers have consistently identified stability and predictability in electric rates as essential to affordability, and strengthening the RSA is necessary to meet these expectations in a more volatile energy environment.

Although the RSA has historically provided effective protection against wholesale market volatility and hydroelectric variability, the extreme conditions of 2022–2023, when low hydroelectric generation, volatile market prices, and severe

weather required emergency legislation to transfer additional funds, demonstrated that the current RSA balance and structure are no longer adequate to manage the utility's current level of risk.

More frequent extreme weather events driven by climate change have increased variability in customer electricity use, making load forecasting more uncertain and heightening the Department's exposure to power-cost volatility.

Revenue from surplus wholesale power sales has become more volatile overall due to increasing uncertainty in hydroelectric generation driven by climate change and to greater market price fluctuations resulting from an evolving energy landscape, creating the need for a larger and more flexible RSA balance.

The acquisition of new power resources adds uncertainty to forecasting purchased-power costs when setting retail rates, and the volume of new power purchases is directly related to the volume of wholesale market transactions.

These uncertainties, combined with variability in both short- and long-term purchased power costs, underscore the need for a more comprehensive approach to better shield customers from power cost fluctuations.

Bonneville Power Administration (BPA) cost uncertainty will be incorporated into the expanded Rate Stabilization Account Mechanism, so the BPA passthrough mechanism (Seattle Municipal Code Section 21.49.081) may be retired.

Establishing a single mechanism for buffering bulk variable power costs and revenues will simplify and improve City Light's ability to manage such variable power costs.

The rate, customer-class, assistance-program, and financial-stabilization changes adopted through this ordinance are necessary to ensure the Department can

continue providing reliable, affordable, and equitable electric utility service in a rapidly changing energy landscape. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. Section 21.49.020 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.020 Definitions

A. The following terms or abbreviations, as used in this Chapter 21.49, have the following meanings:

* * *

“Data center” means a facility that is primarily engaged in providing service described under code 518210 of the 2022 North American Industry Classification System.

“Default rate schedule” means the rate schedule on which customers will automatically be placed.

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“MVA” means megavolt-ampere.

“MW” means megawatt.

“MWh” means megawatt-hour.

* * *

“Net variable power cost” mean costs for short-term and long-term purchased power, purchased transmission services, and ancillary services net of associated revenues from sales of short and long-term power, transmission services, and ancillary services.

“Net variable power cost average price” means the annual net variable power cost divided by total annual retail sales used to set retail rates.

“New large data center load” means any service to a data center fed from an expanded or a new installation equal to or greater than 10 MVA of capacity installed within any consecutive five-year period after January 1, 2027.

“Normandy Park customer” means a customer receiving service at a location in the City of Normandy Park.

* * *

Section 2. Section 21.49.030 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.030 Residential rates (Schedules RSC, RSS, RTC, and RTS)

A. Schedules RSC and RSS are for all separately metered residential services and are the default rate schedules. ~~((For all residential rate schedules, summer billing is defined as April 1 through September 30, and winter billing is defined as all other days. For all residential rate schedules, the First Block energy charge shall apply to the first 10 kWh per day for summer billing, and the first 16 kWh per day for winter billing. The End Block energy charge shall be applied to all additional kWh. Effective January 1, 2025, all kWh will be billed at the same rate.))~~ Schedule RSS rates will be adjusted for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule RSC (Residential: City Default)

RSC	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Base Service Charge cents per meter per day	((26.23))	((29.59))	39.45	<u>55.18</u>	<u>72.22</u>
((First Block Energy Charge cents per kWh))	((12.29))				
((End Block Energy Charge cents per kWh))	((13.07))				
Energy Charge cents per kWh		((13.22))	13.38	<u>14.17</u>	<u>14.57</u>

Schedule RSS (Residential: Suburban Default)

RSS	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Base Service Charge cents per meter per day	((26.23))	((29.59))	39.45	<u>55.18</u>	<u>77.22</u>
((First Block Energy Charge cents per kWh))	((12.83))				
((End Block Energy Charge cents per kWh))	((13.64))				
Energy Charge cents per kWh		((13.22))	13.56	<u>14.24</u>	<u>14.95</u>

All charges in Schedule RSS shall be increased by the following percentages respective of the location of service:

RSS suburban franchise and tax multipliers	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Burien, King County, SeaTac, Shoreline	((8.00%))	((8.00%))	8.00%	<u>8.00%</u>	<u>8.00%</u>

RSS suburban franchise and tax multipliers	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
Tukwila	((7.23%))	((7.04%))	7.19%	7.05%	7.07%
Lake Forest Park	((8.04%))	((8.04%))	8.04%	8.04%	8.04%
Normandy Park	((6.38%))	((6.38%))	6.38%	6.38%	6.38%

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

Suburban Undergrounding Charges((l))	((Effective January 1, 2023))	Effective January 1, 2025
((Shoreline))		
North City Undergrounding Charge cents per kWh	((0.07))	0.07
Aurora 1 Undergrounding Charge cents per kWh	((0.17))	0.17
Aurora 2 Undergrounding Charge cents per kWh	((0.18))	0.18
Aurora 3A Undergrounding Charge cents per kWh	((0.05))	0.05
Aurora 3B Undergrounding Charge cents per kWh	((0.22))	0.22

Burien

((Burien))		
Suburban Undergrounding Charges	((Effective January 1, 2023))	Effective January 1, 2025
First Avenue South 1 Undergrounding Charge cents per kWh	((0.37))	0.37
First Avenue South 2 Undergrounding Charge cents per kWh	((0.13))	0.13

B. Time-of-Use rates (Schedules RTC and RTS) are optional rate schedules available to customers ~~((who have a fully functioning advanced meter. Time-of-Use rates will be available to customers enrolled in the net metering program once necessary updates to the billing system are completed, as determined by the Department.))~~ who meet eligibility requirements outlined in City Light's Department Policy and Procedure (DPP) 500 P III-434, as amended, or successor rule. Customers may return to their default rate schedule but will not be able to re-enroll in Schedule RTC or RTS until 12 months from the time of unenrollment. The same franchise and tax multipliers and suburban undergrounding charges apply to Schedule RTS as Schedule RSS.

Schedule RTC (Residential: City Time-of-Use)

RTC	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Base Service Charge cents per meter per day	((26.23))	((29.59))	39.45	<u>55.18</u>	<u>77.22</u>
Energy Off-Peak cents per kWh	((7.57))	((7.96))	8.05	<u>8.45</u>	<u>8.69</u>
Energy Mid-Peak cents per kWh	((13.25))	((13.93))	14.09	<u>14.79</u>	<u>15.21</u>
Energy Peak cents per kWh	((15.14))	((15.92))	16.10	<u>16.90</u>	<u>17.38</u>

Schedule RTS (Residential: Suburban Time-of-Use)

RTS	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Base Service Charge cents per meter per day	((26.23))	((29.59))	39.45	<u>55.18</u>	<u>77.22</u>
Energy Off-Peak cents per kWh	((7.97))	((7.96))	8.16	<u>8.51</u>	<u>8.93</u>
Energy Mid-Peak cents per kWh	((13.95))	((13.93))	14.28	<u>14.89</u>	<u>15.63</u>
Energy Peak cents per kWh	((15.94))	((15.92))	16.32	<u>17.02</u>	<u>17.86</u>

Off-Peak is 12 a.m. to 6 a.m. every day.

Mid-Peak is 6 a.m. to 5 p.m. and 9 p.m. to 12 a.m. Mondays through Saturdays and 6 a.m. to 12 a.m. on Sundays and holidays.

Peak is 5 p.m. to 9 p.m. Mondays through Saturdays, excluding holidays.

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Section 3. Section 21.49.040 of the Seattle Municipal Code, last amended by Ordinance 125171, is amended as follows:

21.49.040 Residential rate assistance

A. Utility discount program established

1. The City has established a utility discount program to assist qualified low-income residential utility customers with the costs of utility services provided by the City, including electric utility services.

2. The utility discount program is available to qualified low-income residential customers in accordance with this Chapter 21.49.

3. The utility discount program is available for separately metered residential service provided to customers who show satisfactory proof that they have a City Light residential account and reside in the dwelling unit where the account is billed and that they:

- a. Receive Supplemental Security Income pursuant to 42 USC Sections 1381—1383; or
- b. Reside in a household ~~((in which the income of all household members together))~~ whose combined gross income does not exceed ~~((70 percent of the Washington State median income))~~ 60 percent of the United States Department of Housing and Urban Development (HUD) Multifamily Tax Subsidy Project Area Median Income for the Seattle-Bellevue Metro FMR Area adjusted for ~~((the number of individuals in the))~~ household ~~((as computed))~~ size and updated annually ~~((by the state or the City))~~.

4. The Department is authorized and directed to administer the program, including promulgating administrative rules from time to time in the manner provided in ~~((the))~~ Chapter 3.02 and entering into cooperative agreements to carry out the intent and purpose of this Chapter 21.49, in consultation with Seattle Public Utilities and the Human Services Department, where appropriate. Customer compliance with the program rules is a condition for initial or ongoing eligibility for the utility discount program.

* * *

Section 4. Section 21.49.052 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.052 Small general service (Schedules SMC, SMS, SMD, STC, and STS)

A. Small general service is general service provided to customers who are not demand metered or, if demand metered, have had in the previous calendar year more than half of their normal billings at less than 50 kW of maximum demand. Classification of new customers as small general service customers will be based on the Department's estimate of maximum demand in the current year. Customers who are assigned flat rate bills shall be charged according to small general service energy charges. Schedule SMS and STS rates will be increased for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule SMC (Small General Service: City Default)

SMC	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge cents per kWh	((11.24))	((11.93))	12.41	<u>13.37</u>	<u>14.07</u>
Base Service Charge dollars per meter per day	((0.46))	((0.62))	\$0.82	<u>\$0.98</u>	<u>\$1.47</u>
Minimum Charge dollars per meter per day	((0.46))	((0.62))	\$0.82	<u>\$0.98</u>	<u>\$1.47</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Schedule SMS (Small General Service: Suburban Default)

SMS	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge cents per kWh	((11.02))	((11.19))	11.61	<u>13.15</u>	<u>13.77</u>
Base Service Charge dollars per meter per day	((0.48))	((0.57))	\$0.75	<u>\$0.98</u>	<u>\$1.47</u>
Minimum Charge dollars per meter per day	((0.48))	((0.57))	\$0.75	<u>\$0.98</u>	<u>\$1.47</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

All charges and credits in Schedule SMS shall be increased by the following percentages based on the location of service:

SMS suburban franchise and tax multipliers	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Burien, King County, SeaTac, Shoreline	((8.00%))	((8.00%))	8.00%	<u>8.00%</u>	<u>8.00%</u>
Tukwila	((7.43%))	((7.23%))	7.41%	<u>7.21%</u>	<u>7.22%</u>
Lake Forest Park	((8.04%))	((8.04%))	8.04%	<u>8.04%</u>	<u>8.04%</u>
Normandy Park	((6.38%))	((6.38%))	6.38%	<u>6.38%</u>	<u>6.38%</u>

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

<u>Suburban Undergrounding Charges</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2025</u>
<u>((Shoreline))</u>		
North City Undergrounding Charge cents per kWh	((0.07))	0.07
Aurora 1 Undergrounding Charge cents per kWh	((0.17))	0.17
Aurora 2 Undergrounding Charge cents per kWh	((0.18))	0.18
Aurora 3A Undergrounding Charge cents per kWh	((0.05))	0.05
Aurora 3B Undergrounding Charge cents per kWh	((0.22))	0.22

Burien

<u>((Burien))</u>		
<u>Suburban Undergrounding Charges</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2025</u>
First Avenue South 1 Undergrounding Charge cents per kWh	((0.37))	0.37
First Avenue South 2 Undergrounding Charge cents per kWh	((0.13))	0.13

Schedule SMD (Small General Service: Network Default)

SMD	<u>Effective January 1, 2024</u>	<u>Effective January 1, 2025</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge cents per kWh	((11.24))	((11.93))	12.41	<u>13.37</u>	<u>14.07</u>
Base Service Charge dollars per meter per day	((0.46))	((0.62))	\$0.82	<u>\$0.98</u>	<u>\$1.47</u>
Minimum Charge dollars per meter per day	((0.46))	((0.62))	\$0.82	<u>\$0.98</u>	<u>\$1.47</u>

SMD	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	(((\$0.30))	(((\$0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	(($.53285 \times \text{kW} + .00002 \times \text{kW}; \text{caret}; 2 + .00527 \times \text{kWh}$))				

B. Time-of-Use rates (Schedules STC and STS) are optional rate schedules available to customers ~~((who have a fully functioning advanced meter. Time-of-Use rates will be available to customers enrolled in the net metering program once necessary updates to the billing system are completed, as determined by the Department.))~~ who meet eligibility requirements outlined in City Light's Department Policy and Procedure (DPP) 500 P III-434, as amended, or successor rule. Customers can return to their default rate schedule but will not be able to re-enroll in schedules STC or STS until 12 months from the time of unenrollment. Schedule STC is available to customers on either SMC (City) or SMD (Network) rate schedules.

Schedule STC (Small General Service: City Time-of-Use)

STC	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Off-Peak cents per kWh	((6.90))	((7.33))	7.62	<u>8.22</u>	<u>8.65</u>
Energy Mid-Peak cents per kWh	((12.08))	((12.83))	13.34	<u>14.39</u>	<u>15.14</u>

STC	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Peak cents per kWh	((13.80))	((14.66))	15.24	<u>16.44</u>	<u>17.30</u>
Base Service Charge dollars per meter per day	((0.46))	((0.62))	\$0.82	<u>\$0.98</u>	<u>\$1.47</u>
Minimum Charge dollars per meter per day	((0.46))	((0.62))	\$0.82	<u>\$0.98</u>	<u>\$1.47</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret, 2 + .00527 × kWh))				

Schedule STS (Suburban Small General Service Base Rates Time-of-Use)

STS	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Off-Peak cents per kWh	((6.76))	((6.88))	7.14	<u>8.08</u>	<u>8.47</u>
Energy Mid-Peak cents per kWh	((11.83))	((12.04))	12.50	<u>14.14</u>	<u>14.82</u>
Energy Peak cents per kWh	((13.52))	((13.76))	14.28	<u>16.16</u>	<u>16.94</u>
Base Service Charge dollars per meter per day	((0.48))	((0.57))	\$0.75	<u>\$0.98</u>	<u>\$1.47</u>
Minimum Charge dollars per meter per day	((0.48))	((0.57))	\$0.75	<u>\$0.98</u>	<u>\$1.47</u>

Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Off-Peak is 12 a.m. to 6 a.m. every day.

Mid-Peak is 6 a.m. to 5 p.m. and 9 p.m. to 12 a.m. Mondays through Saturdays and 6 a.m. to 12 a.m. on Sundays and holidays.

Peak is 5 p.m. to 9 p.m. Mondays through Saturdays, excluding holidays.

C. For customers metered on the primary side of a transformer, the Department will either program the meter to deduct computed transformer losses or provide a discount for transformer losses by reducing the monthly kWh billed by the number of kWh as computed by the following formula: $.53285 \times kW + .00002 \times kW((\times 2))^2 + .00527 \times kWh$.

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Section 5. Section 21.49.055 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.055 Medium general service (Schedules MDC, MDS, MDD, MTC, MTD, MTS, MCC, MCD, and MCS)

A. Medium general service is general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 50 kW of maximum demand or greater and have more than half of their normal billings at less than 1,000 kW of maximum demand. Classification of new customers will be based on

the Department's estimate of maximum demand in the current year. Schedule MDS rates will be increased for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule MDC (Medium Standard General Service: City Default)

MDC	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge cents per kWh	((8.70))	((9.34))	9.90	<u>10.66</u>	<u>11.53</u>
Demand Charge dollars per kW	((4.86))	((5.10))	\$5.36	<u>\$5.90</u>	<u>\$6.49</u>
Base Service Charge dollars per meter per day	((1.80))	((2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Minimum Charge dollars per meter per day	((1.80))	((2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer Investment Credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Schedule MDS (Medium Standard General Service: Suburban Default)

MDS	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge cents per kWh	((8.70))	((9.34))	9.90	<u>10.66</u>	<u>11.53</u>
Demand Charge dollars per kW	((4.86))	((5.10))	\$5.36	<u>\$5.90</u>	<u>\$6.49</u>

MDS	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Base Service Charge dollars per meter per day	<u>(((\$1.80))</u>	<u>(((\$2.29))</u>	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Minimum Charge dollars per meter per day	<u>(((\$1.80))</u>	<u>(((\$2.29))</u>	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Power Factor Charge cents per kVarh	<u>((0.15))</u>	<u>((0.15))</u>	0.15	<u>0.15</u>	<u>0.15</u>
Transformer Investment Credit per kW of monthly maximum demand	<u>(((\$0.30))</u>	<u>(((\$0.30))</u>	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	<u>((-.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))</u>				

All charges and credits in Schedule MDS shall be increased by the following percentages based on the location of service:

MDS suburban franchise and tax multipliers	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Burien, King County, SeaTac, Shoreline	<u>((8.00%))</u>	<u>((8.00%))</u>	8.00%	<u>8.00%</u>	<u>8.00%</u>
Tukwila	<u>((7.59%))</u>	<u>((7.40%))</u>	7.60%	<u>7.36%</u>	<u>7.37%</u>
Lake Forest Park	<u>((8.04%))</u>	<u>((8.04%))</u>	8.04%	<u>8.04%</u>	<u>8.04%</u>
Normandy Park	<u>((6.38%))</u>	<u>((6.38%))</u>	6.38%	<u>6.38%</u>	<u>6.38%</u>

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

Suburban Undergrounding Charges	((Effective January 1, 2023))	Effective January 1, 2025
((Shoreline))		
North City Undergrounding Charge cents per kWh	((0.07))	0.07
Aurora 1 Undergrounding Charge cents per kWh	((0.17))	0.17
Aurora 2 Undergrounding Charge cents per kWh	((0.18))	0.18
Aurora 3A Undergrounding Charge cents per kWh	((0.05))	0.05
Aurora 3B Undergrounding Charge cents per kWh	((0.22))	0.22

Burien

((Burien))		
Suburban Undergrounding Charges	((Effective January 1, 2023))	Effective January 1, 2025
First Avenue South 1 Undergrounding Charge cents per kWh	((0.37))	0.37
First Avenue South 2 Undergrounding Charge cents per kWh	((0.13))	0.13

Schedule MDD (Medium Network General Service Default)

MDD	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge cents per kWh	((9.85))	((10.42))	11.06	<u>11.66</u>	<u>12.49</u>
Demand Charge dollars per kW	((111.06))	((111.61))	\$12.19	<u>\$13.41</u>	<u>\$14.75</u>

MDD	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Base Service Charge dollars per meter per day	(((\$1.80))	(((\$2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Minimum Charge dollars per meter per day	(((\$1.80))	(((\$2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	<u>\$0.31</u>	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	(($-.53285 \times \text{kW} + .00002 \times \text{kW}; \text{caret}; 2 + .00527 \times \text{kWh}$))				

Demand charges

Peak: All kW of maximum demand between 6 a.m. and 10 p.m. Mondays through Saturdays, excluding major holidays.

Off-Peak: All kW of maximum demand in excess of peak maximum demand, at all times other than the peak period.

B. Time-of-Use rates (Schedules MTC, MTD, and MTS) are optional rate schedules available to customers who ~~((have a fully functioning advanced meter. Time-of-Use rates will be available to customers enrolled in the net metering program once necessary updates to the billing system are completed, as determined by the Department.))~~ meet eligibility requirements outlined in City Light's Department Policy and Procedure (DPP) 500 P III-434, as amended, or successor rule. Customers can return to their default rate schedule but will not be able to re-enroll in Schedules MTC,

MTD, or MTS until 12 months from the time of unenrollment. The same suburban franchise and tax multipliers and suburban undergrounding charges apply to Schedule MTS as Schedule MDS.

Schedule MTC (Medium General Service: City Time-of-Use)

MTC	Effective January 1, 2024))	Effective January 1, 2025	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
Energy Off-Peak cents per kWh	((5.35))	((5.75))	6.09	<u>6.56</u>	<u>7.10</u>
Energy Mid-Peak cents per kWh	((9.36))	((10.06))	10.66	<u>11.48</u>	<u>12.43</u>
Energy Peak cents per kWh	((10.70))	((11.50))	12.18	<u>13.12</u>	<u>14.20</u>
Demand Charge - Peak dollars per kW	((4.86))	((5.10))	\$5.36	<u>\$5.90</u>	<u>6.49</u>
Demand Charge - Off-Peak dollars per kW	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((1.80))	((2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Minimum Charge dollars per meter per day	((1.80))	((2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer Investment Credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((-.53285 × kW + .00002 × kW; kWh))	((-.53285 × kW + .00002 × kW; kWh))			

Schedule MTD (Medium General Service: Network Time-of-Use)

MTD	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Off-Peak cents per kWh	((6.05))	((6.40))	6.80	<u>7.17</u>	<u>7.69</u>
Energy Mid-Peak cents per kWh	((10.59))	((11.20))	11.90	<u>12.55</u>	<u>13.46</u>
Energy Peak cents per kWh	((12.10))	((12.80))	13.60	<u>14.34</u>	<u>15.38</u>
Demand Charge - Peak dollars per kW	((11.06))	((11.61))	\$12.19	<u>13.41</u>	<u>14.75</u>
Demand Charge - Off-Peak dollars per kW	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((1.80))	((2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Minimum Charge dollars per meter per day	((1.80))	((2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer Investment Credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Schedule MTS (Medium General Service: Suburban Time-of-Use)

MTS	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Off-Peak cents per kWh	((5.35))	((5.75))	6.09	<u>6.56</u>	<u>7.10</u>
Energy Mid-Peak cents per kWh	((9.36))	((10.06))	10.66	<u>11.48</u>	<u>12.43</u>
Energy Peak cents per kWh	((10.70))	((11.50))	12.18	<u>13.12</u>	<u>14.20</u>
Demand Charge - Peak dollars per kW	((4.86))	((5.10))	\$5.36	<u>\$5.90</u>	<u>\$6.49</u>
Demand Charge - Off-Peak dollars per kW	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((1.80))	((2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Minimum Charge dollars per meter per day	((1.80))	((2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer Investment Credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Energy charges

Off-Peak is 12 a.m. to 6 a.m. every day.

Mid-Peak is 6 a.m. to 5 p.m. and 9 p.m. to 12 a.m. Mondays through Saturdays and 6 a.m. to 12 a.m. on Sundays and holidays.

Peak is 5 p.m. to 9 p.m. Mondays through Saturdays, excluding holidays.

Demand charges

Peak demand: All kW of maximum demand between 6 a.m. and 12 a.m.

Mondays through Saturdays, excluding major holidays.

Off-Peak demand: All kW of maximum demand in excess of peak maximum demand, at all times other than the peak demand period.

C. Commercial Charging Rates (Schedules MCC, MCD, and MCS) are optional rate schedules available to customers who meet the criteria for medium general service and have a fully functioning advanced meter dedicated to primarily electric vehicle charging. Customers can return to their default rate schedule but will not be able to re-enroll in Schedules MCC, MCD, or MCS until 12 months from the time of unenrollment. The same suburban franchise and tax multipliers and suburban undergrounding charges apply to Schedule MCS as Schedule MDS.

Schedule MCC (Medium General Service: City Commercial Charging)

MCC	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Off-Peak cents per kWh	((6.18))	((6.66))	7.03	<u>7.35</u>	<u>7.67</u>
Energy Mid-Peak cents per kWh	((10.82))	((11.66))	12.30	<u>12.86</u>	<u>13.42</u>
Energy Peak cents per kWh	((12.36))	((13.32))	14.06	<u>14.70</u>	<u>15.34</u>
Demand Charge - Peak dollars per kW	((0.00))	((0.00))	\$0.00	<u>\$1.48</u>	<u>\$3.25</u>
Demand Charge - Off-Peak dollars per kW	((0.00))	((0.00))	\$0.00	<u>\$0.33</u>	<u>\$0.34</u>

MCC	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Base Service Charge dollars per meter per day	<u>(((\$1.80))</u>	<u>(((\$2.29))</u>	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Minimum Charge dollars per meter per day	<u>(((\$1.80))</u>	<u>(((\$2.29))</u>	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Power Factor Charge cents per kVarh	<u>((0.15))</u>	<u>((0.15))</u>	0.15	<u>0.15</u>	<u>0.15</u>
Transformer Investment Credit per kW of monthly maximum demand	<u>(((\$0.30))</u>	<u>(((\$0.30))</u>	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	<u>((-.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))</u>				

Schedule MCD (Medium General Service: Network Commercial Charging)

<u>MCD</u>	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Off-Peak cents per kWh	<u>((7.92))</u>	<u>((8.34))</u>	8.81	<u>8.91</u>	<u>8.96</u>
Energy Mid-Peak cents per kWh	<u>((13.86))</u>	<u>((14.60))</u>	15.42	<u>15.59</u>	<u>15.68</u>
Energy Peak cents per kWh	<u>((15.84))</u>	<u>((16.68))</u>	17.62	<u>17.82</u>	<u>17.92</u>
Demand Charge - Peak dollars per kW	<u>(((\$0.00))</u>	<u>(((\$0.00))</u>	\$0.00	<u>\$3.35</u>	<u>\$7.38</u>
Demand Charge - Off-Peak dollars per kW	<u>(((\$0.00))</u>	<u>(((\$0.00))</u>	\$0.00	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	<u>(((\$1.80))</u>	<u>(((\$2.29))</u>	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>

<u>MCD</u>	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Minimum Charge dollars per meter per day	(((\$1.80))	(((\$2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer Investment Credit per kW of monthly maximum demand	(((\$0.30))	(((\$0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	(((.53285 × kW + .00002 × kWh; caret, 2 + .00527 × kWh)				

Schedule MCS (Medium General Service: Suburban Commercial Charging)

<u>MCS</u>	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Off-Peak cents per kWh	((6.18))	((6.66))	7.03	<u>7.35</u>	<u>7.67</u>
Energy Mid-Peak cents per kWh	((10.82))	((11.66))	12.30	<u>12.86</u>	<u>13.42</u>
Energy Peak cents per kWh	((12.36))	((13.32))	14.06	<u>14.70</u>	<u>15.34</u>
Demand Charge - Peak dollars per kW	(((\$0.00))	(((\$0.00))	\$0.00	<u>\$1.48</u>	<u>\$3.25</u>
Demand Charge - Off-Peak dollars per kW	(((\$0.00))	(((\$0.00))	\$0.00	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	(((\$1.80))	(((\$2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>
Minimum Charge dollars per meter per day	(((\$1.80))	(((\$2.29))	\$3.01	<u>\$6.38</u>	<u>\$9.57</u>

MCS	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer Investment Credit per kW of monthly maximum demand	(((\$0.30))	(((\$0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	(($.53285 \times kW + .00002 \times kW; \text{caret } 2 + .00527 \times kWh$))				

Off-Peak is 12 a.m. to 6 a.m. every day.

Mid-Peak is 6 a.m. to 5 p.m. and 9 p.m. to 12 a.m. Mondays through Saturdays and 6 a.m. to 12 a.m. on Sundays and holidays.

Peak is 5 p.m. to 9 p.m. Mondays through Saturdays, excluding holidays.

D. For customers metered on the primary side of a transformer, the Department will either program the meter to deduct computed transformer losses or provide a discount for transformer losses by reducing the monthly kWh billed by the number of kWh as computed by the following formula: $1756 + .53285 \times kW + .00002 \times kW((\neq 2))^2 + .00527 \times kWh$.

* * *

Section 6. Section 21.49.057 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.057 Large general service (Schedules LGC, LGS, LGD, LCC, LCD, and LCS)

A. Large general service is network general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 1,000

kW of maximum demand or greater, and also standard general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 1,000 kW of maximum demand or greater and have more than half of their normal billings at less than 10,000 kW of maximum demand. Classification of new customers will be based on the Department's estimate of maximum demand in the current year. Schedule LGS rates will be increased for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule LGC (Large Standard General Service: City Default)

LGC	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge—Peak cents per kWh	((10.37))	((11.34))	11.86	<u>12.66</u>	<u>13.64</u>
Energy Charge—Off-Peak cents per kWh	((5.76))	((5.67))	5.93	<u>6.33</u>	<u>6.82</u>
Demand Charge—Peak dollars per kW	((4.69))	((4.93))	\$5.18	<u>\$5.70</u>	<u>\$6.27</u>
Demand Charge—Off-Peak dollars per kW	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((22.56))	((38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Minimum Charge dollars per meter per day	((31.47))	((38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>

LGC	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Schedule LGS (Large Standard General Service: Suburban Default)

LGS	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge—Peak cents per kWh	((10.37))	((11.34))	11.86	<u>12.66</u>	<u>13.64</u>
Energy Charge—Off-Peak cents per kWh	((5.76))	((5.67))	5.93	<u>6.33</u>	<u>6.82</u>
Demand Charge—Peak dollars per kW	((\$4.69))	((\$4.93))	\$5.18	<u>\$5.70</u>	<u>\$6.27</u>
Demand Charge—Off-Peak dollars per kW	((\$0.30))	((\$0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((\$22.56))	((\$38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Minimum Charge dollars per meter per day	((\$31.47))	((\$38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((\$0.30))	((\$0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

All charges and credits in schedule LGS shall be increased by the following percentages based on the location of service:

LGS suburban franchise and tax multipliers	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Burien, King County, SeaTac, Shoreline	((8.00%))	((8.00%))	8.00%	<u>8.00%</u>	<u>8.00%</u>
Tukwila	((7.63%))	((7.43%))	7.65%	<u>7.39%</u>	<u>7.39%</u>
Lake Forest Park	((8.04%))	((8.04%))	8.04%	<u>8.04%</u>	<u>8.04%</u>
Normandy Park	((6.38%))	((6.38%))	6.38%	<u>6.38%</u>	<u>6.38%</u>

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

Suburban Undergrounding Charges	((Effective January 1, 2023))	Effective January 1, 2025
((Shoreline))		
North City Undergrounding Charge cents per kWh	((0.07))	0.07
Aurora 1 Undergrounding Charge cents per kWh	((0.17))	0.17
Aurora 2 Undergrounding Charge cents per kWh	((0.18))	0.18
Aurora 3A Undergrounding Charge cents per kWh	((0.05))	0.05
Aurora 3B Undergrounding Charge cents per kWh	((0.22))	0.22

Burien

((Burien))		
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<u>Suburban Undergrounding Charges</u>	<u>((Effective January 1, 2023))</u>	<u>Effective January 1, 2025</u>
First Avenue South 1 Undergrounding Charge cents per kWh	((0.37))	0.37
First Avenue South 2 Undergrounding Charge cents per kWh	((0.13))	0.13

Schedule LGD (Large Network General Service Default)

<u>LGD</u>	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Energy Charge—Peak cents per kWh	((11.07))	((12.26))	13.14	<u>13.70</u>	<u>14.50</u>
Energy Charge—Off-Peak cents per kWh	((6.15))	((6.13))	6.57	<u>6.85</u>	<u>7.25</u>
Demand Charge—Peak dollars per kW	((10.02))	((10.52))	\$11.05	<u>\$12.16</u>	<u>\$13.38</u>
Demand Charge—Off-Peak dollars per kW	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((22.56))	((38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Minimum Charge dollars per meter per day	((31.47))	((38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>

LGD	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Peak is Mondays through Saturdays, 6 a.m. to 10 p.m., excluding major holidays.

Off-Peak is 10 p.m. to 6 a.m. every day and all day Sundays and holidays.

Demand charges

Peak: All kW of maximum demand during peak hours.

Off-Peak: All kW of maximum demand in excess of peak maximum demand, at all times other than the peak period.

B. Commercial Charging Rates (Schedules LCC, LCD, and LCS) are optional rate schedules available to customers who meet the criteria for large general service and have a fully functioning advanced meter dedicated to primarily electric vehicle charging. Customers can return to their default rate schedule but will not be able to re-enroll in schedules LCC, LCD, or LCS until 12 months from the time of unenrollment. The same suburban franchise and tax multipliers and suburban undergrounding charges apply to Schedule LCS as Schedule LGS.

Schedule LCC (Large General Service: City Commercial Charging)

LCC	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
Energy Charge—Peak cents per kWh	((10.87))	((12.02))	12.46	14.08	14.68
Energy Charge—Off-Peak cents per kWh	((6.04))	((6.01))	6.92	7.04	7.34

LCC	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
Demand Charge—Peak dollars per kW	(((\$0.00))	(((\$0.00))	\$0.00	<u>\$1.43</u>	<u>\$3.14</u>
Demand Charge—Off-Peak dollars per kW	(((\$0.00))	(((\$0.00))	\$0.00	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	(((\$22.56))	(((\$38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Minimum Charge dollars per meter per day	(((\$31.47))	(((\$38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	(((\$0.30))	(((\$0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((-.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Schedule LCD (Large General Service: Network Commercial Charging)

LCD	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
Energy Charge—Peak cents per kWh	((13.46))	((15.34))	16.20	<u>16.68</u>	<u>16.68</u>
Energy Charge—Off-Peak cents per kWh	((7.48))	((7.67))	9.00	<u>8.34</u>	<u>8.34</u>
Demand Charge—Peak dollars per kW	(((\$0.00))	(((\$0.00))	\$0.00	<u>\$3.04</u>	<u>\$6.69</u>
Demand Charge—Off-Peak dollars per kW	(((\$0.00))	(((\$0.00))	\$0.00	<u>\$0.33</u>	<u>\$0.34</u>

LCD	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
Base Service Charge dollars per meter per day	((22.56))	((38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Minimum Charge dollars per meter per day	((31.47))	((38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>\$0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Schedule LCS (Large General Service: Suburban Commercial Charging)

LCS	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
Energy Charge—Peak cents per kWh	((10.87))	((12.02))	12.46	<u>14.08</u>	<u>14.68</u>
Energy Charge—Off-Peak cents per kWh	((6.04))	((6.01))	6.92	<u>7.04</u>	<u>7.34</u>
Demand Charge—Peak dollars per kW	((0.00))	((0.00))	\$0.00	<u>\$1.43</u>	<u>\$3.14</u>
Demand Charge—Off-Peak dollars per kW	((0.00))	((0.00))	\$0.00	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((22.56))	((38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>
Minimum Charge dollars per meter per day	((31.47))	((38.01))	\$54.44	<u>\$108.82</u>	<u>\$163.30</u>

LCS	<u>((Effective January 1, 2024))</u>	<u>((Effective January 1, 2025))</u>	<u>Effective January 1, 2026</u>	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	0.15	0.15
Transformer investment credit per kW of monthly maximum demand	(\$0.30)	(\$0.30)	\$0.31	\$0.33	\$0.34
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Peak is Mondays through Saturdays, 6 a.m. to 10 p.m., excluding major holidays.

Off-Peak is 10 p.m. to 6 a.m. every day and all day Sundays and holidays.

C. For customers metered on the primary side of a transformer, the Department will either program the meter to deduct computed transformer losses or provide a discount for transformer losses by reducing the monthly kWh billed by the number of kWh as computed by the following formula: $1756 + .53285 \times kW + .00002 \times kW((\times 2))^2 + .00527 \times kWh$.

* * *

Section 7. Section 21.49.058 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.058 High demand general service (Schedules HDC, and HDS)

A. High demand general service is standard general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 10,000 kW of maximum demand or greater. Classification of new customers will be based on the Department's estimates of maximum demand in the current year.

Schedule HDS rates will be increased for applicable municipal utility taxes, franchise rate differentials, and undergrounding charges specific to each location.

Schedule HDC (High Demand General Service: City)

HDC	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective</u> <u>January</u> <u>1, 2027</u>	<u>Effective</u> <u>January</u> <u>1, 2028</u>
Energy Charge—Peak cents per kWh	((9.77))	((10.64))	11.12	<u>12.04</u>	<u>13.00</u>
Energy Charge—Off-Peak cents per kWh	((5.43))	((5.32))	5.56	<u>6.02</u>	<u>6.50</u>
Demand Charge—Peak dollars per kW	((4.69))	((4.93))	\$5.18	<u>\$5.70</u>	<u>\$6.27</u>
Demand Charge—Off-Peak dollars per kW	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((118.84))	((148.50))	\$178.05	<u>\$347.13</u>	<u>\$557.80</u>
Minimum Charge dollars per meter per day	((118.84))	((148.50))	\$178.05	<u>\$347.13</u>	<u>\$557.80</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((-.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

Schedule HDS (High Demand: Suburban)

HDS	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective</u> <u>January</u> <u>1, 2027</u>	<u>Effective</u> <u>January</u> <u>1, 2028</u>
Energy Charge—Peak cents per kWh	((9.77))	((10.64))	11.12	<u>12.04</u>	<u>13.00</u>
Energy Charge—Off-Peak cents per kWh	((5.43))	((5.32))	5.56	<u>6.02</u>	<u>6.50</u>
Demand Charge—Peak dollars per kW	((4.69))	((4.93))	\$5.18	<u>\$5.70</u>	<u>\$6.27</u>
Demand Charge—Off-Peak dollars per kW	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
Base Service Charge dollars per meter per day	((118.84))	((148.50))	\$178.05	<u>\$347.13</u>	<u>\$557.80</u>
Minimum Charge dollars per meter per day	((118.84))	((148.50))	\$178.05	<u>\$347.13</u>	<u>\$557.80</u>
Power Factor Charge cents per kVarh	((0.15))	((0.15))	0.15	<u>0.15</u>	<u>0.15</u>
Transformer investment credit per kW of monthly maximum demand	((0.30))	((0.30))	\$0.31	<u>\$0.33</u>	<u>\$0.34</u>
((Transformer losses discount in kWh))	((.53285 × kW + .00002 × kW; caret; 2 + .00527 × kWh))				

All charges and credits in Schedule HDS shall be increased by the following percentages based on the location of service:

HDS suburban franchise and tax multipliers	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Burien, King County, SeaTac, Shoreline	((8.00%))	((8.00%))	8.00%	8.00%	8.00%
Tukwila	((7.72%))	((7.58%))	7.81%	7.50%	7.50%
Lake Forest Park	((8.04%))	((8.04%))	8.04%	8.04%	8.04%
Normandy Park	((6.38%))	((6.38%))	6.38%	6.38%	6.38%

Additional undergrounding charges will apply to all customers in Shoreline and Burien as follows:

Shoreline

Suburban Undergrounding Charges	((Effective January 1, 2023))	Effective January 1, 2025
((Shoreline))		
North City Undergrounding Charge cents per kWh	((0.07))	0.07
Aurora 1 Undergrounding Charge cents per kWh	((0.17))	0.17
Aurora 2 Undergrounding Charge cents per kWh	((0.18))	0.18
Aurora 3A Undergrounding Charge cents per kWh	((0.05))	0.05
Aurora 3B Undergrounding Charge cents per kWh	((0.22))	0.22

Burien

((Burien))		
Suburban Undergrounding Charges	((Effective January 1, 2023))	Effective January 1, 2025
First Avenue South 1 Undergrounding Charge cents per kWh	((0.37))	0.37

First Avenue South 2 Undergrounding Charge cents per kWh	((0.13))	0.13
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Peak is Mondays through Saturdays, 6 a.m. to 10 p.m., excluding major holidays.

Off-Peak is 10 p.m. to 6 a.m. every day and all day Sundays and holidays.

Demand charges

Peak: All kW of maximum demand during peak hours.

Off-peak: All kW of maximum demand in excess of peak maximum demand, at all times other than the peak period.

* * *

Section 8. A new Section 21.49.059 is added to the Seattle Municipal Code as follows:

21.49.059 New large data center load

A. Applicability. A new large data center load shall not be eligible for general service rates and shall instead be served under a Service Agreement (Contract) established for the customer by the Department.

B. Minimum conditions. The Contract shall require all the following terms, among other conditions:

1. A guaranteed minimum demand or service rating.
2. Delivery of power at a single voltage.
3. Metering in no case at less than nominal 600 volts.
4. Power factor adjustment to 97 percent lagging or better.
5. Curtailment provisions.
6. Other energy conservation measures.

7. Full upfront financial responsibility for the cost of any infrastructure needed to serve the customer, including but not limited to feeder and transmission line extensions and/or upgrades, transmission and/or substation upgrades and any system modifications.

8. Full recovery of procurement cost of new resources, including power, transmission, and ancillary services.

9. The customer shall remain fully responsible for the cost of agreements executed by the Department to serve the customer's load, until the expiration of the Contract term.

10. The Department may modify the Contract to be consistent with terms agreed to with resource providers.

11. Any other terms of service needed to address transactional costs, security, and financial risk.

C. Service to new large loads will commence only after a Contract has been fully executed and the Department has in place all infrastructure, contracts, and resources necessary to provide electrical service.

D. Rate design. At a minimum, the Contract shall include the following specific charges:

1. Power supply charges:

a. Energy (per kWh): to be based on the Department's marginal cost of acquiring power as well as any renewable or carbon attributes required to serve the customer's load plus a service fee to recover ancillary services and administrative costs, pursuant to the Contract.

b. Demand (per kW): to be based on the Department's marginal cost of acquiring power capacity and transmission to serve the customer's load plus a service fee to recover ancillary services and administrative costs, pursuant to the Contract. The demand for billing purposes is the contract demand, unless otherwise specified.

c. Contract demand overrun: An additional charge shall be imposed if metered demand (highest 15-minute demand) exceeds the demand specified in the Contract. This charge shall be computed pursuant to the following formula: Contract demand overrun charge = metered demand in excess of the contract demand (kW) x demand charge (\$/kW) x 300 percent.

2. Delivery charge: A per-kW or per-kWh delivery charge shall recover transmission and distribution costs, including administrative and general costs.

3. Base service charge: A per-month charge equivalent to base service charge for the comparable general service rate class.

4. The Department may also include in the Contract other rate components, including but not limited to, power factor penalties, applicable taxes and franchise differentials.

E. The Department is authorized to establish rules, pursuant to Chapter 3.02, for the application of this Section 21.49.059, including but not limited to identifying circumstances under which service entrances may be aggregated for purposes of determining the existence of a new large load.

Section 9. Section 21.49.060 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.060 Contract street and area lighting rates (Schedules F, R, A, D, M, and E)

A. Contract street and area lighting rates are available to all customers, including but not limited to water and sewer districts and King County, who contract with the Department for unmetered lights operating from dusk to dawn. Lighting schedules and rates are assigned at the Department's discretion.

Schedule F—Floodlights

Schedule F	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Floodlight HPS \$ per month	(((\$24.30))	(((\$27.07))	\$29.35	<u>\$38.39</u>	<u>\$49.18</u>

Schedule R—Residential Lights

Schedule R	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
LED \$ per month	(((\$12.89))	(((\$13.02))	\$14.29	<u>\$19.54</u>	<u>\$24.29</u>

Schedule A—Arterial Lights

Schedule A	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
HPS/other \$ per month	(((\$33.51))	(((\$34.97))	\$37.75	<u>\$50.31</u>	<u>\$64.36</u>
LED \$ per month	(((\$20.73))	(((\$22.15))	\$23.75	<u>\$29.63</u>	<u>\$34.47</u>

Schedule D—Decorative, Pedestrian, and Miscellaneous Lights

Schedule D	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
HPS/other \$ per month	(((\$36.22))	(((\$39.19))	\$39.69	<u>\$50.08</u>	<u>\$65.06</u>

Schedule D	<u>((Effective</u> <u>January 1,</u> <u>2024))</u>	<u>((Effective</u> <u>January 1,</u> <u>2025))</u>	Effective January 1, 2026	<u>Effective</u> <u>January</u> <u>1, 2027</u>	<u>Effective</u> <u>January</u> <u>1, 2028</u>
LED \$ per month	(((\$16.77))	(((\$23.80))	\$25.40	<u>\$32.17</u>	<u>\$37.04</u>

Schedule M—Department Maintained, Customer Owned Lights

Schedule M	<u>((Effective</u> <u>January 1,</u> <u>2024))</u>	<u>((Effective</u> <u>January 1,</u> <u>2025))</u>	Effective January 1, 2026	<u>Effective</u> <u>January</u> <u>1, 2027</u>	<u>Effective</u> <u>January</u> <u>1, 2028</u>
HPS/other < 200W \$ per month	(((\$20.60))	(((\$21.46))	\$23.19	<u>\$31.54</u>	<u>\$45.07</u>
HPS/other 200W to < 300W \$ per month	(((\$25.30))	(((\$26.95))	\$28.94	<u>\$38.26</u>	<u>\$52.55</u>
HPS/other ≥ 300W \$ per month	(((\$30.63))	(((\$32.33))	\$34.58	<u>\$44.60</u>	<u>\$59.60</u>
LED ≤ 50W \$ per month	(((\$5.76))	(((\$5.61))	\$6.03	<u>\$8.11</u>	<u>\$11.29</u>
LED > 50W \$ per month	(((\$9.00))	(((\$8.66))	\$9.21	<u>\$12.03</u>	<u>\$15.62</u>

Schedule E—Customer Owned and Maintained Lights

Schedule E	<u>((Effective</u> <u>January 1,</u> <u>2024))</u>	<u>((Effective</u> <u>January 1,</u> <u>2025))</u>	Effective January 1, 2026	<u>Effective</u> <u>January</u> <u>1, 2027</u>	<u>Effective</u> <u>January</u> <u>1, 2028</u>
HPS ≤ 150 W \$ per month	(((\$5.31))	(((\$5.50))	\$5.77	<u>\$6.15</u>	<u>\$6.83</u>
HPS > 150 W \$ per month	(((\$9.32))	(((\$10.72))	\$12.33	<u>\$18.26</u>	<u>\$20.27</u>
LED ≤ 150 W \$ per month	(((\$3.32))	(((\$4.01))	\$4.21	<u>\$4.75</u>	<u>\$5.27</u>
LED > 150 W \$ per month	(((\$7.38))	(((\$8.79))	\$9.21	<u>\$10.40</u>	<u>\$11.54</u>

* * *

Section 10. Section 21.49.065 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.065 Duct, vault, and pole rental rates

A. Rental rates shall be charged on an annual basis based on the installations and attachments existing as of January 1 of each year. The full annual rental rate shall be charged for the year in which an installation or attachment is made, regardless of what point in the year use of City Light facilities commences.

B. Duct and vault rental rates are as follows:

Duct and vault	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective</u> <u>January</u> <u>1, 2027</u>	<u>Effective</u> <u>January</u> <u>1, 2028</u>
Duct \$ per duct-foot per year	((13.34))	((13.69))	\$14.43	<u>\$14.88</u>	<u>\$15.28</u>
Innerduct in a rental duct \$ per innerduct-foot per year	((13.34))	((13.69))	\$14.43	<u>\$14.88</u>	<u>\$15.28</u>
Vault Wall Space \$ per square foot per year	((33.33))	((34.20))	\$36.06	<u>\$37.18</u>	<u>\$38.19</u>
Vault Ceiling Space \$ per square foot per year	((13.34))	((13.69))	\$14.43	<u>\$14.88</u>	<u>\$15.28</u>

Innerduct rates pertain to customer installations within a rented duct. Vacant innerducts shall be available for rental to other parties at the Department's discretion. Wall space and ceiling space within ducts include clearance required by chapter 296-45 WAC.

C. Pole rental rates apply to all pole attachments except for separately mounted meter equipment below the communication space. Pole attachment rates are applied per pole per year and are as follows:

Pole attachments within the communication space	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Pole owned solely by the ((department)) Department	(((\$39.69))	(((\$48.05))	\$49.38	<u>\$54.59</u>	<u>\$60.35</u>
Pole owned jointly by the ((department)) Department and one other party	(((\$19.85))	(((\$24.03))	\$24.69	<u>\$27.29</u>	<u>\$30.17</u>
Pole owned jointly by the ((department)) Department and more than one other party	(((\$13.23))	(((\$16.02))	\$16.46	<u>\$18.20</u>	<u>\$20.12</u>

Pole attachments below the communication space	((Effective January 1, 2024))	((Effective January 1, 2025))	Effective January 1, 2026	<u>Effective January 1, 2027</u>	<u>Effective January 1, 2028</u>
Pole owned solely by the ((department)) Department	(((\$75.42))	(((\$91.30))	\$93.82	<u>\$103.72</u>	<u>\$114.66</u>
Pole owned jointly by the ((department)) Department and one other party	(((\$37.71))	(((\$45.65))	\$46.91	<u>\$51.86</u>	<u>\$57.33</u>
Pole owned jointly by the ((department)) Department and more than one other party	(((\$25.14))	(((\$30.43))	\$31.27	<u>\$34.57</u>	<u>\$38.22</u>

* * *

Section 11. Section 21.49.081 of the Seattle Municipal Code, last amended by Ordinance 125958, is repealed:

21.49.081 Automatic BPA cost adjustment

~~((If BPA implements new rates for power and/or transmission services, the updated BPA contract cost under the new rates for the subsequent 12-month period shall be~~

~~compared with the Department's cost assumption used in the adopted revenue requirement for the same time period. If the calculated difference is more than \$1.5 million, then it will be deemed material and passed through in rates. Within three months after the BPA rate implementation, energy charges in all rate schedules will be adjusted upwards or downwards by a consistent fixed per kWh amount such that the identified material cost difference, including taxes, is collected from or credited to customers over the subsequent 12-month period from the onset of the rate adjustment.))~~

Section 12. Section 21.49.083 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.083 Large Customer Renewable Generation Program

A. The Large Customer Renewable Generation Program shall be open to customers operating solar photovoltaic (PV) arrays or other qualified generation systems, as defined in RCW 19.29A.090(3) and 19.29A.090(4), sized larger than 100 kW and not greater than 5 ~~((m))~~MW, measured as alternating current (AC). The Department may consider including other renewable systems or systems larger than 5 ~~((m))~~MW on a case-by-case basis. To be eligible for the program, a generation system must be connected to a customer premise~~((s))~~ located within the Department's service territory and be equipped with a two-way advanced meter capable of measuring both consumption and outbound power exports.

B. To participate, customers must enter into an interconnection agreement with the Department and ~~((t))~~ comply with all its terms. The Department may adopt any

interconnection requirements as necessary to protect public safety and system reliability.

C. Large Customer Renewable Generation program customers shall be metered, billed, and credited according to the following provisions:

1. The customer's two-way advanced meter will measure accumulated ~~((kilowatt hours))~~ kWh of inbound retail consumption and outbound exported power.

2. Any electricity produced by the customer's system may be used to reduce inbound retail electricity consumption at the customer's rate schedule for electric service.

3. Electricity generated in excess of that consumed by the customer may be exported to the Department's system. Accumulated kWh of exported electricity shall be measured by the advanced meter and each customer will be credited for exported electricity according to the same Large Customer Renewable Export Rate, which reflects the value of the power and grid benefits.

Large Customer Renewable Export Rate

	((Effective January 1, 2023))
((Export Credit cents per kWh))	((4.96))

Export Credit	Effective January 1, 2025	Effective January 1, 2027
All days in January cents per kWh	5.90	<u>5.9</u>
All days in February cents per kWh	5.00	<u>4.8</u>
All days in March cents per kWh	4.30	<u>2.9</u>
All days in April cents per kWh	6.00	<u>2.5</u>
All days in May cents per kWh	3.10	<u>2.2</u>
All days in June cents per kWh	4.20	<u>2.3</u>
All days in July cents per kWh	7.70	<u>3.9</u>
All days in August cents per kWh	8.70	<u>5.2</u>
All days in September cents per kWh	9.40	<u>4.4</u>
All days in October cents per kWh	6.90	<u>4.5</u>
All days in November cents per kWh	6.10	<u>4.8</u>
All days in December cents per kWh	4.80	<u>6.0</u>

4. The customer shall retain ownership of all environmental, social, and other non-power attributes of the electricity produced by their system, irrespective of whether it is consumed on-site or exported.

5. Customers totalizing multiple meters per Section 21.49.090 may integrate their system into their totalized service. Otherwise, meter aggregation across multiple customer premises shall not be permitted.

6. Customers that permit and complete buildings under the terms of the Living Building Pilot outlined in Section 23.40.060, or receive Living Building Challenge certification for a building within City Light service areas outside of Seattle before

December 31, 2025, or buildings meeting high energy efficiency standards as determined by the Department, will receive annual net metering as described in Section 21.49.082. The maximum system allowed under this provision is 250 kW. Affordable housing performing under high energy efficiency standards as determined by the Department may receive net metering for systems up to 500 kW.

7. Until December 31, 2035, the Department will honor the terms of the large Customer Renewable Generation program for interconnected participants and guarantee an annual export rate of at least 1.8 cents per kWh, as calculated by the average of the monthly prices.

Section 13. Section 21.49.086 of the Seattle Municipal Code, last amended by Ordinance 127122, is amended as follows:

21.49.086 Rate Stabilization Account

A. Purpose. The purpose of the Rate Stabilization Account (RSA) ~~((established by Ordinance 121637 is, among other things,))~~ is to absorb fluctuations in power costs to serve the Department's ((annual revenue in any given year due to deviations in net wholesale revenue from the amount assumed in the adopted budget for that year.)) retail customers. The RSA is a cash reserve that provides a financial buffer against net variable power cost, reducing the need for frequent rate adjustments. Deposits into and withdrawals from the ~~((Rate Stabilization Account))~~ RSA also affect the calculation of "Net Revenue" under certain provisions of ordinances authorizing Department bonds~~((,))~~ and can therefore ~~((serve to))~~ absorb other fluctuations in "Net Revenue" as ~~((that term is))~~ defined in those bond ordinances. Except as otherwise provided by

ordinance, funds in the (~~(Rate Stabilization Account)~~) RSA cannot be used for any purposes other than those specified (~~(herein)~~) in this Section 21.49.086.

B. Target balance. The target size of the (~~(Rate Stabilization Account shall be no less than \$100 million and no greater than \$125 million)~~) RSA is \$150 million. The minimum balance is \$25 million, and the maximum balance is \$200 million.

C. (~~(The Net Wholesale Revenue forecast shall be \$45 million in 2024, \$25 million in 2025, and \$55 million in 2026. The forecast shall be the amount of Net Wholesale Revenue assumed by the City Council for the purpose of establishing Department rates and budgets. The Department shall allocate the forecast by month and document this assumption in annual revenue requirement and budget proposals.))~~)

Operations

1. The forecast is the Department's estimate of monthly net variable power cost and monthly retail sales used to set retail rates. The Department will include the monthly forecast of net variable power cost and monthly retail sales in its revenue requirement and retail rate documentation. If retail rates are not changing, the Department will instead file with the City Clerk the monthly forecast of net variable power cost and monthly retail sales associated with its adopted budget at least 30 days before the budget takes effect.

2. The Department shall adjust RSA transfers based on monthly financial results.

a. Monthly actual net variable power cost will be compared to the forecast. If actual costs exceed the forecast, the difference will be transferred out of the

RSA. If actual costs are lower than the forecast, the difference will be transferred into the RSA.

b. Monthly actual retail sales will be compared to the forecast. If actual retail sales exceed the forecast, the MWh difference will be multiplied by the net variable power cost average price and transferred into the RSA. If actual retail sales are below the forecast, the MWh difference will be multiplied by Net Variable Power Cost Average Price and transferred out of the RSA.

c. Transfers to/from the RSA shall occur within 31 days following the end of each month and may include a true-up if reported retail sales or net variable power costs are subsequently corrected or differ from the amounts used to calculate the transfer for previous months. The Department shall transfer amounts between the Department's Operating Account and the RSA.

D. Notification requirement to Mayor and Council. ~~((Should the actual Net Wholesale Revenue for any month be less than the forecast for that month, the Department will transfer the difference from the Rate Stabilization Account to the Light Fund. Alternatively, should the actual Net Wholesale Revenue for any month be greater than the forecast for that month, the Department will transfer the difference from the Light Fund to the Rate Stabilization Account. In each case the transfer will occur within 30 days of the end of the month in question. A true-up may be included if actual net wholesale revenue for any past month is restated or differs from the amount used to calculate a transfer.))~~ No later than 45 days after the end of each quarter, the Department will notify the Mayor and the City Council of the forecast and actual net

~~((Wholesale Revenue for the year to date,))~~ variable power costs and the cash balance of the ~~((amount remaining in the Rate Stabilization Account))~~ RSA.

E. Replenishment ~~((of the Rate Stabilization Account))~~

1. ~~((Whenever))~~ If the amount in the ~~((Rate Stabilization Account))~~ RSA is ~~\$((75))~~120 million or less on either March 31 or September 30, ~~((City Light))~~ the Department will impose a surcharge equal to 2.0 percent of ~~((base rates))~~ the adopted system average retail rate expressed in cents per kWh and applied to all retail kWh sales. The proceeds from the surcharge adjusted for applicable revenue taxes will be deposited into the ~~((Rate Stabilization Account))~~ RSA. The surcharge will remain in effect until the ~~((amount in the Rate Stabilization Account))~~ RSA reaches ~~((100))~~ its target size of \$150 million.

2. Whenever the amount in the Rate Stabilization Account is ~~\$((50))~~80 million or less on either March 31 or September 30, the Department will impose ~~((an additional))~~ a surcharge equal to ~~((2.0))~~ 5.0 percent of ~~((base rates.))~~ the adopted system average retail rate expressed in cents per kWh and applied to all retail kWh sales. The 5.0 percent surcharge replaces a 2.0 percent surcharge should one be active. The proceeds from ~~((of))~~ the ~~((additional))~~ surcharge adjusted for applicable revenue taxes will be deposited into the ~~((Rate Stabilization Account. The additional))~~ RSA. The surcharge will remain in effect until the amount in the ~~((Rate Stabilization Account))~~ RSA reaches ~~((100))~~ its target size of \$150 million.

3. Surcharges may be ~~((initiated))~~ imposed twice per year, on either January 1 or ~~((June))~~ July 1. Surcharges ~~((should))~~ shall be lifted within 90 days ~~((of when))~~ after the month-end balance ~~((has reached the relevant threshold))~~ in the RSA

reaches its target size. The Department will notify the Mayor and the Council in writing of any upcoming surcharge change before it is implemented.

4. If ~~((for any reason))~~ the amount in the ~~((Rate Stabilization Account))~~ RSA is \$25 million or less at the end of a month, the Department will notify the City Council within 30 days. ~~((and the))~~ The City Council will initiate a rate review ((,)) within 45 days if the Mayor has not already done so ~~((, within 45 days that))~~ . The rate review will outline how the Department will increase rates, reduce Department spending, or identify additional sources of funding, or a combination of these measures, to bring the amount in the ((Account)) RSA up to ((\$100)) its target size of \$150 million within a period of 24 or fewer months.

5. For the purpose of maintaining the RSA balance above the surcharge trigger thresholds, the Department may make discretionary deposits of surplus operating funds into the RSA as long as debt service coverage remains above 1.80 times.

6. Nothing in this Section 21.49.086 shall limit the authority of the City to deposit other amounts into the Rate Stabilization Account as may be authorized by ordinance.

F. Managing excess deposits. If the amount in the ~~((Rate Stabilization Account))~~ RSA exceeds \$~~((125))~~ 200 million, the Department will ~~((reduce its balance to \$110 million by transferring))~~ deposit all excess funds ((to)) into the Operating Account ((and notify)) . The Department will include the amount of any surplus transfers in its quarterly reporting to the Mayor and City Council ((within 30 days of)) . Excess transfers may be used to reduce the size of future debt issues or otherwise support financial stability.

Section 14. Section 21.49.110 of the Seattle Municipal Code, last amended by Ordinance 125171, is amended as follows:

21.49.110 Electric service connection provisions

* * *

T. Installation charges. Any applicant or customer receiving a new or an enlarged service installation or converting an existing service from an overhead connection to an underground connection shall be charged the material and labor costs incurred by the Department in making the installation (~~((less the material and labor costs of transformers and associated network protectors supplied by the Department))~~). The Department shall have the authority to establish standard installation charges representing the average material and labor costs for customers who receive basic service installations which do not require a vault as specified in the Department's Requirements for Electric Service Connection manual. Such standard charges shall be developed pursuant to the provisions of Chapter 3.02. All applicant(s) or customer(s) receiving the conversion of an existing overhead electrical distribution system to an underground system shall:

1. Reimburse the utility in full for all materials and labor costs in excess of the salvage value of the existing overhead system and conversion costs, if any, from 4 to 26 kV;
2. Reimburse the utility in full for material and labor costs, if any, to underground and/or replace/install streetlights.

Installation charges are not rates for electrical service and reflect only costs incurred by the Department for new and expanded services.

* * *

Section 15. Section 21.49.130 of the Seattle Municipal Code, last amended by Ordinance 127296, is amended as follows:

21.49.130 Authority

* * *

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.

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,"~~((7))~~ as it applies to this ~~((section))~~ Section 21.49.130, 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.

9. The Department is authorized to execute contracts with data center customers to serve new large loads pursuant to Section 21.49.059 for an effective term not exceeding 20 years. The Department is also authorized to execute agreements for the purchase of power or transmission services necessary to serve new large loads for an effective term not exceeding 20 years.

* * *

Section 16. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070, except that:

A. Section 3 shall take effect on April 10, 2027; and

B. Sections 11 and 13 shall take effect on January 1, 2027.

Passed by the City Council and signed in open session in authentication of its
passage on _____.

President _____ of the City Council

_____ on _____.

Katie B. Wilson, Mayor

Attested on _____.

Scheereen Dedman, City Clerk

Seal