

## SUMMARY and FISCAL NOTE\*

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\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the City Light Department; amending Section 21.49.125 of the Seattle Municipal Code; updating the City Light Department's Open Access Transmission Tariff and rates to meet changes in costs and regulations.

**Summary and background of the Legislation:** In 2009, the City Light Department (City Light) adopted an Open Access Transmission Tariff (OATT) mirroring the *pro forma* OATT established by the Federal Energy Regulatory Commission (FERC) to govern use of City Light's transmission system. City Light's OATT has not been utilized, however City Light intends to transition legacy transmission agreements to the OATT. Furthermore, City Light's entrance into the California Independent System Operator's (CAISO) Energy Imbalance Market (EIM) required conforming modifications to the City Light OATT.

City Light's 2009 OATT was reviewed to: (1) adopt standard *pro forma* revisions to the OATT; (2) update OATT language to accommodate City Light's participation in the CAISO EIM; and (3) update rates after a thorough examination of OATT rates and methodology, based on FERC wholesale OATT policy to allocate proportionate costs to transmission. City Light is not subject to the jurisdiction of FERC under the Federal Power Act, however City Light models its OATT after the FERC *pro forma* as it aligns with the standard utility industry practice. City Light adopted minor modifications from the *pro forma* to account for City Light's status as a consumer-owned municipal utility.

This OATT legislation will have minimal or no financial impacts for City Light. City Light has existing/legacy contracts with Puget Sound Energy and Snohomish Public Utility District No. 1 that bundled both generation and transmission components. The OATT unbundles these and thus the OATT rates are for the transmission component only. The OATT methodology provides rates for cost-based transmission service, and City Light expects a neutral fiscal impact.

### **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**      \_\_\_ Yes X No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**      \_\_\_ Yes X No

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

No.

**Is there financial cost or other impacts of *not* implementing the legislation?**

No.

#### **4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

No.

**b. Is a public hearing required for this legislation?**

No.

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No.

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**e. Does this legislation affect a piece of property?**

No.

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

None.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

N/A.

**List attachments/exhibits below:**

None.