

September 23, 2020

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Eric McConaghy, Analyst  
**Subject:** City Light's Transportation Electrification Strategic Plan Legislation

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On September 25, 2020, the Transportation and Utilities Committee (Committee) will discuss and may vote on legislation related to [City Light's Transportation Electrification Strategic Investment Plan \(Plan\)](#). The legislation consists of [Resolution 31971](#) and [Council Bill \(C.B.\) 119895](#).

City Light staff will brief the Committee and answer questions on this matter during the meeting. This memorandum provides background on the two pieces of legislation, describes each and identifies potential Council decisions that would be affected by the approval of Resolution 31971 and C.B. 119895.

### Background

The Washington State Legislature passed during the 2019 Session, and the Governor signed, [Substitute House Bill \(SHB\) 1512](#) dealing with electrification of transportation. SHB 1512 created [Revised Code of Washington \(RCW\) 35.92.450](#), which provides that the "governing authority of an electric utility...may adopt an electrification of transportation plan" and allows for an electric utility to offer "incentive programs in the electrification of transportation for its customers, including the promotion of electric vehicle adoption and advertising programs to promote the utility's services, incentives, or rebates."

As an electric utility, City Light may take advantage of the power granted in RCW 35.92.450 provided these requirements are met:

1. Council adopts the Plan and
2. City Light's "utility outreach and investment in the electrification of transportation infrastructure does not increase net costs to ratepayers in excess of one-quarter of one percent."

### Description of Legislation

Adopting Resolution 31971 would meet the first requirement listed above by adopting the Plan. It would also:

- Request the General Manager and Chief Executive Officer of City Light continue to consult with other City departments, stakeholders, community partners, and customers on specific initiatives, programs, services, and incentives in furtherance of the Plan; and
- Call for City Light to submit an annual report to the Mayor and City Council on progress of implementation and further development of the Plan; and
- Document that City Light will continue to review and update the Plan at least every four years.

Approving C.B. 119895 would add a new Chapter 21.53 to the Seattle Municipal Code (SMC) authorizing City Light to offer incentive programs in the electrification of transportation for its customers. SMC 21.53 would also constrain City Light's budget authority for transportation electrification-related infrastructure investments, incentives, or rebates to the limit imposed by RCW 35.92.450 shown in the second requirement above. Finally, SMC 21.53 would mandate that City Light "submit an annual report to the Mayor and City Council on progress of implementation and further development of the (Plan)."

One example of an incentive is a cash rebate for a City Light customer toward the purchase of a charging station for a vehicle. Providing electric vehicle-ready electricity service to workplaces for future charging infrastructure is an example of transportation electrification-related infrastructure. The Plan lists many more examples of implementation actions and investments on pages 13 and 14.

### **Future Expectations**

City Light has emphasized equity in the approach to outreach on the Plan and it would be consistent with Council's priorities to expect this to continue. Therefore, Council would likely look for evidence of City Light implementing the Plan through actions that increase equity and environmental justice.

Also, before deciding on future electric rates and budget appropriations, Council would likely expect City Light to provide sufficient information demonstrating that spending to implement the Plan would not increase net costs to ratepayers in excess of one-quarter of one percent. This information would include, at least, an accounting the costs of infrastructure spending related to transportation electrification, incentives and rebates. Council would also likely wish to know the amount of infrastructure spending to:

- Maintain existing, aging assets (poles, wires, substations, etc.);
- Build and improve infrastructure necessary to support the electrification of transportation and
- Build and improve infrastructure necessary to meet future demand for power and the transmission of power anticipated with increasing electrification overall.

### **Next Steps**

If Council adopts the Plan via Resolution 31971 and authorizes City Light to implement the Plan by passing C.B. 119895, then Central Staff anticipates any appropriations or positions needed to implement the plan to be proposed in the Mayor's 2021 Proposed Budget, or in future budget legislation.

cc: Dan Eder, Interim Director of Central Staff