

WHEREAS, to economically provide electricity to its customers, the City Light Department (“City Light”) routinely engages in the buying and selling of wholesale energy products; and

WHEREAS, City Light’s participation in the wholesale energy markets inherently exposes it to various risks, including market and credit risks; and

WHEREAS, utility industry best practices mandate that City Light adhere to a clear and binding policy statement to effectively manage these risks; and

WHEREAS, these industry best practices further stipulate that such policies should receive approval from an independent governing body, such as City Council; and

WHEREAS, the periodic review and amendment of risk management policies are essential for good governance and oversight; and

WHEREAS, the Wholesale Energy Risk Management Policy was initially adopted by the City Council on September 8, 2008, by Resolution 31053; and

WHEREAS, the Environmental Attributes Management Policy was initially adopted by the City Council on June 7, 2010, by Resolution 31216; and

WHEREAS, the Wholesale Energy Risk Management Policy was updated by the City Council on August 9, 2010, with the passage of Resolution 31230; on May 14, 2012, with the passage of Resolution 31365; and on September 3, 2013, with the passage of Resolution 31467; and

WHEREAS, the Wholesale Energy Risk Management Policy was updated and the Environmental Attributes Management Policy was superseded on September 28, 2015, with the passage of Resolution 31616; and

WHEREAS, the attached Wholesale Energy Risk Management Policy contains updates including reorganization and clarification of policy statements; reinforcement of the process to amend Wholesale Energy Risk Management Policy and City Council’s final authority for adoption of such amendments; separation of Wholesale Energy Risk Management Policy from implementing Procedures; revision of the timing of reporting requirements; specification of requirements for internal and external audits of

City Light wholesale energy risk management; and affirmation of the responsibility of City Light’s General Manager/ Chief Executive Officer, Chief Financial Officer, Director of Risk Oversight, and internal audit team to report to the City Council and the Mayor any failure to implement Wholesale Energy Risk Management Policy; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The Wholesale Energy Risk Management Policy (“Policy”), as developed by the City Light Department’s (“City Light”) management and attached to this resolution as Attachment 1, is endorsed by the City Council and is established as City Light’s policy governing the conduct of wholesale energy risk management. The Policy attached as Attachment 1 supersedes the policies endorsed by Resolution 31616, which contained the last update to relevant City Light policies.

Adopted by the City Council the _____ day of _____, 2024, and signed by me in open session in authentication of its adoption this _____ day of _____, 2024.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2024.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2024.

Scheereen Dedman, City Clerk

(Seal)

Attachments:
Attachment 1 - Wholesale Energy Risk Management Policy v2