File #: Res 32139, **Version:** 2

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION related to the City Light Department, adopting a 2025-2030 Strategic Plan Update for the City Light Department and endorsing the associated six-year rate path.

WHEREAS, in consultation with the Mayor and the City Council, the City Light Department ("City Light") initiated the strategic planning process in 2010 to provide more transparency and accountability for decision-making within City Light; and

WHEREAS, Resolution 31383, adopted July 2012, approved City Light's 2013-2018 Strategic Plan and six-year rate path, and directed the utility to review and update the Strategic Plan every two years, adding two years to the Strategic Plan and re-evaluating the remaining four years of the existing Strategic Plan; and

WHEREAS, since 2012, City Light has generally revised and updated its Strategic Plan biennially, and has provided annual reports on the progress of Strategic Plan initiatives to the appropriate City Council committee; and

WHEREAS, City Light continues the two-year update planning cycle and is delivering an update with the 2025-2030 Strategic Plan Update (Attachment 1 to this resolution); and

WHEREAS, City Light's rates and revenue requirement are governed by financial policies adopted in Resolution 31187; and

WHEREAS, per Ordinance 123256, the City Light Review Panel ("Review Panel") is charged with representing City Light ratepayers and with reviewing and assessing City Light's strategic plans; and

WHEREAS, since 2013 the Review Panel has reviewed City Light's progress in carrying out the Strategic Plan

on a quarterly basis and has also reviewed the Utility's proposed changes for the 2025-2030 Strategic Plan Update; and

WHEREAS, in 2023 the Review Panel endorsed a new City Light Debt Strategy (Attachment 2 to this resolution), which establishes targets and guidelines to supplement the financial policies adopted in Resolution 31187; and

WHEREAS, the Strategic Plan is foundational to the development of City Light's budget and establishing a six-year rate path that supports budgeted programs and activities; and

WHEREAS, City Light conducted extensive outreach regarding the Strategic Plan, with customer and stakeholder group meetings, customer surveys, and employee engagement groups; and

WHEREAS, the resulting 2025-2030 Strategic Plan Update, which includes a six-year rate path, is a framework of strategies that respond to industry challenges, effect organizational change, promote diversity and inclusion, and further the Mayor's Vision for Seattle. The 2025-2030 Strategic Plan Update expands on the five business strategies included in the 2023-2028 Strategic Plan adopted in 2022. The five business strategies are: 1) Improve the Customer Experience, 2) Create our Energy Future, 3) Develop Workforce and Organizational Agility, 4) Ensure Financial Health and Affordability, and 5) We Power, which highlights our core mission of providing customers with affordable, reliable, and environmentally responsible energy services; and

WHEREAS, the Review Panel, in its letter dated May 20, 2024 (Attachment 3 to this resolution), supports the Strategic Plan Update and associated rate path. The Review Panel has identified several challenges facing City Light in the next few years, including growing customer demand from building and transportation electrification resulting in an increased need to find cost-effective clean energy resources, a backlog in service connections, a labor market in which it is difficult to attract employees without the ability to offer competitive salaries, and the need to maintain the large capital infrastructure. The Review Panel believes that City Light is well positioned, but still faces future challenges as noted; and

WHEREAS, the City Council has reviewed the Strategic Plan Update, the associated six-year rate path, the recommendation of the Review Panel, and the results of customer and stakeholder engagement; NOW, THEREFORE,

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

Section 1. The City Council adopts City Light's 2025-2030 Strategic Plan Update (the "Strategic Plan"), a copy of which is attached to this resolution as Attachment 1 and incorporated by reference.

Section 2. To achieve the goals of the Strategic Plan and Debt Strategy, the annual rate increases for the six years shown below are endorsed:

2025	2026	2027	2028	2029	2030
5.4%	5.4%	5.0%	5.0%	5.0%	5.0%

Section 3. With the intent to achieve full enrollment by all income-eligible customers who wish to participate in the Utility Discount Program (UDP) by December 31st, 2027, the City Council requests that Seattle City Light (SCL), in partnership with Seattle Public Utilities (SPU), the Human Services Department (HSD), and other City departments as appropriate, conduct a thorough analysis of the City's activities intended to increase enrollment in the UDP. The reporting from the UDP analysis should at a minimum: document the City's performance in enrolling income-eligible customers in the UDP over the past five years; recommend modifications to the City's UDP implementation activities and eligibility qualifications intended to increase enrollment; estimate staffing changes and budgetary impacts; and forecast enrollment increases that could result from near-term changes to the City's UDP enrollment activities by June 1, 2025, and June 1, 2026. Furthermore, Council requests that the reporting quantify the staffing changes and budgetary impacts estimated for each ten-percent increase in UDP enrollment from current enrollment to full enrollment.

SCL should file an initial report on the UDP analysis with preliminary findings with the City Clerk no later than December 31, 2024. Council recognizes that SCL, SPU, HSD, and other partner departments intend to complete a workplan to increase UDP participation by the end of 2024. Council requests that SCL file the expected workplan with the City Clerk either simultaneously with or as a part of the initial report on the UDP analysis. SCL should file the final, comprehensive report with the City Clerk no later than April 1, 2025.

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.

_____

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Scheereen Dedman, City Clerk

(Seal)

Attachments:
Attachment 1 - Seattle City Light 2025-2030 Strategic Plan Update
Attachment 2 - 2023 City Light Debt Strategy
Attachment 3 - City Light Review Panel Comment Letter on Proposed 2025-2030 Seattle City Light Strategic Plan Update