

2027-2032 Strategic Plan RES & 2027-2028 Retail Rate ORD

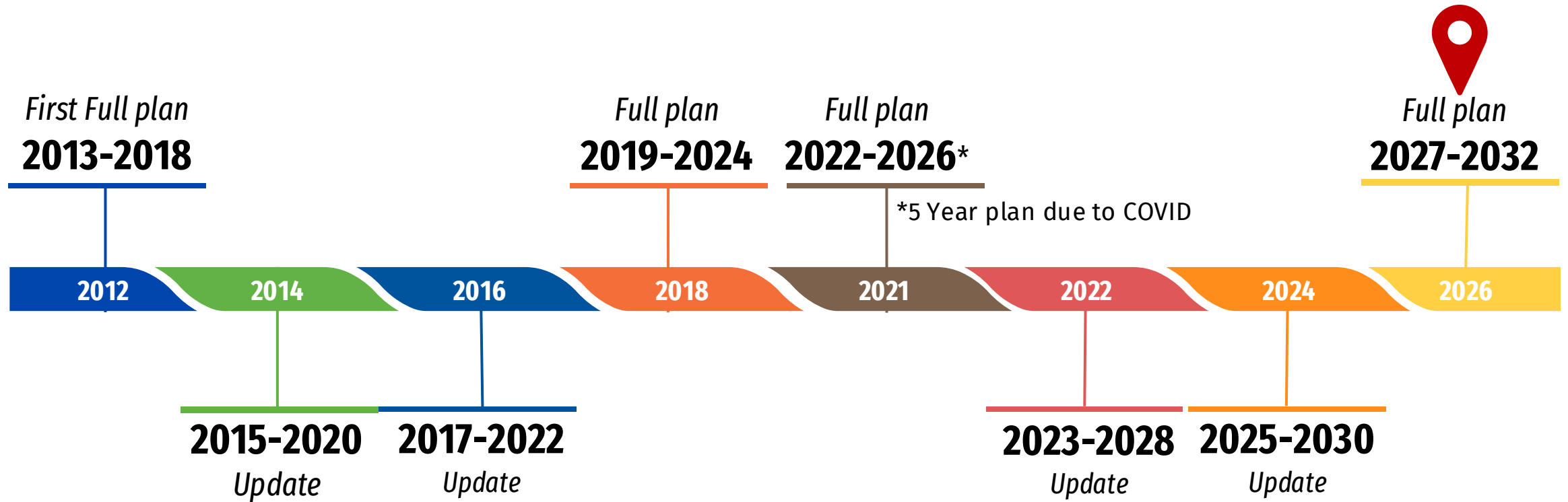
Parks & City Light Committee

June 17, 2026

2027-2032 Strategic Plan



This is Our Eighth Strategic Plan



City Light Review Panel

- Created in 2010 by Seattle City Council Ordinance 123256.
- A nine-member volunteer panel representing customers and partners.
- Their role:
 - Guide and provide input on strategic planning, financial planning, and rate proposals.
 - Assess our proposed Strategic Plan and provide an opinion on the merits before it goes to the Mayor and the City Council for approval.



Leo Lam
Residential Cust. Rep
Panel Chair



Joel Paisner
Suburban Cities Rep
Panel Co-Chair



Kerry Meade
Non-Profit Energy
Efficiency Rep



Gina Cristina Sima
Member at Large



Bruce Flory
Economist



Oksana Savolyuk
Low-Income Cust. Rep



Toyin Olowu
Industrial Cust. Rep



Louis Ernst
Financial Analyst



Ryan Monson
Commercial Cust. Rep

City Light Focus Areas



RELIABILITY

Ensuring dependable, high-quality service



CUSTOMER EXPERIENCE

Providing seamless, frictionless interactions



POWER SUPPLY

Securing clean, efficient energy resources



SUSTAINABILITY

Securing the future of our community, environment, and utility

WORKFORCE: cultivate a highly skilled, diverse, and resilient workforce

TECHNOLOGY: drive key priorities with our strategic application of technology

The Strategic Plan will be used for...



Engagement by the Numbers

2,650+

People
Engaged

10

Engagement Reports
Reviewed

17

Community
Events Attended

25

Community &
Stakeholder
Conversations

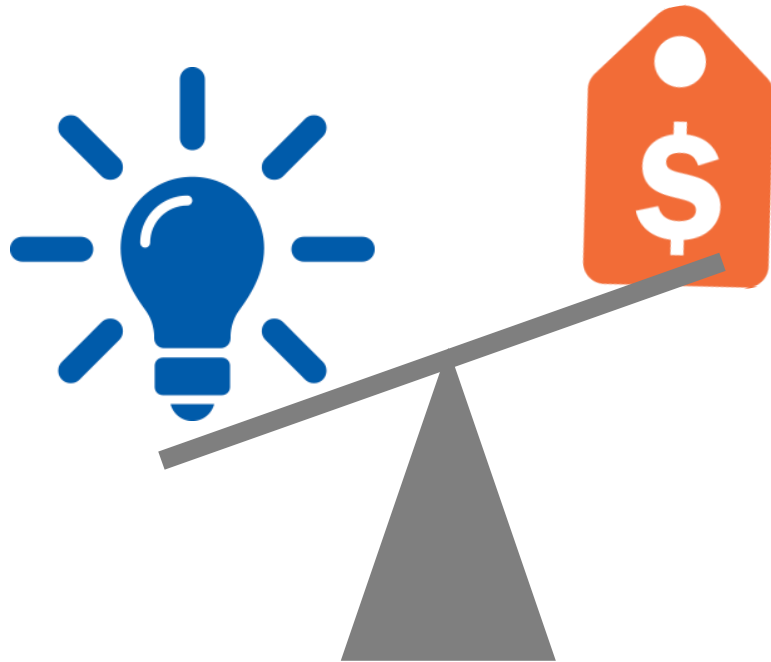
20

Language
Communities

200+

Operations &
Generation Staff

Balancing Trade-offs



Strategic Plan Feedback

Seattle City Light wants you to help us plan for our shared energy future. Please review the following statements:



Reliability

It's important to me to have the electricity available whenever I need it.



Affordability

It's important to me to know I can afford to pay my electric bill.



Environmental friendliness

It's important to me that the electricity I use does not harm people or the planet.

What is more important to you?

What We Heard

Electricity is essential

Balance reliability, affordability, and the environment

Co-design solutions that reflect lived experience

How Community Wants Us to be Responsive

Education & Awareness

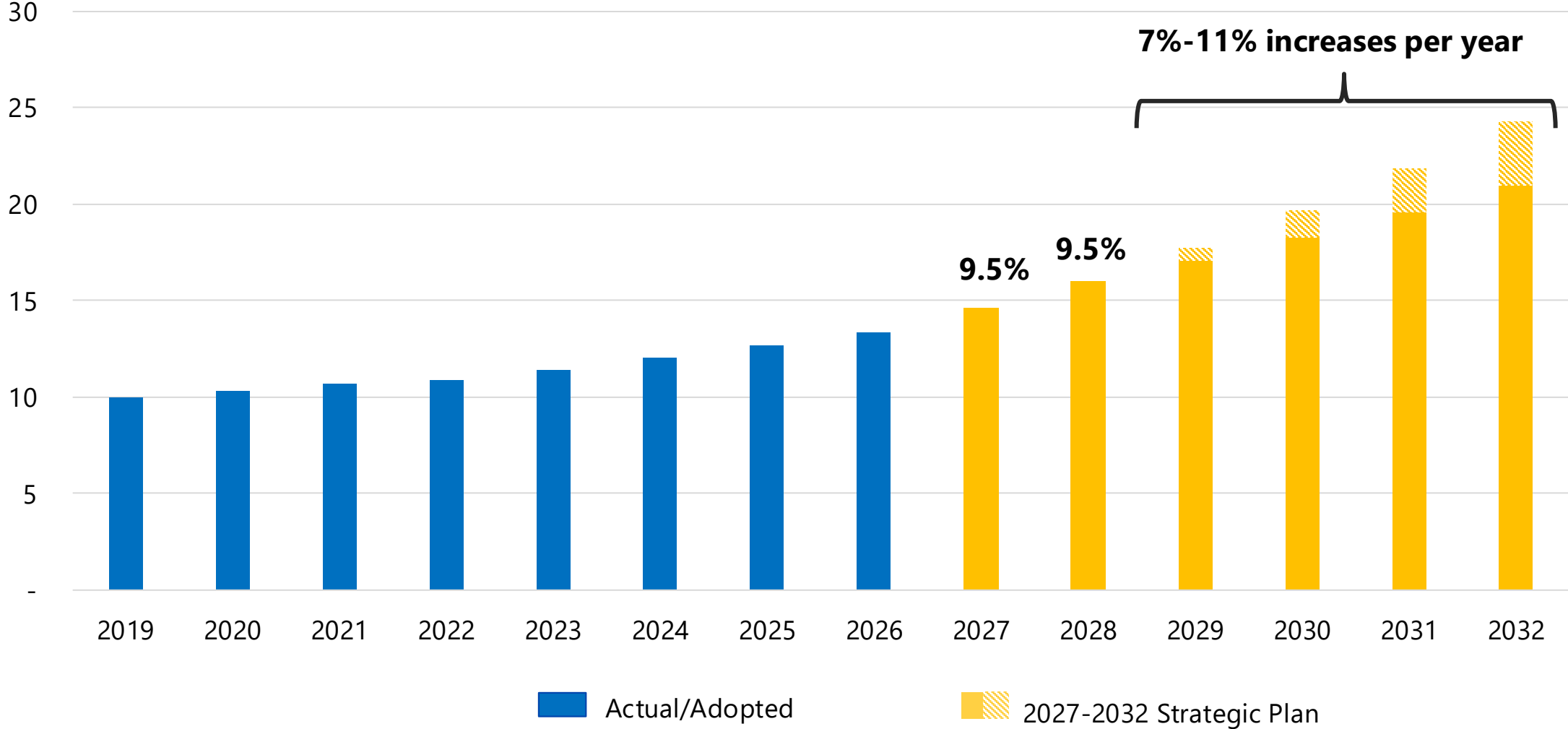
Connect to Youth & Green Jobs

Community Partnering

Internal Coordination

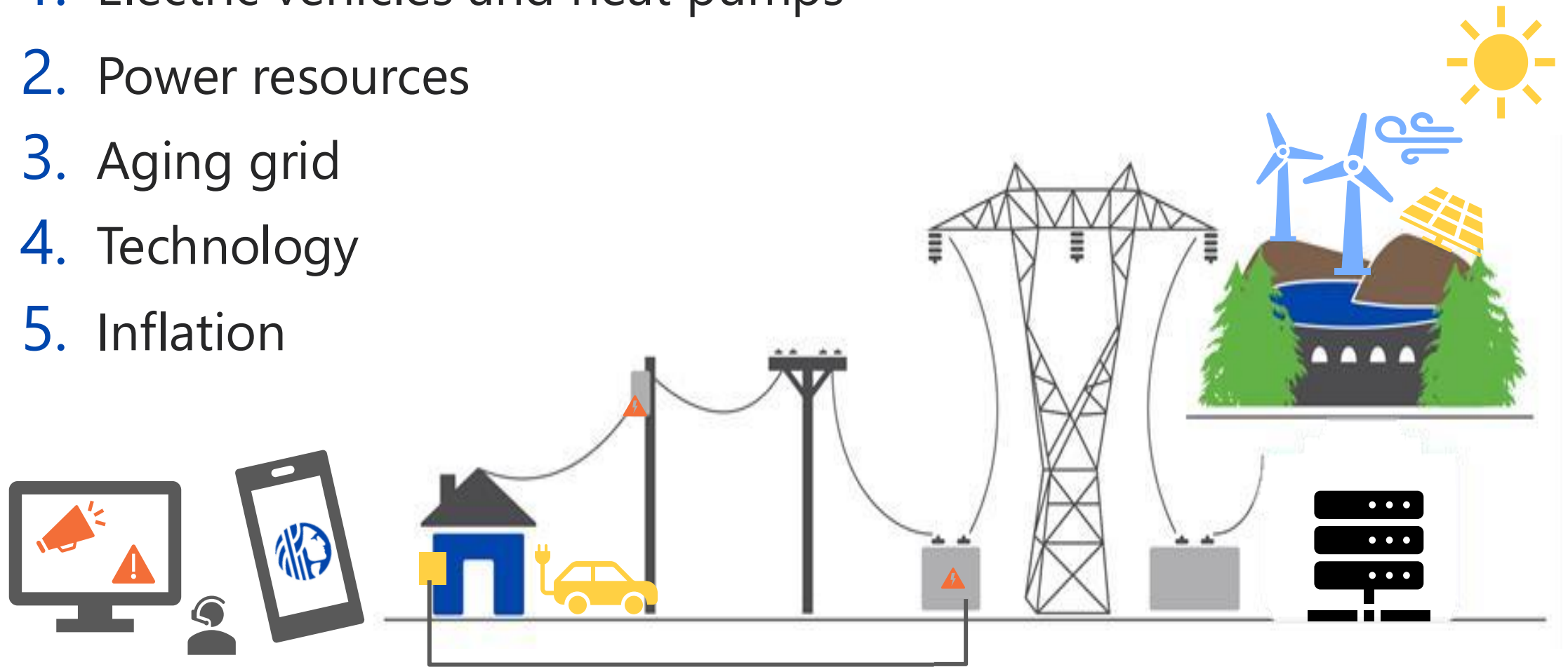
Strategic Plan Retail Rate Path

¢ per kWh



Why Rate Increases are Needed

1. Electric vehicles and heat pumps
2. Power resources
3. Aging grid
4. Technology
5. Inflation



2027 – 2028 Retail Rate Ordinance



Rate Ordinance

1. Sets new electric rates effective Jan 1, 2027 and Jan 1, 2028
 - Increases average 9.5% annually, per strategic plan
 - Updated cost allocation and rate design
2. Establishes rate for new data centers
3. Expands Rate Stabilization Account (RSA)
4. Broadens Utility Discount Program (UDP) eligibility

Bill Impacts: Residential Rates

Residential Standard		2026	2027	2028	
2027 average increase:	9.5%	Energy (\$/kWh)	\$0.1338	\$0.1417	\$0.1457
2028 average increase:	9.5%	Base Service Charge (\$/month)	\$12.00	\$16.78	\$23.55
Number of meters:	467,866				

Monthly Bills	kWh	2026	2027	Increase	2028	Increase
Apartment- Gas Heat	204	\$39	\$46	\$6	\$53	\$8
Apartment- Electric Heat	463	\$74	\$82	\$8	\$91	\$9
SF Home- Gas Heat	634	\$97	\$107	\$10	\$116	\$9
SF Home- Electric Heat	841	\$124	\$136	\$11	\$146	\$10
SF Home- High Use	1,180	\$170	\$184	\$14	\$195	\$11

Cost Allocation & Rate Design

AVERAGE ANNUAL RATE INCREASES

	Residential	General Service				Downtown Network		Street Lights	System Average
		Small	Medium	Large	High Demand	Medium	Large		
2027	9.5%	9.5%	9.4%	9.7%	9.1%	7.4%	7.3%	27.2%	9.5%
2028	9.5%	9.5%	9.5%	9.7%	9.0%	8.5%	8.1%	20.9%	9.5%

Residential and general service: Increases near the 9.5% average.

Downtown network: Lower increases of about 7–8%; network service remains priced at a premium.

Streetlights: Significant increases due to rising maintenance costs.

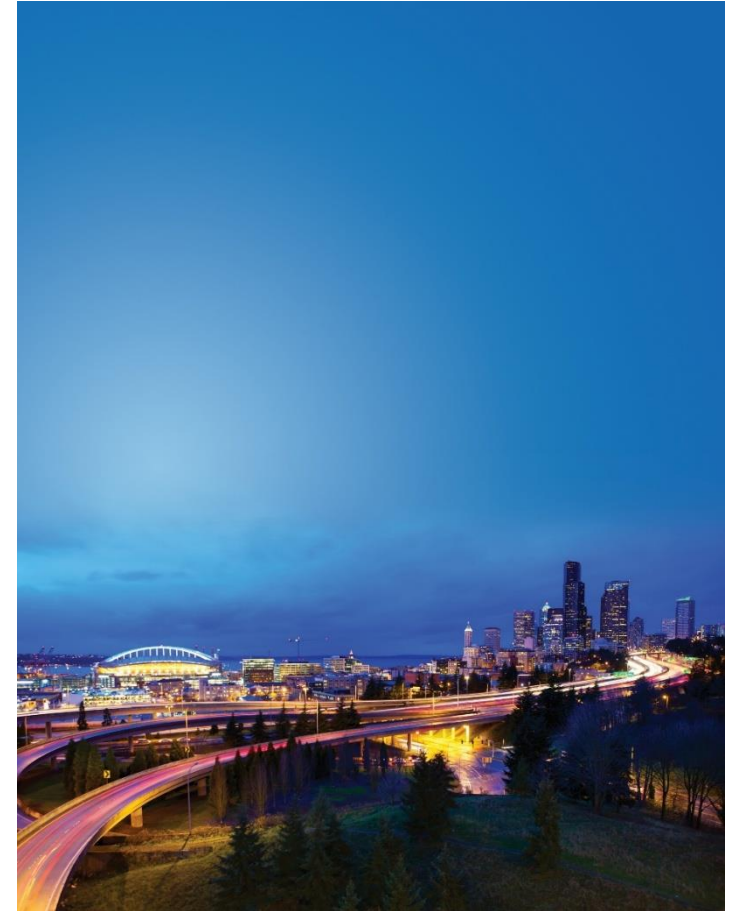
Regional Rate Increase Comparison

Residential Rate Increases						27/28 Proposals:
Utility	2023	2024	2025	2026	Avg	
Seattle City Light	3.4%	5.5%	4.1%	4.8%	4.5%	
Tacoma Power	3.9%	3.9%	6.5%	6.5%	5.2%	
Puget Sound Energy	8.7%	1.7%	12.0%	12.0%	8.6%	+21%
Snohomish PUD	2.0%	5.8%	4.9%	2.8%	3.9%	
Portland General Electric	7.0%	18.0%	5.5%	2.8%	10.2%	
Avista - Washington	5.0%	2.0%	2.6%	4.4%	3.8%	+19%

as of 3/20/2026

New Data Center Rate

- **New rate class for data centers with new or expanded service greater than 10 MVA**
 - Pay upfront for any grid investments
 - Rate based on cost of new power and transmission
 - Contract demand and overrun fees
 - Required curtailment provisions, conservation
- Policy ensures existing customers are held harmless
- Large load policies are becoming industry standard



Rate Stabilization Account (RSA) Expansion

- RSA created in 2010 to absorb wholesale cost/revenue fluctuations. If needed, automatic rate surcharges trigger to rebuild the cash reserve.

	Current RSA	Expanded RSA
Applies to	Wholesale	Wholesale + Power Contracts + Retail Load Variation
Size / Ceiling	\$100M / \$125M	\$150M / \$200M
Surcharges	2% at \$75M 4% at \$50M <i>All rate components</i>	2%* at \$120M 5%* at \$80M <i>Per-kWh rates only</i>

* Percentage of average system rate, all customers pay same per-kWh surcharge

- Expansion does not require higher rates or surcharge.

UDP Program Expansion

- Utility Discount Program (UDP) provides 60% discount on electric bills
- Ordinance expands eligibility
 - Current: 70% of SMI (state median income)
 - New: 60% of AMI (area median income)
- Adds about 31k more eligible customers

AVERAGE ENERGY BURDEN AFTER DISCOUNT

Discount	0<10%	10<20%	20<30%	30<40%	40<50%	50<60%	60<70%	70<80%
80%	3%	1%	1%	1%	0%	0%	0%	0%
70%	5%	2%	1%	1%	1%	1%	0%	0%
60%	6%	2%	2%	1%	1%	1%	1%	1%
50%	8%	3%	2%	1%	1%	1%	1%	1%
40%	9%	4%	2%	2%	1%	1%	1%	1%
30%	11%	4%	3%	2%	2%	1%	1%	1%
20%	12%	5%	3%	2%	2%	1%	1%	1%
10%	14%	6%	4%	3%	2%	2%	1%	1%
5%	14%	6%	4%	3%	2%	2%	1%	1%
No discount	15%	6%	4%	3%	2%	2%	1%	1%

Supporting Affordability for All

For **Income-Qualified**



60% bill discount

Utility Discount Program



Up to \$1,670 for past due bills

Emergency Bill Assistance & Project Share



Up to \$1,250 for heating costs

Federal LIHEAP



Up to \$1,000 for energy costs

State Home Energy Assistance Program (SHEAP)

For **Anyone**



Pay a levelized amount each bill, readjusts annually

Budget Billing Program



60 days to catch up on past due bills

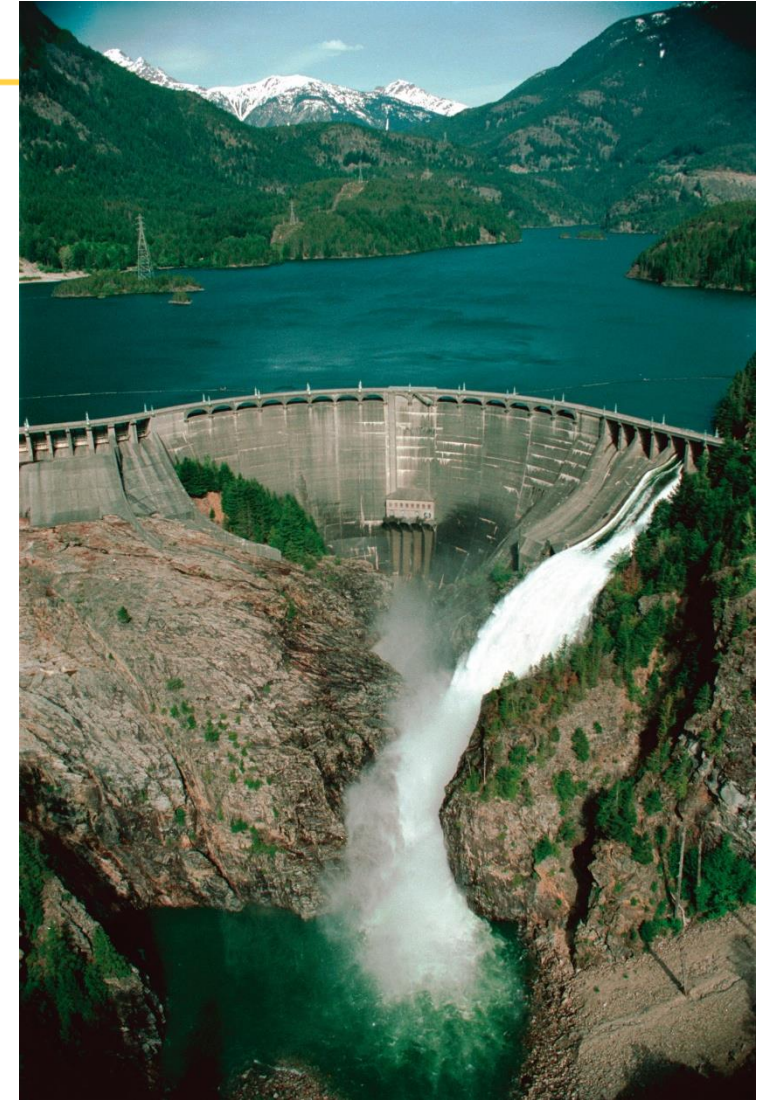
Short Term Payment Plan

Ordinance expands UDP eligibility



Summary

- Strategic Plan Resolution
 - Adopts City Light's 2027-2032 strategic plan
 - Endorses 9.5% rate path for 2027 and 2028
- Rate Ordinance
 - Implements rate increases
 - New data center rate
 - Expands Rate Stabilization Account (RSA)
 - Utility Discount Program (UDP) eligibility



THANK YOU



Seattle City Light