



CITY LIGHT REVIEW PANEL MEETING

Monday, May 4, 2026

1:30-3:00 P.M.

Virtual Only - Microsoft Teams Meeting

Proposed Agenda

| | <u>Item</u> | <u>Lead</u> |
|--------|--|-------------------------|
| 5 min | 1. Welcome | Julie Ryan, Facilitator |
| | 2. Public Comment | |
| 5 min | 3. Standing Items: | |
| | a. Chair's Report | Leo Lam |
| | b. Review of agenda | Julie Ryan |
| | c. Action: Review & approval of meeting minutes of April 22, 2026 | |
| | d. Communications to Panel | Angela Bertrand |
| 35 min | 4. General Manager Update | Rob Santoff |
| 20 min | 5. Strategic Plan: Final Draft Reveal | Angela Bertrand |
| 25 min | 6. Retail Rates: Final Update | Kirsty Grainger |
| | 7. Adjourn | |

Next meeting: May 20, 2026 – 9:00 a.m.

Draft Agenda Items: RP Workplan



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: APR 22, 2026 | 1:30 – 3:30 PM
Meeting held in SMT 3204 and via Microsoft Teams

| MEETING ATTENDANCE | | | | | |
|------------------------------|---|----------------------------|---|--------------------------|---|
| Review Panel Members: | | | | | |
| Bruce Flory | x | Kerry Meade | x | Oksana Savolyuk | x |
| Cristina Sima | | Leo Lam | x | Ryan Monson | x |
| Joel Paisner | x | Louis Ernst | x | Toyin Olowu | |
| City Light: | | | | | |
| Rob Santoff Int. GM/CEO | x | Julie Ryan RP Facilitator | x | Leigh Barreca | x |
| Dennis McLerran Dep. GM | x | Raman Vishwanathan | x | Maura Brueger | x |
| Angela Bertrand | x | Carsten Croff | x | Colm Otten | x |
| Bridget Molina | x | Kirsty Grainger | x | Mujib Lodhi | x |
| Brendan Armstrong | x | Aditi Duggal | x | Siobhan Doherty | x |
| Chris Ruffini | x | Carol Albert | x | Kathryn Aisenberg | x |
| Marcus Jackson | x | Julie Moore | x | Joon Sohn | x |
| Andy Strong | x | | | | |
| Other Attendees: | | | | | |
| Paul Menefee | x | Christie Parker | x | Eric McConaghy | x |
| Julien Loh - PSE | | Vanessa Lund | x | Hannah Altshuler-Hansen | x |
| Adam Day - CenTrio | X | Ellen Pepin-Cato | x | Angela Hyland | x |
| Saym Imtiaz | x | Kelly Norton | x | Trevor Jex | x |
| Alice Lockhart | x | Carolyn McConnell | x | Bob (no last name given) | x |
| Emily Johnston | x | Joe Dougherty | x | Brooke Lather | x |
| Evan Sutton | x | Kristyn Joy | x | Evan Chen (Yawen) | x |
| Evan (no last name given) | x | Emily (no last name given) | x | Guest (no name) | x |
| Matt (no last name given) | x | Jasmine Cavazos | x | Guest (no name) | X |
| Anna (no last name given) | x | | | | |

Welcome and Introductions. The meeting was called to order at 1:33 p.m.

Public Comment:

- The Facilitator explained the Review Panel charter regarding public comment.
- 17 members of the public attended the meeting, with five attending in person. Nine provided public comment.
 - Eight of the commenters expressed concern about the prospect of data centers in City Light’s service territory, including concerns about water usage, pressure on clean energy



City Light Review Panel Meeting Meeting Minutes

resources, and impact on bills. Several encouraged increased transparency around agreements with data centers.

- Six of the commenters expressed concern that a Sabey Corporation representative serves on the Review Panel. Several referred to ICE leasing office space at their facilities. They stated support for immigrant communities.
- Two commenters discussed concern around rate increases, particularly for low-income community members.
- Two commenters encouraged prioritizing electrification efforts.

Standing Items:

Chair's Report. Leo Lam welcomed everyone and opened the meeting.

Review Agenda. Julie Ryan reviewed the agenda.

Approval of March 30, 2025, Meeting Minutes. Minutes were approved.

Communications to Panel.

- Staff noted that a media inquiry was received through the Review Panel mailbox requesting the Panel's perspective on an underground rate policy. Staff followed up with the reporter to clarify their understanding, which resolved the inquiry and no further action was needed. The media policy for panel members was discussed.

General Manager's Update. Interim GM/CEO Rob Santoff presented.

1. Meeting with RP.

- Rob Santoff explained over the coming months, he would reach out to set up a time to meet with each panel member. He expressed interest in hearing about their time on the Panel and what matters most to them in this work.

2. Skagit Settlement Update

- On April 7th, City Council unanimously approved the Skagit settlement agreement. This is the result of years of collaboration, with the process to relicense the dams beginning in 2016.
- The agreement incorporates the latest science, tribal knowledge, and reflects public priorities of river restoration & recreation.
- Commitments include
 - Comprehensive fish passage and habitat programs
 - Continued prioritization of flood risk management
 - Tribal cultural access and protection of resources
 - Public recreation enhancements
 - Education and interpretation
 - Estuary and river restoration



City Light Review Panel Meeting Meeting Minutes

- Adaptive management frameworks grounded in ongoing scientific research and data sharing
- The legislation now heads to Mayor Wilson for a signature, with a signing ceremony scheduled for May 12th.
- Then City Light will file an amended license application with the Federal Energy Regulatory Commission (FERC) to begin the multi-year review and comment process, with the new license anticipated around 2030.

Review Panel Comment – A panel member described the Skagit settlement as a “tremendous result,” noting that when they first joined the Panel, it was uncertain the process would reach this point. The member acknowledged the complexity of the negotiations and the long-term financial commitments, and commended current and past contributors who helped advance the agreement.

3. Time of Use

- City Light staff shared that the new Time of Use rate will be available to residential customers in May 2026!
- As we’ve been preparing to make the rate available, a big part of our work has been building new tools to support customers. Alongside the rate, we’re launching an online tool called Energy Insights to help customers understand their electricity use and how the new rate could affect their bill.
- With this tool, customers will be able to compare their current rate and the time of use rate, see how the customer’s energy use changes throughout the day, and understand simple ways to shift usage.
- This will not only potentially help customers lower their bills but reduce demand when it’s at its highest.

Review Panel Comment: We are glad that TOU is coming.

4. Tree Care Recognition

- For the 13th year in a row, City Light has received the Tree Line USA award.
- This program recognizes utilities that meet the highest standards of tree care and power line management across 5 areas:
 - Caring for trees
 - Training employees on best practices
 - Educating the public about tree care
 - Conserving energy through strategic tree planting
 - Celebrating Arbor Day by engaging the public
- Excelling in these areas helps us lower costs, improve reliability, and build stronger communities.



City Light Review Panel Meeting Meeting Minutes

Links shared during the General Manager's Update:

<https://powerlines.seattle.gov/2026/03/05/skagit-hydroelectric-project-comprehensive-relicensing-settlement-a-shared-vision-for-the-next-50-years/>

<https://powerlines.seattle.gov/2026/04/15/residential-time-of-use-rate-coming-may-2026/>

<https://powerlines.seattle.gov/2026/03/26/seattle-city-light-earns-national-tree-care-recognition-for-13th-year-in-a-row/>

Rate Path Discussion. Finance Director, Chris Ruffini, presented. The materials are in the packet.

Q: Why do gas heat apartment/condo bills increase by approximately 16–17% instead of 9.5%?

A: The higher increase is due to the fixed charge, which makes up a larger portion of lower-use customers' bills. For example, of a \$39 bill, approximately \$23 is the fixed charge. The fixed charge is increasing for all residential customers to move toward full cost recovery and is projected to rise into the mid-teens up to \$23, with current estimates showing about 60% of customer-related costs covered through the fixed charge. As a result, lower-consumption residential customers see higher percentage increases compared to higher-consumption residential customers. The 9.5% reflects the overall average rate increase, while individual bill impacts vary based on usage.

Q: How are costs structured, and why are some costs included in the fixed charge?

A: Costs are grouped into major categories, including customer-related costs, distribution (delivery) costs, and energy/supply costs. Fixed charges are intended to recover customer-related costs, which do not vary with usage. These include services such as metering, billing, customer service, and collections (eg., printing and mailing bills, notices, and door hangers). Costs tied to energy use or system expansion are recovered through usage-based rates, while fixed charges ensure consistent recovery of baseline service costs.

Q: Are the costs shown on the slide already accounted for elsewhere (e.g., maintenance, technology, capital improvements) or is there a category of costs not reflected?

A: The slide reflects changes in revenue requirement, not the full cost of service. It shows the additional revenue needed for upcoming years (e.g., 2027, 2028) to support new or increased costs, rather than the full existing operating budget. Many baseline costs, including maintenance, technology, and customer-related expenses, are already embedded in the current budget and may be reflected within categories such as inflation.

Costs are broadly organized into three categories: customer costs, delivery (distribution) costs, and energy (supply) costs. These are then allocated across rate components (fixed and volumetric charges). While some items on the slide may appear similar to fixed charge components, they are



City Light Review Panel Meeting Meeting Minutes

not double counted. Staff noted that a more detailed cost-of-service crosswalk could be provided if helpful.

Q: When fixed charges are increased, is that approved as part of the rate increase process or handled separately?

A: The overall rate increase is approved, and then costs are allocated to variable and fixed rate components. Therefore, fixed charge adjustments are part of the overall rate increase, not separate or additive. The total revenue requirement is established and approved, then allocated across rate components, including energy (volumetric), delivery (infrastructure), and customer (fixed) charges.

The approach to gradually allocate more fixed costs to fixed charges was developed through a 2019 collaboration between the Review Panel and the utility as part of rate design recommendations. The intent is to more fairly recover customer-related costs, which do not vary with usage. Staff noted that this shift also supports equity goals, ensuring that all customers contribute appropriately to shared system costs, rather than placing a higher burden on higher-usage customers. Changes are implemented gradually over time to avoid rate impacts or “bill shock.”

Q: How does SCL balance encouraging increased electricity use (e.g., electrification) while also promoting efficiency, given these goals can conflict?

A: Staff acknowledged the complexity of balancing these goals. Tools such as time-of-use rates, demand response, and demand-side management programs are being implemented to encourage not only efficient use, but also usage at times that benefit the system. For example, shifting activities like electric vehicle charging to off-peak hours (e.g., overnight) helps reduce system strain and manage costs. The approach aims to support decarbonization while maintaining system efficiency and affordability.

Q: Can City Light confirm that residential customers are not subsidizing large commercial or industrial customers, such as data centers?

A: Staff stated clearly that the goal is to design rates so that all customers are paying their fair share, with no built-in subsidies. SCL does not believe there is any cross-subsidization occurring and is mindful of not allowing new large loads to benefit from decades of investment in hydro resources and infrastructure, noting that “it’s not fair and it’s not right.”

Efforts such as including a large load policy in the current rate ordinance are intended to support equitable cost allocation. SCL will continue to evaluate and refine rate design to avoid advantaging any customer group. As an example, the RSA is being shifted to an energy-only charge, an equity measure to ensure costs tied to energy usage are more proportionally borne by higher-use customers rather than disproportionately impacting lower-use customers.

Q: A panel member noted the importance of confirming that there is no cross-subsidization. Customers are concerned about large load customers being subsidized by existing City Light customers. There is an expectation that large customers should pay their



City Light Review Panel Meeting Meeting Minutes

own way.

A: Staff stated that the only intentional subsidization within the rate structure is for affordability through the Utility Discount Program, which is supported by all customer groups, including large commercial customers.

Q: Do we know what percentage of eligible UDP customers are participating, particularly those in the lowest AMI bins?

A: Overall participation is approximately 30%. Efforts are ongoing to reduce barriers and better reach eligible customers, particularly those in lower AMI categories.

Q: Will the RSA be applied equally to all customer classes?

A: Yes, RSA surcharges will be applied as a percentage of the energy cost portion equally across all customer types.

Q: Regarding retail vs. residential rates, how will SCL ensure that customers are not subsidizing large energy users, such as data centers?

A: SCL aims to ensure that all customers pay their fair share and that costs are allocated equitably. The utility is mindful of protecting long-term hydro resources and avoiding cross-subsidization. The RSA is applied as an energy-based surcharge so that higher energy users pay more proportionally. SCL continues to evaluate its rate structure to maintain fairness across all customer groups.

Mayor's Office Update: Chief of Staff Officer, Leigh Barreca

Leigh Barreca noted that the Review Panel meeting schedule was adjusted to better align with meetings with the Mayor's Office and was able to provide an update on those discussions. Leigh shared that the large load policy has been presented and received approval to move forward as part of the rate ordinance.

Leigh reported that the strategic plan and rate path were presented to the Mayor's Office, with the strategic plan well received and the rate path generating more questions. Ongoing discussions over the past several weeks have focused on rate pressures and the proposed approach. An additional meeting is scheduled for next week to review the rate ordinance and RSA changes, which is expected to be the final meeting before legislation is transmitted.

It was noted that the upcoming legislation includes two components: a resolution to adopt the strategic plan and a rate ordinance establishing rate schedules. The rate ordinance will implement the proposed 9.5% rate increase and include three key policy elements: a new large load policy for data centers, expansion of the Utility Discount Program, and updates to the Rate Stabilization Account (RSA). Final approval from the Mayor's Office is anticipated prior to formal transmittal.



City Light Review Panel Meeting Meeting Minutes

Q: Are Seattle City Light management and the Mayor's Office aligned on the strategic plan and rate path?

A: It was noted that alignment is still in progress. The Mayor's Office reviewed the materials for the first time and is in the process of asking clarifying questions. Additional meetings are scheduled to provide further information and refine understanding, with the goal of reaching alignment ahead of transmitting legislation in May.

Q: Will this process be repeated with City Council and is there alignment there?

A: It was noted that the Mayor's Office, as part of the executive branch, will first finalize the legislative package before transmitting it to City Council. The package includes two components: the strategic plan resolution and the rate ordinance for 2027–2028. Council staff have been engaged throughout the process and are aware of the proposals. The Review Panel's recommendations will be shared with both the Mayor's Office and City Council as part of the formal process.

Q: Do we have data on participation in the Utility Discount Program (UDP) by income level, particularly for the lowest AMI groups?

A: Staff noted that detailed participation by income tier was not immediately available but provided context on eligibility. Estimates show approximately 9,000 customers in the 0–10% AMI range, over 16,000 in the 10–20% range, and about 45,000 customers in the lowest 30% overall. Current participation is approximately 34% across all eligible customers.

Staff acknowledged the importance of understanding participation among the lowest-income groups and highlighted ongoing efforts to increase enrollment. These include targeted outreach, partnerships with community organizations and low-income housing providers, on-site enrollment at community events, and streamlined application processes. Additional steps have been taken to reduce barriers, including removing certain application questions, to improve accessibility and encourage participation among eligible customers.

<https://www.seattletimes.com/opinion/editorials/wa-lawmakers-commit-to-flexibility-to-keep-electric...>

Technology Roadmap. Chief Information Officer Mujib Lodhi presented. The materials are in the packet.

Q: What systems need to be in place to support virtual power plants (VPPs)?

A: City Light will need DERM and Demand response capabilities. Staff are conducting use cases and reviewing business processes.



City Light Review Panel Meeting Meeting Minutes

Q: Are there plans to use EV batteries as temporary storage and send power back to the grid?

A: Staff noted that EVs are considered a distributed energy resource and could play a role in future programs. With the development of DERMS and DERMS Edge, the utility would have the capability to manage resources such as EV charging, including when customers charge and the potential to draw power back from batteries. These capabilities would be part of broader demand response and distributed energy resource programs.

Q: Do you have any plan to implement that would allow you to use leverage EV batteries for storage and discharging (Vehicle Charging control and V2G)

A: This will be part of the DERMS edge systems and will require policy development. City Light teams are working on developing this.

Review Panel Letter. Julie Ryan, Review Panel Facilitator.

Julie invited RP members to share their perspectives on the strategic plan. She explained next steps in the process to develop the RP letter.

May 4th Agenda. Final Strategic Plan, Final Retail Rates

Adjourn. The meeting was adjourned at 3:37 p.m.

Next meeting: May 4, 2026, 1:30-3:30pm



Seattle
City Light

2027-2032 STRATEGIC PLAN





Seattle Mayor Katie Wilson with Seattle City Light General Manager and CEO Rob Santoff

To Our Customers and Community:

The energy industry is at a turning point, and so is Seattle City Light. How we use energy, where it comes from, and what it costs are changing quickly, creating uncertainty across the board.

In the Northwest, electricity demand is projected to grow 30% over the next decade, driven by rapid electrification, shifting climate conditions, and expanding digital demand. This surge could outpace regional supplies, with experts warning of potential power shortages during extreme cold snaps or other peak demand events by 2030.

City Light is a leader in clean energy and environmental stewardship, maintaining carbon-neutral status for more than 20 years. But the broader shift from fossil fuels to cleaner sources like solar and wind presents significant challenges. This transition is essential. It's also complex, expensive, and requires a shared commitment to building a carbon-free future together.

The 2027-2032 Strategic Plan is our roadmap for tackling these challenges. It outlines how we will deliver an affordable, reliable, safe, and environmentally responsible energy future. The plan highlights our commitment to upgrading our system, expanding our energy resources, incorporating new technologies, enhancing cybersecurity, partnering with customers to manage demand, preparing our workforce for evolving energy needs, and improving customer service.

City Light is here to serve, not make a profit. As a public utility, we are focused on delivering value to our customers. We invest ratepayer dollars in reliable power, renewable energy, and critical upgrades to our aging system. We recognize that bill increases can be challenging, and we remain committed to affordability, predictable rates, and providing financial assistance.

"Clean energy shouldn't be a privilege. Seattle City Light is how we make sure every Seattle resident has access to reliable, affordable power, no matter their income or neighborhood. I'm proud to work alongside Seattle City Light to make that a reality."

-Seattle Mayor Katie Wilson

This is a pivotal time, and I am confident in the path ahead. Together, we can create a more equitable, sustainable future while navigating the tradeoffs required. Thank you for your partnership as we continue powering our region and adapting to a changing energy landscape.

Rob Santoff
Interim General Manager and CEO



Seattle City Light’s mission, vision, and values help to define our purpose, identify our long-term goals, and outline the core principles that guide our work.

MISSION

Seattle City Light provides our customers with affordable, reliable, safe, and environmentally responsible energy services.

VISION

Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

VALUES

Dream big. Be brave. Improve. Never stop learning.

We continuously improve by approaching every challenge with curiosity and a growth mindset, proactively seeking opportunities to innovate, learn, and improve.

Collaborate intentionally, listen deeply, achieve more together.

We share ownership and responsibility for outcomes, the best of which are achieved together through authentic collaboration, active listening, alignment on goals, and commitment to action.

We serve with care.

We show up for our customers, communities, and colleagues with empathy and intention, making equitable and thoughtful decisions, and delivering valuable, friendly service that earns trust.

My voice matters: I can make a difference.

Everyone is empowered and encouraged to speak up. Different experiences and diverse perspectives help us make meaningful change. Even if things don’t go my way, I am heard and respected.

Safety and integrity—no exceptions.

In every setting, we are uncompromising in our commitment to physical and psychological safety and to exercising honesty, accountability, and transparency.

Accountability in every action, pride in our craft.

We bring our skills, expertise, and commitment to deliver work we can be proud of, celebrating our successes and addressing our failures.

Protect the people, preserve the planet, power the future.

We are committed to making sustainable choices today that ensure a healthier planet and a stronger future for generations to come.

Grace guides us, empathy connects us, respect unites us.

We support the mission and one another by exercising patience, kindness, and understanding. We treat everyone with dignity, honoring our differences and elevating our shared ideals to create a space where we all belong.



OUTREACH

Seattle City Light puts customers and community at the core of everything we do.

We are working toward a reliable, affordable, and environmentally responsible energy future in the face of unprecedented uncertainty. We know we will need to make tradeoffs, and we remain committed to ensuring our work and the decisions we make reflect what matters most to the community.

Over the past year, we partnered with the Seattle Department of Neighborhoods to hear from customers across our service area to align our priorities.

Starting with what we already knew

Before reaching out, we reviewed findings from past outreach work and reflected on feedback we've already received from customers and community. Identifying existing themes and information gaps helped us shape an outreach plan focused on gathering new information rather than repeating old questions.

Connecting with diverse communities

We met people at community events, gathered input through feedback forms and online surveys, and hosted a three-day online focus group with participants from communities throughout Seattle, franchise cities, and unincorporated King County. Much of this outreach was done in partnership with Community Liaisons who helped us connect with customers in their preferred language.



City Light's Community Liaison partners engaged community members in four languages at the Community Play Day in Tukwila, a City Light franchise area.



Employees provided input through field visits, cross-functional workshops, team discussions, and leadership engagement.

Listening to those who are often left out

In addition to this broad outreach, we held community conversations and focus groups with priority populations and key partners, including:

- Communities historically underrepresented in planning processes
- Youth and young adults
- Business customers
- Community-based organizations
- City Light employees

What we heard

- **Reliability is the top priority.** Customers count on City Light to keep the power on, restore it quickly when it goes out, and provide timely updates so they know what to expect.
- **Affordability is critical.** Customers want electricity bills that are steady and affordable, without unexpected increases.
- **A healthy environment matters.** Our community cares deeply about the environment and is depending on us to provide energy in a way that limits harm to our planet.
- **The transition to clean energy must be fair.** Customers expect City Light to improve access to programs and services to ensure benefits are shared across all communities.

By incorporating this feedback into our strategic planning efforts, we will be better positioned to deliver outcomes that benefit everyone.

We will continue checking in with customers and community partners to understand what success looks like and partner on solutions to get there, together.

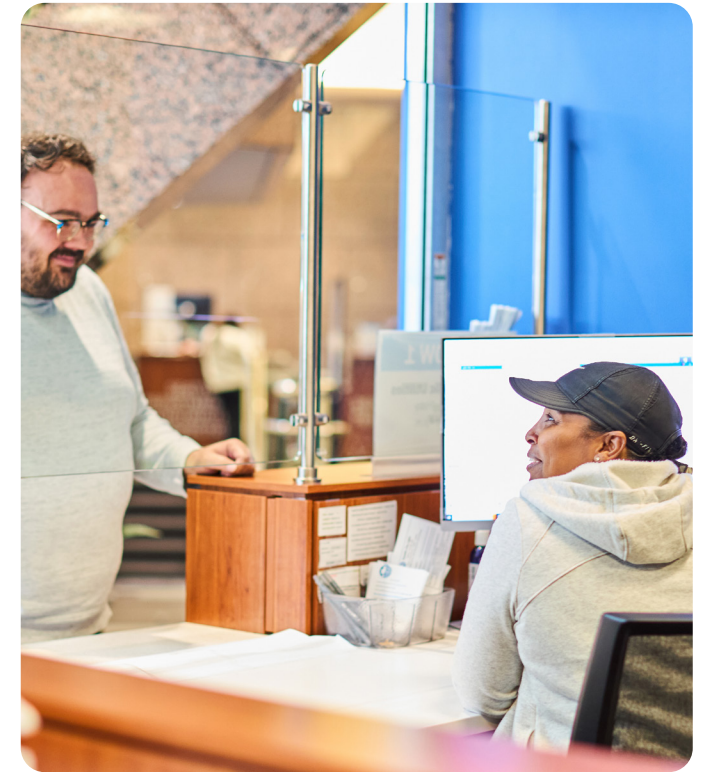


ACCOMPLISHMENTS

The following accomplishments highlight our ongoing commitment to improving the reliability of our systems, building trust among the communities we serve, and partnering with our customers to meet today's challenges while building a stronger energy future.

Making our electric system more reliable and resilient

- City Light is committed to restoring power to our customers as quickly as possible. After a severe windstorm impacted 64,000 customers in February 2025, our crews safely restored power to 98% of affected customers within 24 hours.
- Our new voluntary demand-response program invites our largest customers to use less power when demand spikes, like during extreme hot or cold weather. This allows City Light to avoid costly market purchases and/or receive higher prices for surplus energy sales. The program delivers value to the utility, program participants, and the broader community by helping keep electricity affordable, reliable, and environmentally responsible.
- City Light is proud to have earned a Diamond Level Reliable Public Power Provider (RP3) designation from the American Public Power Association—the highest level possible. This recognition reflects our commitment to industry-leading reliability, safety, workforce development, and system improvement practices. Only 251 of more than 2,000 public power utilities nationwide hold an RP3 designation.
- In December 2025, City Light signed a 16-year contract with the Bonneville Power Administration (BPA) to guarantee access to the Federal Columbia River Power System. As a public preference customer within the BPA system, City Light has access to some of the lowest cost wholesale power in the region. Historically, we have received approximately 45-50% of our resource needs from BPA. The new contract, which begins in October 2028, is expected to provide a similar amount of clean energy with a higher degree of flexibility.



Seattle City Light is committed to providing our customers with the best possible service.

Supporting our customers and community

- Seattle City Light continues to deliver excellent customer experiences for our residential and business customers. Our accomplishments in the [JD Power](#) and [Escalent Studies](#) show our commitment to making experiences easy, accessible, and valuable to our customers.
- Working with the City of Seattle Department of Neighborhoods, we are reaching more communities that are often left out of decision making, and we are helping more people get connected to utility bill assistance programs and other energy support programs like HomeWise and Multifamily Retrofit.
- To better serve our diverse community, we partnered with Seattle Public Utilities to improve the accessibility of our customer contact center. Customers may now choose from eight language options when they call our customer service center. By offering additional language options, we are helping more customers get the assistance they need.



Stewarding the environment and creating a sustainable energy future

- We celebrated a successful first year at the Native Salmonid Conservation Facility in Usk, Washington, where we completed the full lifecycle of Westslope cutthroat trout, preserving genetic diversity and supporting recreational fishing. Collaborative efforts with the Kalispel Tribe and local agencies have strengthened ecosystems and community ties in the Pend Oreille River Watershed.
- In September 2025, the Seattle City Council approved our 2026-2029 Clean Energy Implementation Plan, which details how we'll meet Washington's goal of 100% renewable and non-emitting electricity by 2045. The plan reflects months of extensive customer input and emphasizes equity, reduced energy burden, improved community health, and expanded access to green jobs.
- In July 2025, City Light hosted Senator Patty Murray, along with clean energy and climate action leaders, for a discussion on cuts to clean energy tax credits and their far-reaching impacts on our region's environment, economy, and energy security. Even with these challenges, City Light is continuing to invest in clean energy resources to meet growing demand.

Preparing the workforce to meet new energy demands

- Our Electric Vehicle Charging Installer Program is helping electrical contractors who are women- and minority-owned business enterprises (WMBE) thrive in the emerging EV charging market. In 2025, we supported 15 WMBE firms with tools, training, certifications, and access to business opportunities.



Ribbon cutting ceremony for EV charging stations at Somaki Commons, an affordable housing project. The project was completed by an EVCIIP contractor, Andrew's Electric (pictured). The project was also a recipient of City Light's Public Charging incentive.

Using technology in strategic and innovative ways

- In 2025, we began using LiDAR to precisely map and manage vegetation along 600 miles of transmission lines, improving grid safety and wildfire prevention. Our innovative work earned us national recognition in October, when we received the Francis Upton Top Innovator in Analytics in Utility Service award.



FOCUS AREA: RELIABILITY

Uninterrupted power is essential to our customers' lives.

By 2035, Seattle City Light will rank among the best for power reliability. In addition to consistently delivering exceptional electric service to our community, we will minimize power outages and communicate clearly when they occur.

Measures of Success

We aim to achieve and maintain a ranking in the top 25% of utilities nationally (as measured by the American Public Power Association) across three critical reliability metrics:

- **System Average Interruption Duration Index (SAIDI)** reducing the total hours customers are without power
- **System Average Interruption Frequency Index (SAIFI)** decreasing the number of outages
- **Customer Average Interruption Duration Index (CAIDI)**—lowering the average time to restore power when outages occur

In addition to the above measures of success, investing in our infrastructure will result in fewer planned outages and faster recovery from storm-related outages.

Outcomes

Asset Portfolio Health

Our equipment consistently performs well, avoiding predictable and preventable equipment failures.

Restoration Time

Outages are rare, but when they happen, we restore power quickly.

Major Event Impact

When major disruptions like storms or earthquakes occur, we work quickly to restore essential power to our community.

Highlights

Protecting Our Physical Assets

City Light is increasing reliability by improving how we protect our system's physical assets. We are increasing our internal security resources and capability to improve physical security, better align with operations, and enable faster, more coordinated, incident response. We are also upgrading security technology like access controls, cameras, and lighting, and using threat intelligence to help keep our facilities secure. This work will lead to fewer security-related disruptions, faster service restoration, and safer workplaces and neighborhoods.

Strengthening Our Distribution System

An aging grid means more power outages and longer repairs, so City Light is upgrading key parts of our system to ensure reliable power. We're replacing aging underground cables, modernizing how our grid communicates, and adding automated "self-healing" technologies to quickly detect and isolate problems. These improvements will result in fewer, shorter outages and limit disruptions to build a more resilient grid.



Seattle City Light's outage map provides current information about power outages in your neighborhood and surrounding areas.

FOCUS AREA: POWER SUPPLY

Keeping power affordable, reliable, and sustainable—while meeting the region’s growing energy and climate needs—depends on having enough energy resources. By 2035, Seattle City Light will meet growing customer energy use through a diverse mix of demand-side resources, power, and transmission capacity.

Measures of Success

We track our performance using a long-term reliability standard that ensures we have enough energy resources to avoid shortages. Our goal is to keep the risk of an energy shortfall to no more than one day in 10 years, a benchmark that reflects a highly reliable power supply for our customers.

We will also participate in regional programs to coordinate with utilities across the West to plan for an adequate supply of resources cost-effectively.

Outcomes

Maintain Existing Generation Assets

Our hydroelectric dams are relicensed, reliable, and in strong working condition for continued safe power generation.

Acquire Generation and Transmission

We’ve secured new resources aligned with our plan, giving us confidence we can meet or exceed future peak demand.

Manage Load Growth and Peaks

We partner with our customers to power a more resilient and affordable energy future by activating local resources like energy efficiency, rooftop solar, and demand response to manage growing demand, while reinvesting in the communities we serve.

Optimize Power Resources

We forecast accurately and use our assets and the energy market strategically to maximize value for our customers and the region.

Highlights

Acquiring Generation and Transmission Resources

Guided by our Integrated Resource Plan, we will add a mix of new generation and storage resources through competitive project bids, power purchase agreements, and third-party projects, and by strengthening the tools we use to ensure our load and power supply stay in balance.

Addressing Customer Demand

City Light is helping customers manage their energy use and save money through an expanded portfolio of customer energy programs including time-of-use rates, solar and battery storage, and new energy-efficiency offerings. These efforts will reduce rate pressure, improve reliability, deliver environmental benefits, and support workforce development opportunities in our communities.



We’re here to help you manage your energy use! To learn more, contact our Energy Advisors at (206) 684-3800 or SCL_EnergyAdvisor@seattle.gov.



FOCUS AREA: CUSTOMER EXPERIENCE



By 2035, Seattle City Light will deepen its role as a trusted energy partner, delivering positive and equitable experiences for all customers.

As a community-owned not-for-profit energy provider, we are committed to giving every customer access to the energy services they need, now and in the future.

Measures of Success

Earning and maintaining a No. 1 ranking among all utilities across the nation as measured by JD Power's Overall Customer Satisfaction score.

Outcomes

Customer Trust

Customers trust us to be transparent, proactive, and solutions-focused; they hear from us first and trust our response.

Customer Effort

Our customers consistently get fast answers, simple processes, and support that fits seamlessly into their lives.



Our Energy Heroes program partners with schools to engage students in grades 1-12 on subjects like energy conservation and electrical safety, renewable energy, sustainability, electrification, and equity.



City Light staff shared energy saving tips and resources at an "Earth Day, Every Day" event in Shoreline.

Highlights

Enhancing Customer Service Delivery

We're making it easier to do business with City Light. From service connections to utility assistance and outage communications, we're finding ways to be more proactive and reduce the time and effort it takes to get help. In coming years, we'll continue rolling out tools and upgrades that speed up transactions and make information easier to find.

Partnering with Customers and Community

Our new outreach and engagement framework focuses on building lasting relationships across our service area and ensuring our programs and investments reflect community priorities. We will show up at events, offer multiple feedback channels, build neighborhood-based partnerships, and invest in community capacity building. By listening, learning, and acting on what matters most, we aim to build trust and deliver results that truly serve our customers and communities.

FOCUS AREA: SUSTAINABILITY

By 2035, City Light will stand out as a high performer in utility sustainability by reducing carbon emissions, supporting electrification, and protecting the environment.

To us, sustainability means providing equitable clean energy services that support a healthy environment, economic opportunity, and resilient communities today and in the future.¹ We will embed sustainability across our planning, investments, operations, workforce, and culture.

Measures of Success

Ranking in the top 10% of the Escalent Environmental Dedication and Engaged Customer Relationship Indexes, and demonstrating that customers see and value our sustainability efforts.

Outcomes

Environmental Stewardship

We steadily reduce emissions from our operations and power supply and are a recognized leader for environmental responsibility, with initiatives that support salmon recovery and restoring ecosystems.

Strategic Partnerships

We're a trusted partner, building collaborations that benefit both our communities and our utility. We work with City departments, regional agencies, community-based organizations, and other partners to advance shared goals, including joint efforts on electrification and equitable access to clean-energy solutions such as community solar.

Highlights

Supporting the Transition to Electric Vehicles

City Light is expanding electric vehicle (EV) charging and incentives to make the switch easier and more equitable. We're partnering with the Seattle Department of Transportation to add curbside chargers in underserved neighborhoods and fast chargers at libraries, parks, and community centers. Customers can continue to access multifamily, workplace, and fleet charging incentives, streamlined rebate applications, integrated Clean Fuel Standard credits, and fleet electrification support. As EV adoption grows, these programs will work hand-in-hand with time-of-use rates and customer flexibility offerings to help manage system load and support a reliable grid.

Reducing the Energy Burden

Many households face a high energy burden, spending much of their income on electricity. We're reducing energy burden by updating the Utility Discount Program with broader benefits, simple applications, and multilingual support, and boosting enrollment through proactive outreach.



Since 1999, Seattle City Light's Wildlife Research Grants Program has supported over 80 projects that help us better understand, manage, and protect wildlife resources in the North Cascades ecosystem.



¹ Clean energy means fully renewable or non-emitting, as defined by the Clean Energy Transformation Act.



FOCUS AREA: WORKFORCE

By 2035, City Light will build and support a highly skilled, diverse, resilient, and agile workforce to meet the changing demands of the energy sector. We will attract and retain top talent, foster a workplace culture that reflects our values, and prepare employees for emerging technologies and roles.

By aligning our workforce strategy with our long-term goals, we enable reliable service delivery, support innovation and creativity, and strengthen the communities we serve.

Measures of Success

Employee engagement scores reach 80% or higher in each business unit and workforce excellence drives success across reliability, customer focus, power supply, sustainability, and technology.

Outcomes

Model a Safe and Secure Work Environment

Employees embody a shared responsibility and proactive approach to both physical and psychological safety—and we strive to continually raise the bar.

Intentional Workplace Culture

Our culture is aligned with our values. Employees feel engaged and see themselves in our mission.

Skilled Workforce

Our people are well trained and prepared to meet our customers' evolving needs. Staff recognize skills needed for the future and have a pathway to develop those skills.

Supportive Systems and Processes

Employees have the tools, clarity, and support they need to work effectively and deliver on results.



Seattle City Light employees connect with attendees at the annual Washington Women in Trades fair at Seattle Center.

Highlights

Enhancing our Workforce Strategy

To deliver on our strategic plan, we need the right people, tools, and training at the right time. To make this happen, we're implementing utility-wide workforce planning and resource allocation tools, standardizing processes, and using better data to guide our decisions. Leaders will have clear performance expectations and the training they need to support their teams. We are also expanding our apprenticeship programs and industry connections to build a strong workforce pipeline.

Ensuring Healthy Work Environments

City Light is committed to providing a safe and secure work environment for our 1,900 employees. We're making improvements to our aging facilities so employees can focus on essential work—fixing roof leaks, addressing HVAC and plumbing issues, and correcting other safety and building concerns. We're also aligning power generation sites under consistent standards to support safer, more efficient operations.



City Light's paid apprenticeships help people get the experience they need for a career in the electrical utility industry.

FOCUS AREA: TECHNOLOGY

By 2035, Seattle City Light will use technology strategically to enhance the customer experience, improve grid performance and reliability, empower our workforce with better tools and information, and ensure our systems remain secure and resilient.

We will deliver reliable, sustainable, and secure energy to our community, while positioning Seattle City Light as a technology leader in the utility sector.

Measures of Success

We will know our technology implementation is successful when we see improvements in customer experience, operational efficiency, and community trust driven by technological advancements that enhance reliability, support resilient grid operations, and improve the service delivery.

Outcomes

Modern Grid and Utility Digital Solutions

We will modernize grid management and customer-facing technologies to create a more reliable, efficient, and responsive utility. These investments will enhance real-time visibility and control across grid operations and support the integration of distributed energy resources. At the same time, these technologies will provide a seamless digital customer experience, enabling customers to access services anytime, anywhere through intuitive, connected, and user-friendly tools.

Cyber/Physical Security and Network Modernization

We will strengthen our cybersecurity and physical security posture to reduce operational and cyber risk and better protect our critical infrastructure. Modernizing these capabilities is essential to safeguarding customer and employee data, maintaining operational continuity, and sustaining public trust. These investments will help ensure our systems and facilities remain resilient, secure, and prepared to address emerging threats.

Data Analytics and AI Enablement

We are building data, analytics, and AI capabilities to enable faster and smarter decision-making. By improving access to reliable information and providing advanced tools, we can strengthen planning, ensure grid reliability, increase operational efficiency, support our workforce, and ultimately deliver better service to our customers.

Highlights

Upgrading Critical Technologies

We are upgrading key technologies to make City Light more reliable, secure, efficient, and resilient. New, integrated systems will replace outdated, fragmented tools, improving everything from billing and service requests to operational decision-making, grid management, and clean energy initiatives. These investments will improve the customer experience, strengthen grid reliability and efficiency, strengthen cybersecurity, and improve overall operations.

Protecting Your Infrastructure

Cybersecurity is more important than ever. As cyber threats become more sophisticated and persistent, updating our cybersecurity is key to safeguarding our critical infrastructure and protecting customers' data. To ensure our cybersecurity systems are robust and effective, we will conduct internal and third-party assessments and develop a roadmap to address any necessary improvements.

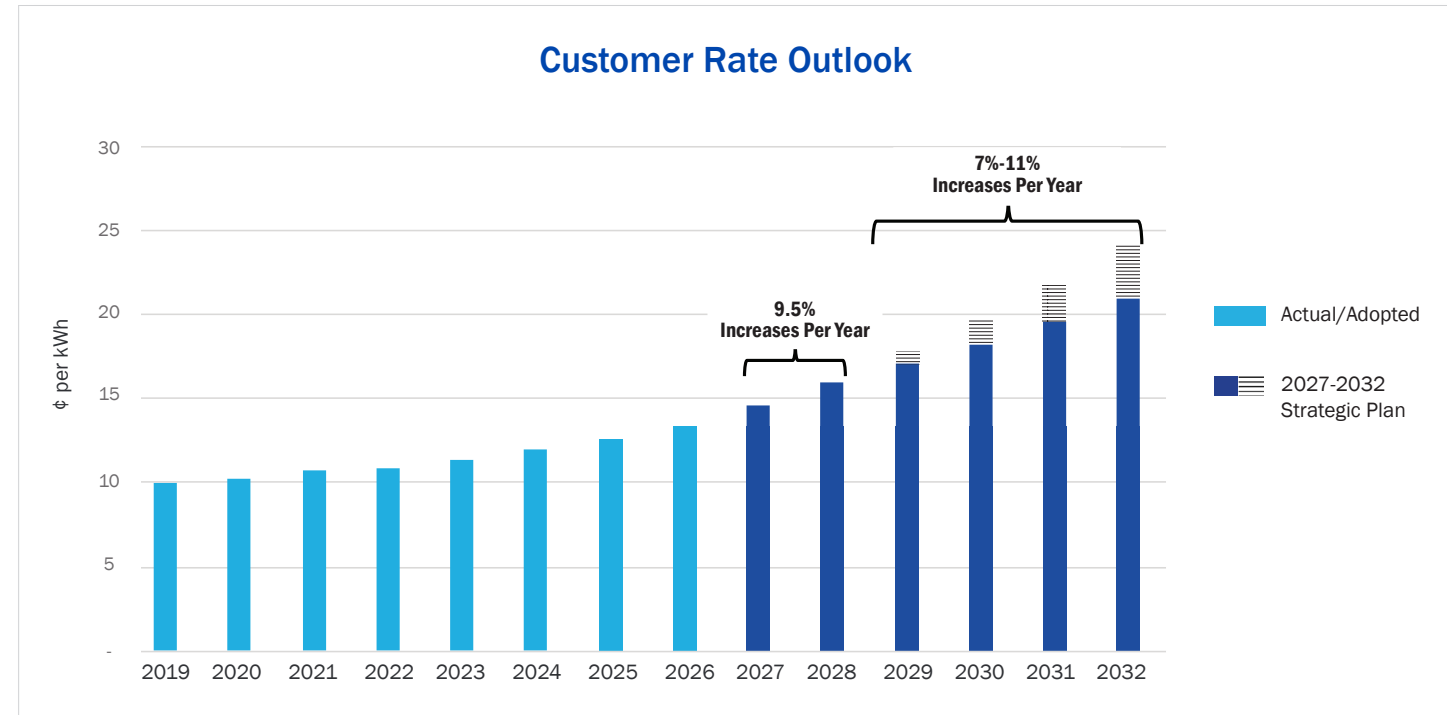


In 2026, City Light will roll out Time of Use rates, which encourage customers to use electricity when power is cheaper and demand is lower, helping to reduce strain on the electric grid. These rates give customers choice, flexibility, and control, with new ways to manage their energy bills while helping make our energy grid more efficient.

RATES

2027-2032 Rate Path

Achieving the goals and outcomes described in this Strategic Plan will require 9.5% annual rate increases in 2027 and 2028, followed by increases in the 7% to 11% range each year for the following four years.



As a public utility, our purpose is to serve this community. We do not operate for profit or growth. Our commitment is to deliver safe, reliable, and clean electricity at the best value possible. We recognize that electricity bills are only one piece of the rising costs families and businesses are facing. As we move forward with the critical investments described in this plan, we remain firmly dedicated to managing costs responsibly and making the most of each dollar entrusted to us by you, our customers.

Bill Impacts

The 9.5% annual rate increase for 2027 and 2028 translates to about \$7.50 a month for a typical residential bill or \$5 a month for a typical residential Utility Discount Program (UDP) bill.

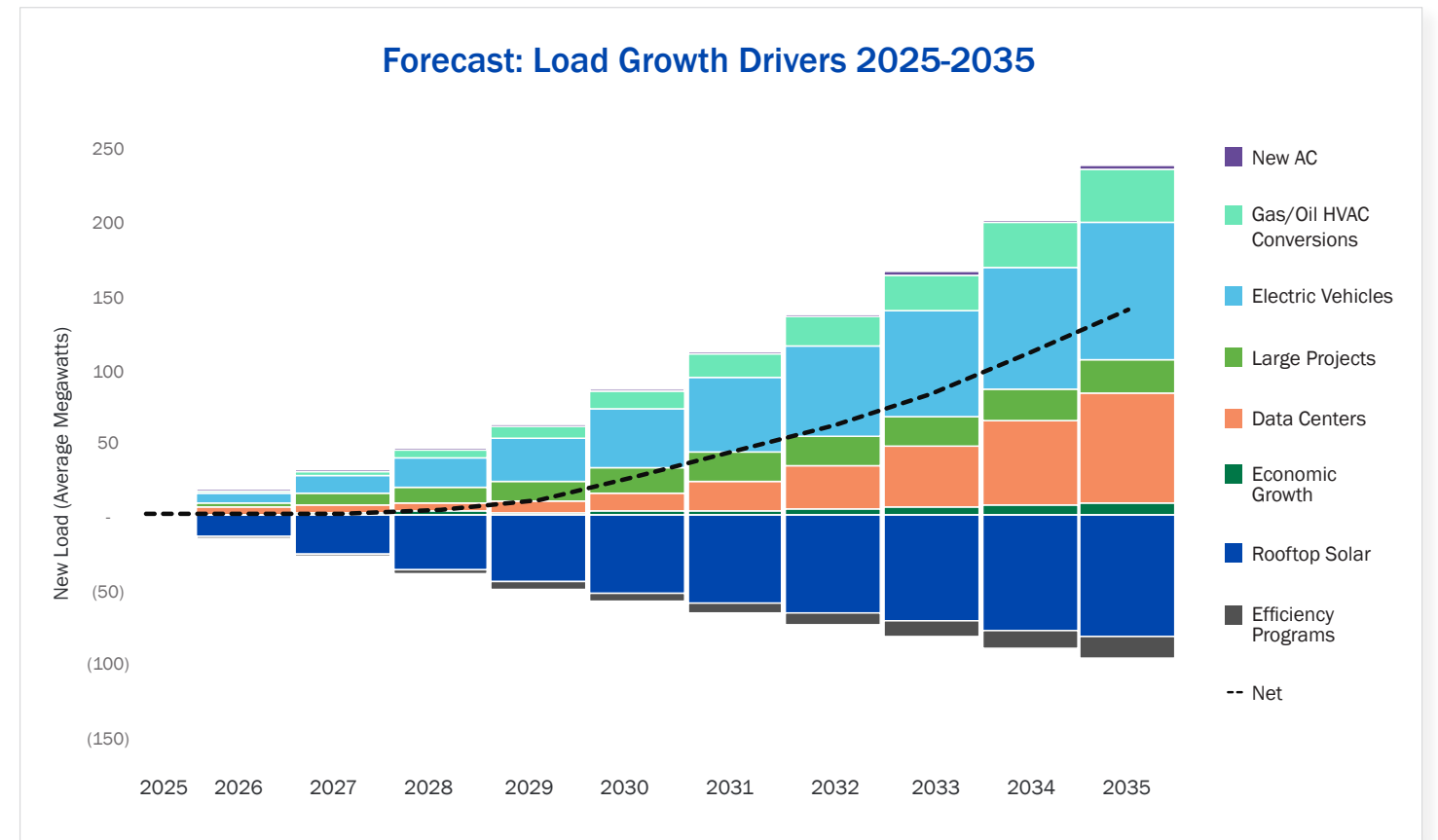
Customer Bill Impact Examples

| Example Customer | Monthly Bill (2026) | Monthly Increase (2027) | Monthly Increase (2028) |
|---|---------------------|-------------------------|-------------------------|
| Apartment – Electric Heat | \$74 | \$7 | \$8 |
| Single-Family Home – Electric Heat | \$124 | \$12 | \$13 |
| UDP Single-Family Home – Electric Heat (60% discount) | \$50 | \$5 | \$5 |
| Small Commercial (Small Office) | \$173 | \$16 | \$18 |
| Medium Commercial (Small Grocery Store) | \$3,863 | \$367 | \$402 |
| Large Commercial (Hospital) | \$162,727 | \$15,459 | \$16,928 |
| Large Network (Data Center) | \$250,316 | \$23,780 | \$26,039 |

RATES

Factors Impacting Rates

Substantial load growth, spurred by electric vehicle adoption, building electrification, and new energy users like data centers, is driving up the cost of providing power to our customers.



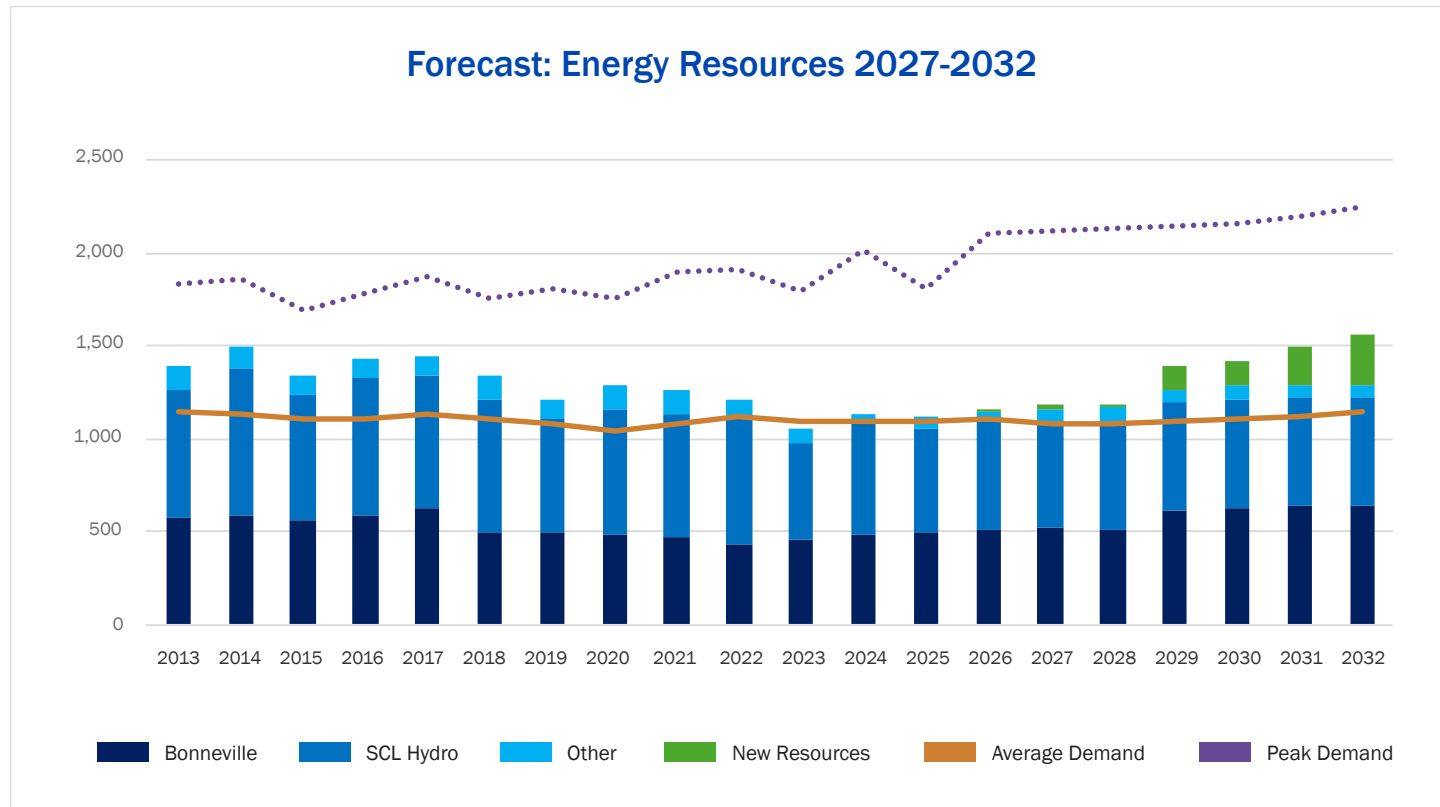
Demand for energy is expected to increase around 13% by 2035, primarily driven by transportation electrification and data centers, followed by conversions to electric heating and cooling and large infrastructure projects. Economic growth and increased use of air conditioning also play a role. New investments in energy efficiency programs and rooftop solar are expected to offset some of this growth.

Alongside rising electricity use, we are experiencing the impact of climate change on our power supply. City Light customers have benefited from low-cost hydropower for decades, but reduced snowpack and low water years have left those power supply resources on the decline.

The growth in load paired with the decrease in supply and an increasingly expensive wholesale power market has left City Light at a tipping point—a trend we’re seeing across the industry.

To power Seattle’s future, it’s time to make generational investments to enhance our hydroelectric dams, secure new clean power resources, and expand and reinforce our electric grid.

RATES



While load growth on average is expected to rise by 13% over the next six years, peak demand in the winter is expected to increase by 19%. Ensuring reliable access to power for our customers on the coldest winter days means we can't just rely on the wholesale market. We must build new generation or enter into long-term power supply contracts. By 2032, we expect at least 18% of our power to come from new resources.

Strengthening Financial Stability

In response to growing demand and increasing wholesale market risk, City Light is taking steps to bolster financial resilience and rate stability. These include:

New Large-Load Policy

To responsibly manage the rising demand driven by data centers, electrification, and other major power users, City Light plans to introduce new rate classes for certain new large commercial and industrial customer uses. Creating separate rates for the businesses that plan to grow their electricity consumption helps ensure they are paying the true cost of serving them and not shifting costs or risks onto the community.

Rate Stabilization Account Expansion

City Light's Rate Stabilization Account (RSA) is a "rainy day" fund intended to protect customers from major rate hikes due to market fluctuations. As power costs have become more unpredictable due to climate-driven swings in hydropower and increasing volatility in wholesale energy markets, our current \$100 million RSA reserve is no longer enough. To keep rates more stable, we are expanding the RSA to ensure reliable financial protection amid growing uncertainty.

AFFORDABILITY

City Light is committed to ensuring all customers have access to clean, affordable, and reliable electricity no matter their financial circumstances. We offer a variety of programs and tools to help customers manage their energy use and afford their utility bills.

Reducing Energy Costs

We provide rebates and incentives for efficient appliances and home energy solutions, such as smart thermostats and heat pump water heaters. Customers can also use our tools and resources to monitor their use and achieve their energy goals.

Learn more at seattle.gov/city-light/energy-tips

For commercial and industrial customers, we offer innovative energy programs that can help businesses improve energy performance, reduce operating costs, and achieve sustainability goals.

Learn more at seattle.gov/city-light/business-solutions/large-commercial-and-industrial-business-solutions

Utility Assistance Programs

We offer utility bill assistance programs to help customers manage their utility bills.

- **Payment Plans** – Pay past-due balances in smaller installments, over time.
- **Utility Discount Program (UDP)** – A 60% discount for income-qualified customers.
- **Bill Assistance** – Emergency Bill Assistance and Project Share provide financial support for income-qualified customers.

We are continuously improving our assistance programs. For 2027, we are proposing to expand UDP income eligibility from 70% of state median income to 60% of area median income, making more City Light customers eligible for this support.

Learn more about utility assistance at seattle.gov/UDP.





REVIEW PANEL

The Seattle City Light Review Panel is comprised of nine members drawn from among City Light's customers. Five members are nominated by the Mayor and four members are nominated by the City Council. The Panel is responsible for reviewing and assessing City Light's strategic plan and provides an opinion on the merits of the plan and future revisions to it to the Mayor and the City Council.

Bruce Flory, Retired Utilities Economist
Position 1: Economist

Louis Ernst, Finance Manager, Amazon
Position 2: Financial Analyst

Kerry Meade, Executive Director, Northwest Energy Efficiency Council
Position 3: Non-Profit Energy Efficiency Advocate

Leo Lam, Chief Executive Officer, WEVE Design Chair;
Position 4: Residential Customer Representative

Ryan Monson, General Manager, Sabey Data Center's Seattle Campus
Position 5: Commercial Customer Representative

Toyin Olowu, Finance Manager and Controller, Nucor Seattle Steel Division
Position 6: Industrial Customer Representative

Oksana Savolyuk, Energy Program Director, Multi-Service Center
Position 7: Low-Income Customer Representative

Gina Cristina Sima, Senior Product Marketing Manager, Microsoft
Position 8: At-Large Customer Representative

Joel Paisner, Partner, Ascent Law Partners, LLP
Co-Chair; Position 9: Suburban Franchise Representative

Seattle City Light 2027-2028 Rate Ordinance

April 28, 2026

Rate proposal shared with Mayor's Executive Team. Use of the Mayor's template does not indicate authorship or approval.

Agenda

Discuss and align on five key decisions for SCL Rate Ordinance:

1. Utility Discount Program (UDP) expansion - *pipeline on Mar 13*
2. Large Load Policy for new data centers - *pipeline on Apr 16*
- 3. Rate Stabilization Account (RSA) expansion - *briefing Mar 24***
4. 9.5% Strategic Plan rate path - *pipeline Apr 22*
- 5. 2027-28 rate schedules & rate design - *new***

Policy Decision #1: UDP Program Expansion

- **Rate Ordinance expands eligibility for Utility Discount Program (UDP) to 60% of AMI from 70% of SMI**
 - Adds about 31k eligible customers
 - Cost: additional \$5.0M in assistance
- Assistance provided in 2025:
 - UDP: \$27.0M, 37k participants
 - EBA: \$4.2M, 6k participants
- UDP provides a 60% rate discount for eligible customers to reduce energy burden
 - Industry guideline says customer “energy burden” should be less than 6% of income

MEAN 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% |

Policy Decision #2: Large Load Policy

- Creates a customer class that applies to **data centers** with new or expanded service greater than **10 MVA**
- Customer signs a **Power Service Agreement** with SCL:
 - Upfront payment of all costs of building new infrastructure
 - SCL sources power and transmission
 - Customer is responsible for all costs for term of agreement
- Customer rates are based on **marginal cost to serve their new load**
- Customer **waits in queue** until SCL sources power to serve new load and completes interconnection requirements

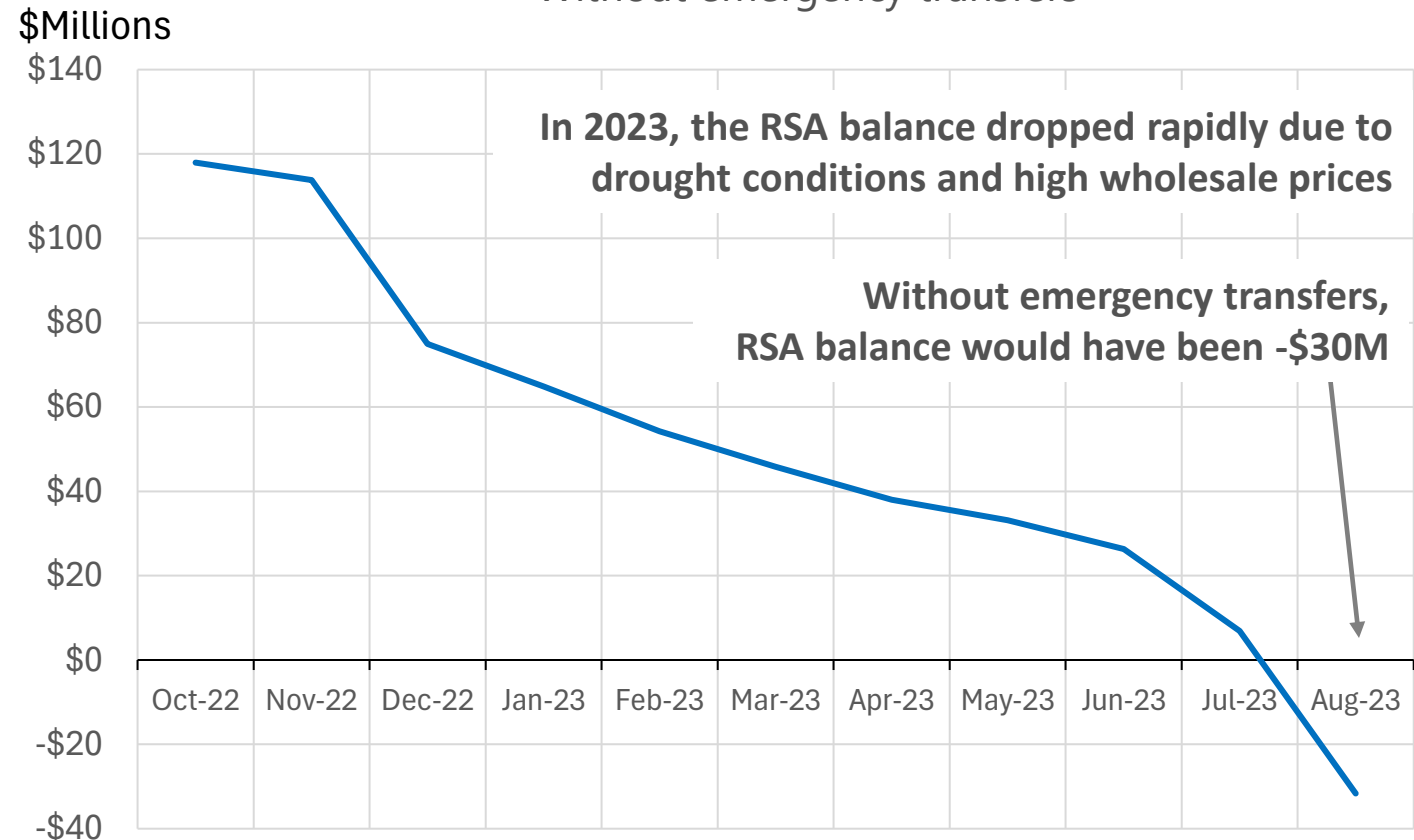
Policy Decision #3: Expand RSA

| Risk | Assumption Embedded in Rates | Current | Proposed | Change |
|---------------------------------|--|----------------------------|-----------------------------|------------------|
| Market Price | Wholesale Sales Price Wholesale Purchase Price | ✓ | ✓ | Expand Size |
| Resource Volume | Hydro Generation Wind/Solar Output Other Resources | ✓ | ✓ | Expand Size |
| Resource Cost | Long-Term Power Contract Costs | BPA only | ✓ | Broaden Coverage |
| Retail Load | Heating/Cooling Load (Weather) Load Shape (Timing) | | ✓ | Broaden Coverage |
| Reserve Size Reserve Ceiling | | \$100M \$125M | \$150M \$200M | |
| Automatic Refill Surcharge | | 2% at \$75M 4% at \$50M | 2% at \$120M 5% at \$80M | Energy-only |

Right-Sizing the RSA Cash Reserve

- The RSA buffers uncontrollable costs
- A larger RSA reserve better matches current risk/inflation
- Reserve size has no direct impact on rates

2023 RSA BALANCE
Without emergency transfers*



**Emergency transfers from operating cash (\$30M in May, \$30M in August) were made in 2023 to keep the RSA solvent.*

RSA Surcharge Structure Example

The proposed RSA would apply surcharges only to energy consumption rates.

| | | Current 2% surcharge methodology | Proposed 2% surcharge methodology |
|----------------------------------|-------------|---|--|
| Residential Rates | Rate | +2% on all rates | +0.29¢/kWh on energy rates |
| Basic Service Charge - per month | \$16.78 | \$17.12 | \$16.78 |
| Energy Charge - per kWh | 14.17¢ | 14.45¢ | 14.46¢ |

no change

All customers would have the same RSA surcharge on their energy rates- a more equitable way to spread the cost of energy cost variances. This is industry best practice for a power cost adjustment.

RSA Surcharge Change: Example Bills

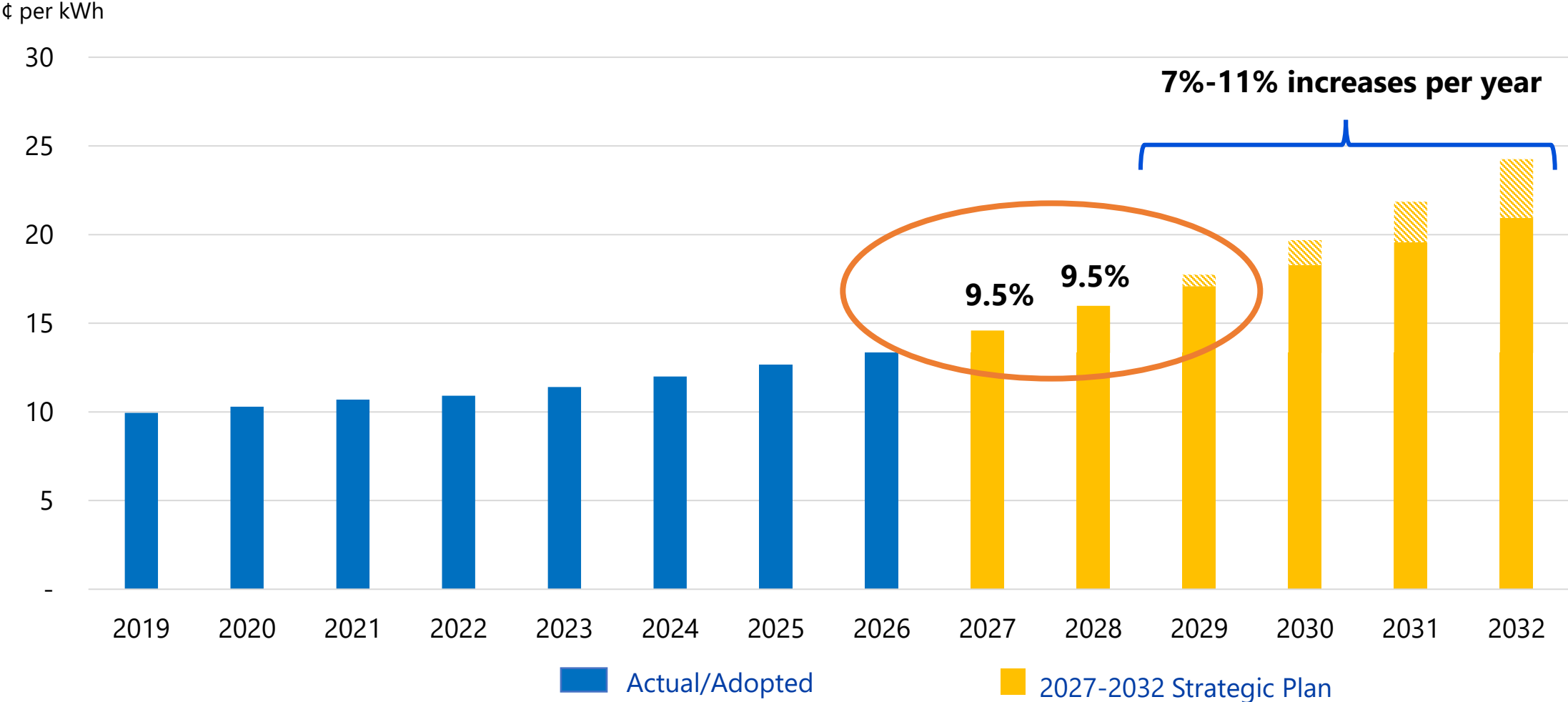
| Example Customer | Monthly Bill | 2% RSA | 2% NEW RSA | Difference* |
|-----------------------------------|--------------|----------|------------|--------------|
| Residential (634 kWh) | \$97 | \$2 | \$2 | -0.2% |
| Residential UDP (634 kWh) | \$39 | \$1 | \$1 | -0.2% |
| Residential High Use (1180 kWh) | \$170 | \$3 | \$3 | -0.1% |
| Small Commercial - Car Wash | \$965 | \$19 | \$20 | 0.1% |
| Medium Commercial - Small Grocery | \$3,863 | \$77 | \$93 | 0.4% |
| Large Commercial - Hospital | \$162,727 | \$3,255 | \$4,237 | 0.6% |
| High Demand - Data Center | \$1,003,475 | \$19,676 | \$27,335 | 0.8% |
| High Demand – Education | \$2,246,646 | \$44,933 | \$61,281 | 0.7% |
| Medium Network - Office Building | \$6,164 | \$123 | \$117 | -0.1% |
| Large Network - Office Tower | \$159,126 | \$3,183 | \$2,647 | -0.3% |

\$1.6M
cost shift



* Difference between the current RSA surcharge method and proposed new method.

Policy Decision #4: Rate Increase



Policy Decision #5: Rate Schedules & Design

2027 Standard Rates

| Residential | City | Suburban |
|------------------------------|----------|----------|
| Energy (\$/kWh) | \$0.1417 | \$0.1424 |
| Base Service Charge (\$/Day) | \$0.5518 | \$0.5518 |

| Small General Service | City | Network | Suburban |
|--------------------------------|----------|----------|----------|
| Energy (\$/kWh) | \$0.1337 | \$0.1337 | \$0.1315 |
| Base Service Charge (\$/Day) | \$0.98 | \$0.98 | \$0.98 |
| Transformer Investment (\$/kW) | \$0.33 | \$0.33 | \$0.33 |

| Medium General Service | City | Network | Suburban |
|--------------------------------|----------|----------|----------|
| Energy (\$/kWh) | \$0.1066 | \$0.1166 | \$0.1066 |
| Demand (\$/kW) | \$5.90 | \$13.41 | \$5.90 |
| Base Service Charge (\$/Day) | \$6.38 | \$6.38 | \$6.38 |
| Transformer Investment (\$/kW) | \$0.33 | \$0.33 | \$0.33 |

| Large General Service | City | Network | Suburban |
|--------------------------------|----------|----------|----------|
| Energy Peak (\$/kWh) | \$0.1266 | \$0.1370 | \$0.1266 |
| Energy Off-peak (\$/kWh) | \$0.0633 | \$0.0685 | \$0.0633 |
| Demand Peak (\$/kW) | \$5.70 | \$12.16 | \$5.70 |
| Demand Off-Peak (\$/kW) | \$0.33 | \$0.33 | \$0.33 |
| Base Service Charge (\$/Day) | \$108.82 | \$108.82 | \$108.82 |
| Transformer Investment (\$/kW) | \$0.33 | \$0.33 | \$0.33 |

| High Demand General Service | City | Suburban |
|--------------------------------|----------|----------|
| Energy Peak (\$/kWh) | \$0.1204 | \$0.1204 |
| Energy Off-peak (\$/kWh) | \$0.0602 | \$0.0602 |
| Demand Peak (\$/kW) | \$5.70 | \$5.70 |
| Demand Off-Peak (\$/kW) | \$0.33 | \$0.33 |
| Base Service Charge (\$/Day) | \$347.13 | \$347.13 |
| Transformer Investment (\$/kW) | \$0.33 | \$0.33 |

2027 Opt-In Time-Of-Use Rates

| Residential | City | Suburban |
|------------------------------|----------|----------|
| Energy Peak (\$/kWh) | \$0.1690 | \$0.1702 |
| Energy Mid-Peak (\$/kWh) | \$0.1479 | \$0.1489 |
| Energy Off-Peak (\$/kWh) | \$0.0845 | \$0.0851 |
| Base Service Charge (\$/day) | \$0.5518 | \$0.5518 |

| Small General Service | City | Network | Suburban |
|------------------------------|----------|----------|----------|
| Energy Peak (\$/kWh) | \$0.1644 | \$0.1644 | \$0.1616 |
| Energy Mid-Peak (\$/kWh) | \$0.1439 | \$0.1439 | \$0.1414 |
| Energy Off-Peak (\$/kWh) | \$0.0822 | \$0.0822 | \$0.0808 |
| Base Service Charge (\$/day) | \$0.98 | \$0.98 | \$0.98 |

| Medium General Service | City | Network | Suburban |
|------------------------------|----------|----------|----------|
| Energy Peak (\$/kWh) | \$0.1312 | \$0.1434 | \$0.1312 |
| Energy Mid-Peak (\$/kWh) | \$0.1148 | \$0.1255 | \$0.1148 |
| Energy Off-Peak (\$/kWh) | \$0.0656 | \$0.0717 | \$0.0656 |
| Demand Peak (\$/kW) | \$5.90 | \$13.41 | \$5.90 |
| Demand Off-Peak (\$/kW) | \$0.33 | \$0.33 | \$0.33 |
| Base Service Charge (\$/day) | \$6.38 | \$6.38 | \$6.38 |

2027 Commercial Charging

| Medium General Service | City | Network | Suburban |
|------------------------------|----------|----------|----------|
| Energy Peak (\$/kWh) | \$0.1470 | \$0.1782 | \$0.1470 |
| Energy Mid-Peak (\$/kWh) | \$0.1286 | \$0.1559 | \$0.1286 |
| Energy Off-Peak (\$/kWh) | \$0.0735 | \$0.0891 | \$0.0735 |
| kW Peak (\$/kW) | \$1.48 | \$3.35 | \$1.4800 |
| kW Off-Peak (\$/kW) | \$0.33 | \$0.33 | \$0.3300 |
| Base Service Charge (\$/day) | \$6.38 | \$6.38 | \$6.38 |

| Large General Service | City | Network | Suburban |
|------------------------------|----------|----------|----------|
| Energy Peak (\$/kWh) | \$0.1408 | \$0.1668 | \$0.1408 |
| Energy Off-peak (\$/kWh) | \$0.0704 | \$0.0834 | \$0.0704 |
| Demand Peak (\$/kW) | \$1.43 | \$3.04 | \$1.43 |
| Demand Off-Peak (\$/kW) | \$0.33 | \$0.33 | \$0.33 |
| Base Service Charge (\$/Day) | \$108.82 | \$108.82 | \$108.82 |

Not shown are rate schedules for specialized things such as streetlights, power factor, duct rental space, etc.

Background: Rate Setting Process

1. Revenue Requirement

Compute amount of revenue needed from retail customers



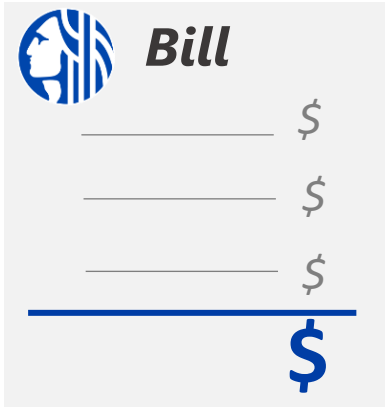
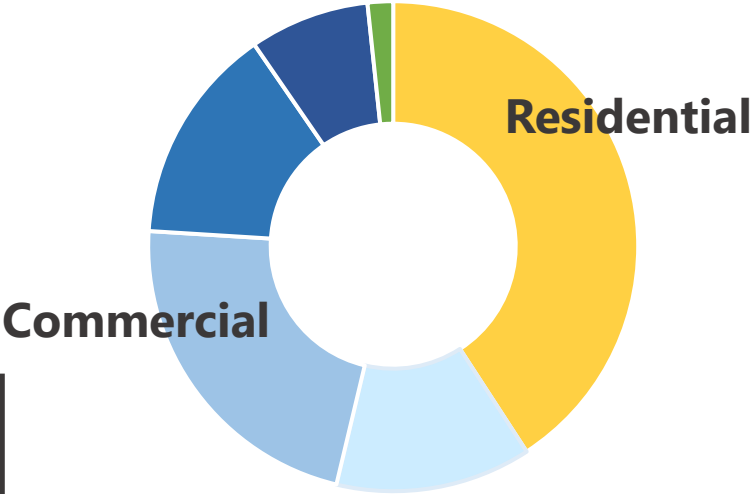
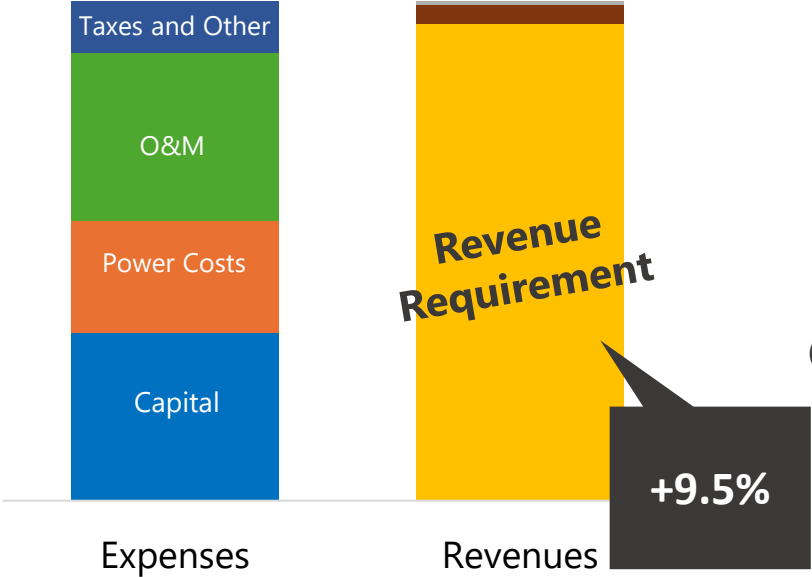
2. Cost Allocation

Assign revenue requirement to customer classes



3. Rate Design

Adjust fees and charges for cost recovery



Cost Allocation by Rate Class

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% |

Residents and general service customers will see rate increases close to the 9.5% average.

Downtown network customers will see lower increases in the 7%-8% range due to comparatively slower cost growth, network service still carries a significant premium compared to general service rates.

Streetlight rates will increase significantly, reflecting rising costs for maintenance and infrastructure

Rate Design: Residential Rates

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

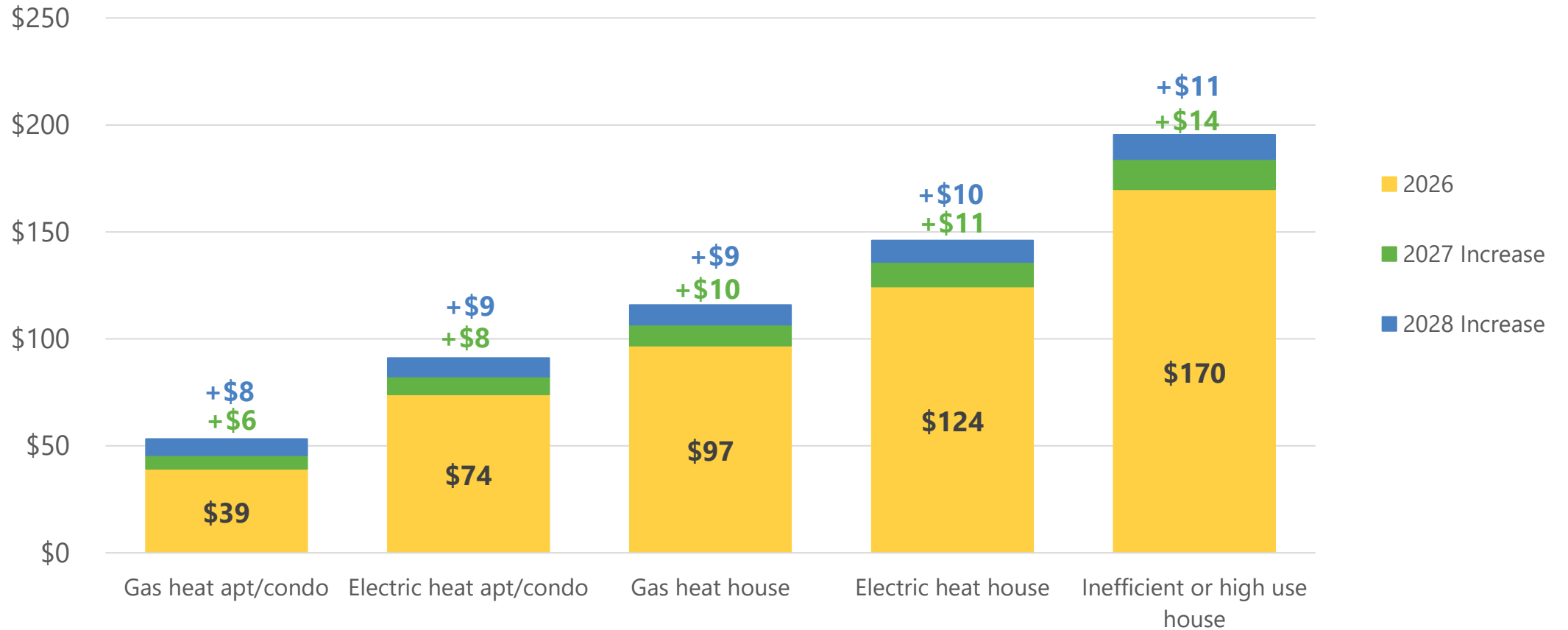
| Monthly Bills | kWh | 2026 | 2027 | Increase | % | 2028 | Increase | % |
|------------------------------|-------|-------|-------|----------|-----|-------|----------|-----|
| Apartment- Non-Electric Heat | 204 | \$39 | \$46 | \$6 | 16% | \$53 | \$8 | 17% |
| Apartment- Electric Heat | 463 | \$74 | \$82 | \$8 | 11% | \$91 | \$9 | 10% |
| SF Home- Non-Electric Heat | 634 | \$97 | \$107 | \$10 | 10% | \$116 | \$9 | 9% |
| SF Home- Electric Heat | 841 | \$124 | \$136 | \$11 | 9% | \$146 | \$10 | 7% |
| SF Home- High Use | 1,180 | \$170 | \$184 | \$14 | 8% | \$195 | \$11 | 6% |

Lower use customers have a higher percentage bill increase because the base service charge is carrying a larger proportion of the 9.5% rate increase. Part of SCL's long-term rate design strategy is to slowly increase the base service charge, aiming to collect the full cost of a customer having City Light service and being connected to the grid through this fee.

Residential Bill Impacts

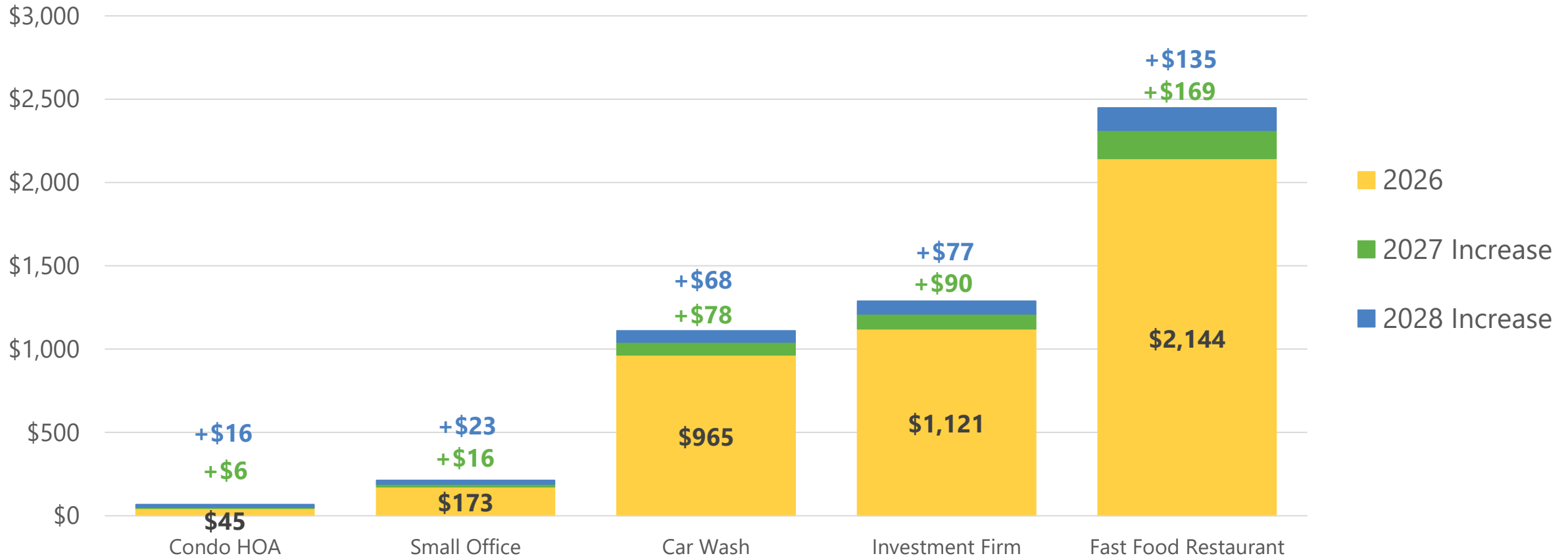
| Residential City Rates | 2026 | 2027 | 2028 |
|--------------------------------|----------|----------|----------|
| Energy (\$/kWh) | \$0.1338 | \$0.1417 | \$0.1457 |
| Base Service Charge (\$/month) | \$12.00 | \$16.78 | \$23.55 |

Residential Monthly Bill Impacts



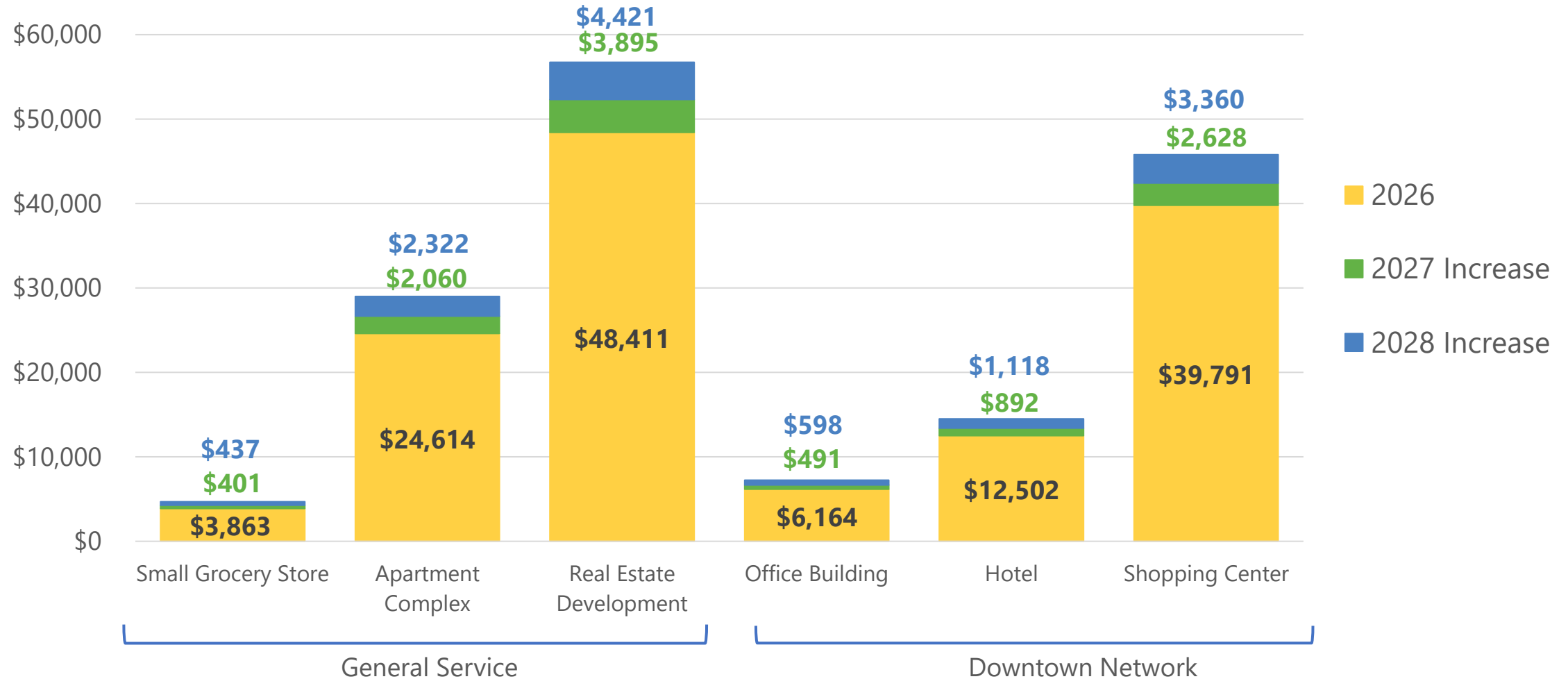
Commercial Bill Impacts: Small

Small General Service Monthly Bill Changes



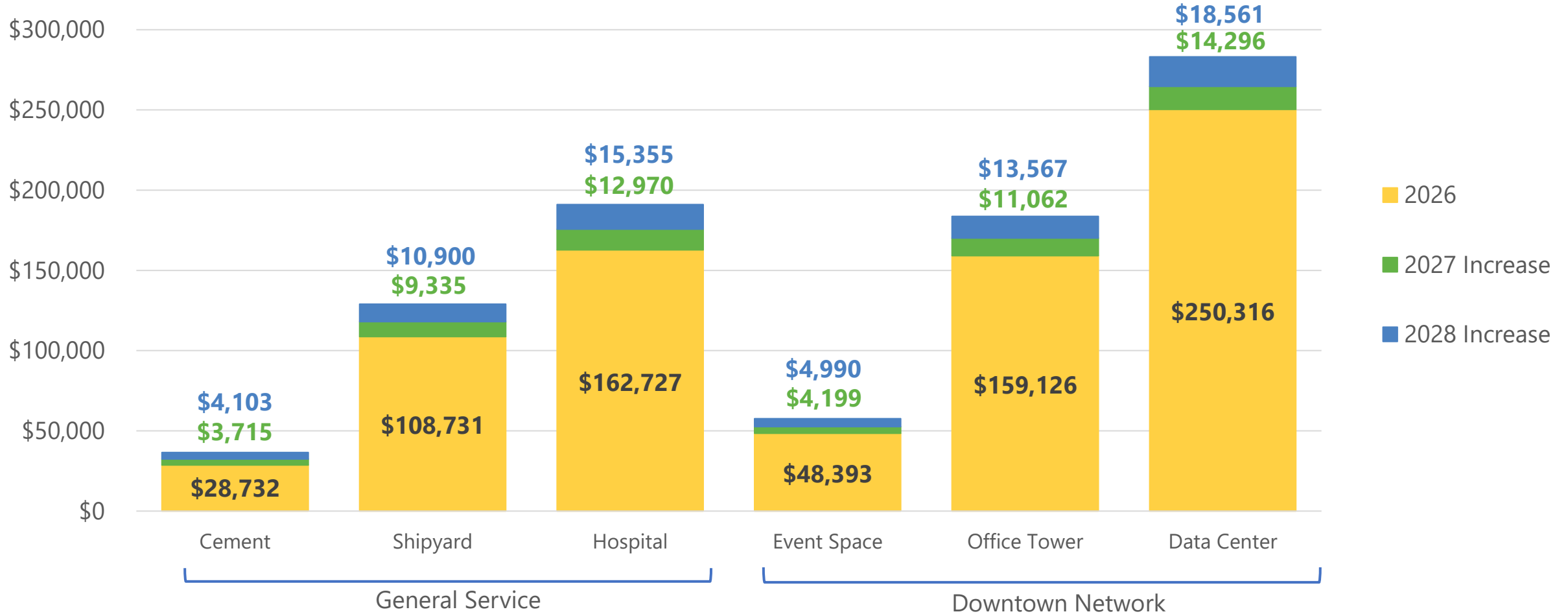
Commercial Bill Impacts: Medium

Medium General Service Monthly Bill Changes

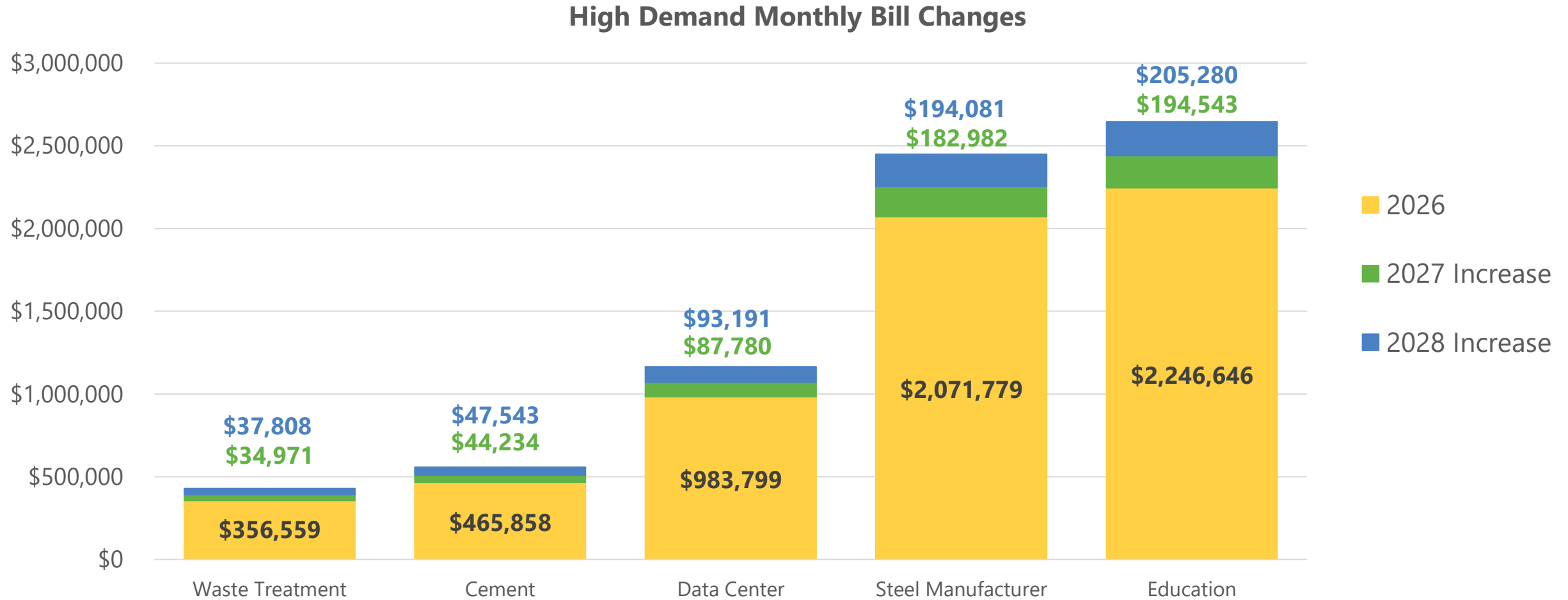


Commercial Bill Impacts: Large

Large General Service Monthly Bill Changes



Commercial Bill Impacts: High Demand



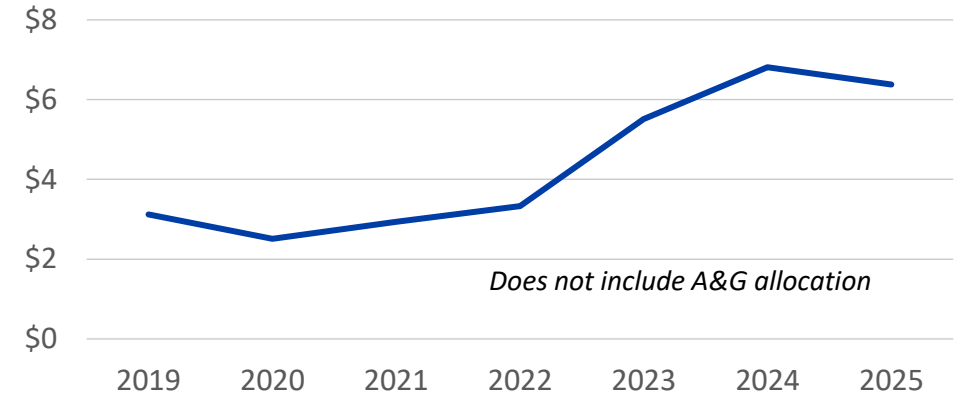
Streetlight Rates & Bill Impacts

Streetlight costs have risen significantly

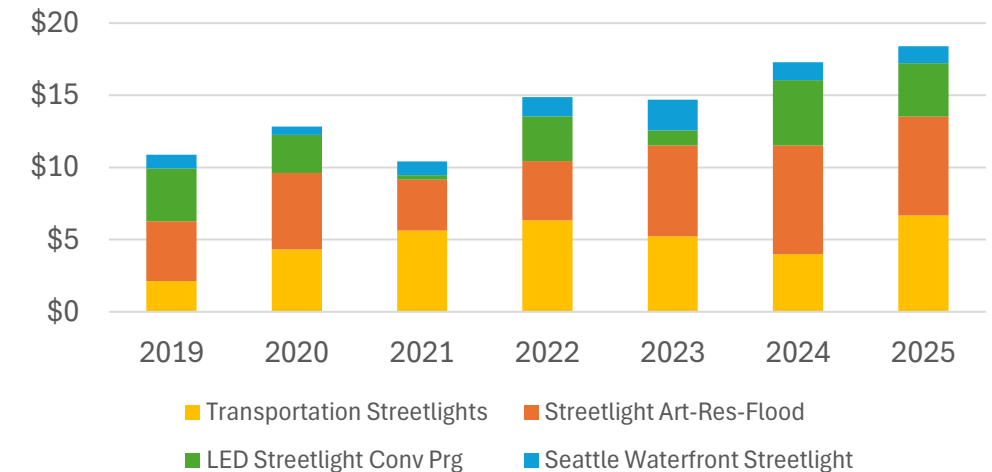
- Copper theft and vandalism protection
- Public safety focus downtown
- New waterfront infrastructure
- Inflation (wages, materials) and deferred maintenance

| | 2026 | 2027 | 2028 |
|--|--------|--------|--------|
| General Fund Annual Streetlight Bill (\$M) | \$16.3 | \$21.1 | \$25.4 |

Streetlight O&M, \$Millions



Streetlight CIP, \$ Millions



Next Steps

- **Week of May 11** - Review Panel finalizes letter endorsing Strategic Plan and rate path
- **Week of May 18** - Submit legislation in Legistar
 - Strategic Plan Resolution
 - 2027-2028 Retail Rate Ordinance
- **Goal:** Council adoption before budget process begins

Thank You

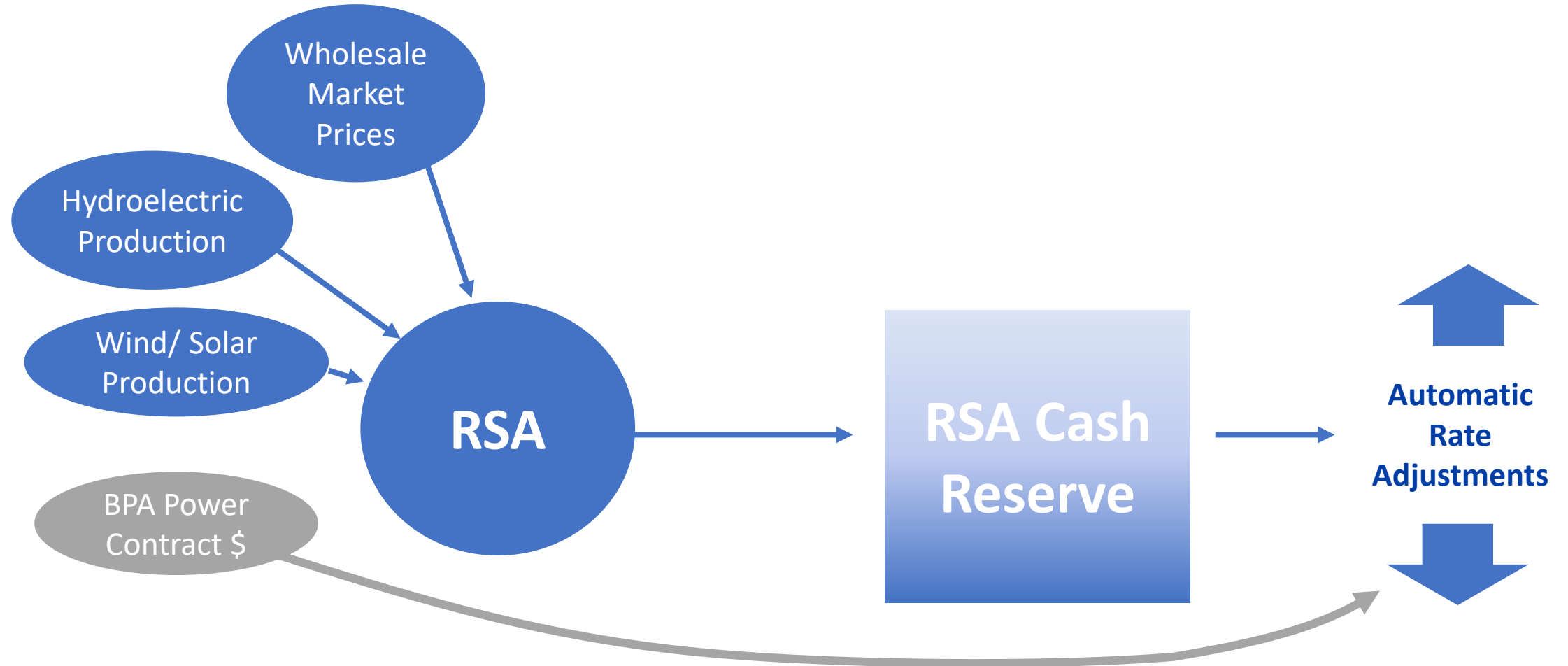
SEATTLE
CITY HALL

What is the Rate Stabilization Account (RSA)

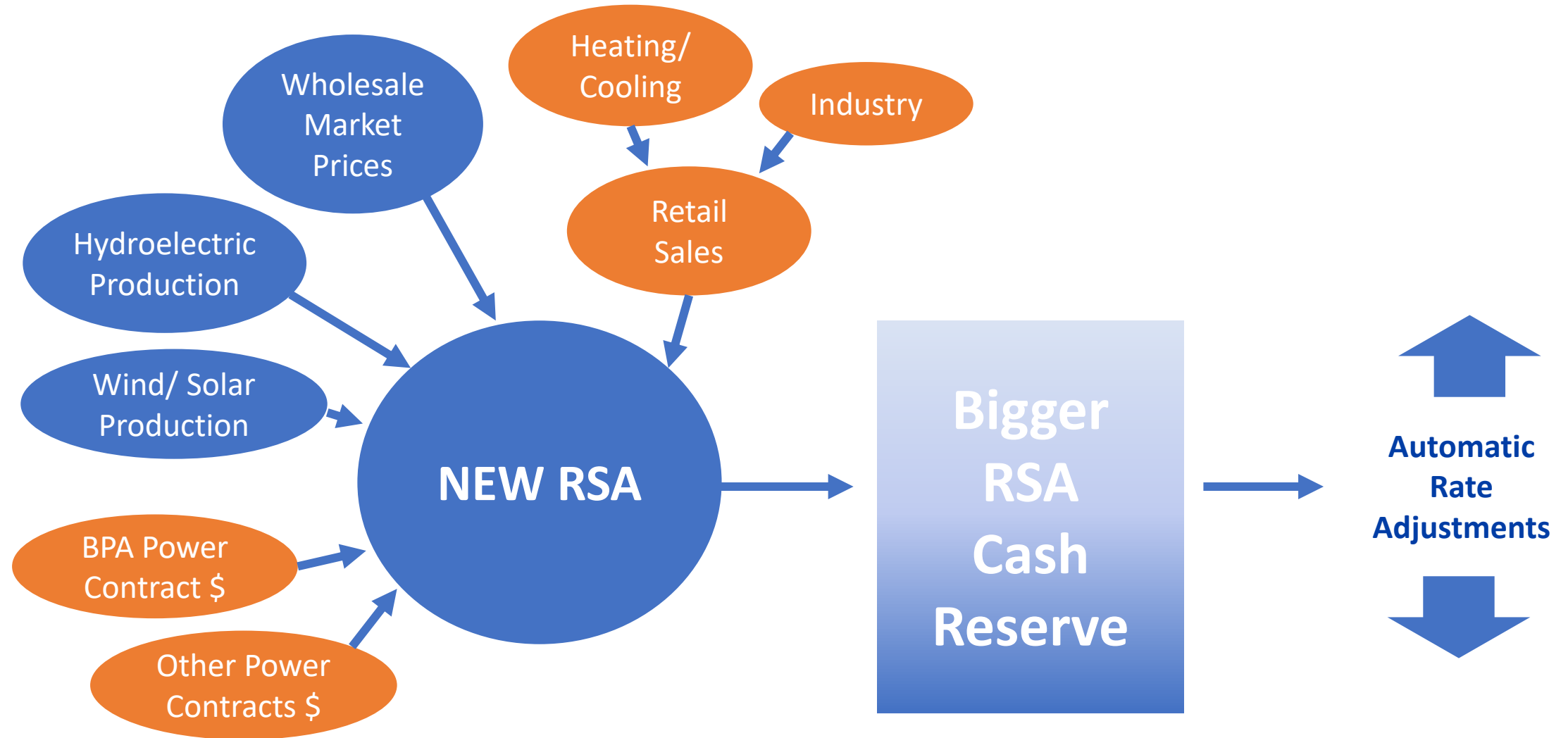
- City Light buys and sells power on the wholesale market to balance electricity supply and demand
- The RSA a restricted cash reserve that buffers uncontrollable external risks
 - Hydroelectric generation output (and wind/solar)
 - Variation in electricity demand from customers
 - Wholesale market prices
- Rules for the RSA are set in SMC
 - If costs exceed budget, the difference is withdrawn from the RSA
 - If there are surplus funds, they are deposited into the RSA
 - If the RSA becomes depleted, automatic rate surcharges are triggered to refill it

Rate Stabilization Account (RSA)

This slide has animation



Expanded RSA to Better Manage Risk



Supporting Affordability

For Income-Eligible



60% ongoing bill discount
*Utility Discount Program**



Up to \$1,670 credits on past due bills
Emergency Bill Assistance Program & Project Share



Up to \$1,250 for heating costs
Federal LIHEAP



Up to \$1,000 for energy costs
State Home Energy Assistance Program (SHEAP)

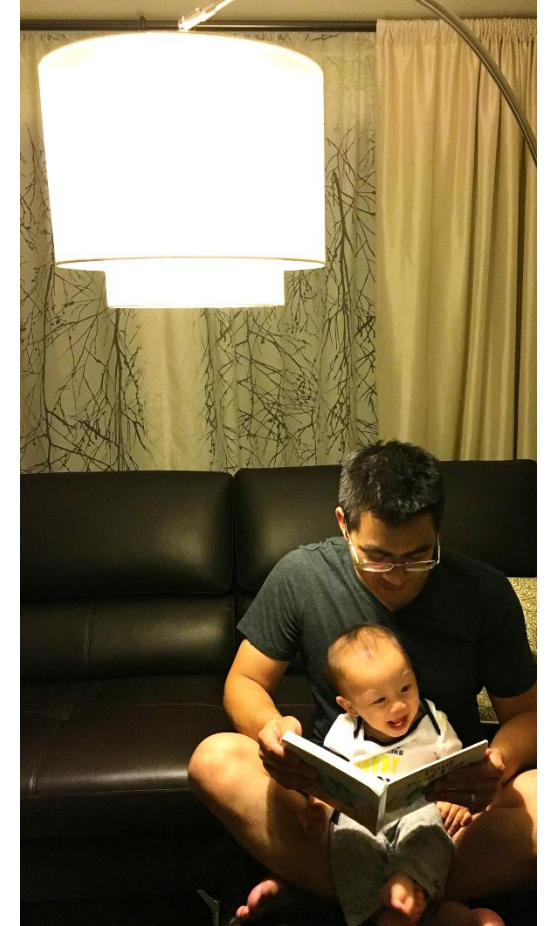
For Anyone



Option to pay a set amount each bill (readjusts annually)
Budget Billing Program



60 days to catch up on past due bills
Repayment Plan



** Proposed: Broaden income eligibility limit from 70% of state median to 60% of area median*