

UTILITIES COMMITTEE MINUTES

OCTOBER 4, 2021

12:00 P.M. – 12:35 P.M.

REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBERS KUNKEL (CHAIR), STEADMAN, AND MILLER

STAFF PRESENT: SCOTT SPENCE, TROY WOO, PETER BROOKS, BRANDON CARTER,
ELISSA FONTAINE

ACTION: APPROVE UTILITIES COMMITTEE AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS MILLER AND
KUNKEL

PSE GREEN DIRECT

STAFF: SCOTT SPENCE, CITY MANAGER

ACTION: INFORMATION ONLY

The Committee received information regarding the Puget Sound Energy (PSE) Green Direct program the City participates in. The PSE Green Direct Program allows governments and industrial customers to purchase renewable energy from various specific projects under long-term energy services agreement contracts.

Council previously received a review of the Rate Case Settlement and Green Direct Credit at the August 12, 2021 Worksession. The highlights included:

- December 2020, PSE filed a power cost only rate case (PCORC) with the UTC.
- Green Direct Credit calculation arose as an issue during closed settlement discussions.
- Some parties to the PCORC raised concerns that the methodology used to calculate the Green Direct Credit was unfairly shifting costs onto other rate payers, and advocated for a significant reduction in the value of the Green Direct Credit.
- A compromise was reached on a temporary methodology with agreement to convene discussion with all stakeholders, including Green Direct customers this summer.

- The end result is a reduction in the credit from \$0.044883/kWh to \$0.039618/kWh, or a 11.7% reduction. The impact to total charges is roughly a 6% increase.

Staff presented impacts of the 20-year projections and provided a cost overview if the City remains in the program or separates from the agreement.

The Committee directed staff to continue to provide updates as more information becomes available for the PSE Green Direct costs.

UTILITY RATES OPEN HOUSE UPDATE

STAFF: PETER BROOKS, WATER RESOURCES MANAGER

ACTION: INFORMATION ONLY

The Committee received an update on the Utilities Open House held on September 28, 2021.

At the open house, staff presented to the community on utility maintenance, utility rate making, water costs, and the water and wastewater capital improvement programs.