



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 118798

Record No.: CB 118798

Type: Ordinance (Ord)

Status: Passed

Version: 3

Ord. no: Ord 125176

In Control: City Clerk

File Created: 08/02/2016

Final Action: 11/04/2016

**Title:** AN ORDINANCE relating to the City Light Department; authorizing the Department to participate in the California Independent System Operator's Energy Imbalance Market, including authorizing the execution of any necessary agreements with the California Independent System Operator, as well as any additional agreements necessary or convenient for implementation and participation in the California Independent System Operator's Energy Imbalance Market.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Sawant

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: Wayne.Morter@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

Yes

No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	08/09/2016	Mayor's leg transmitted to Council	City Clerk			
	<b>Action Text:</b> The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
	<b>Notes:</b>						
1	City Clerk	08/09/2016	sent for review	Council President's Office			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Council President's Office						
	<b>Notes:</b>						
1	Council President's Office	08/12/2016	sent for review	Energy and Environment Committee			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Energy and Environment Committee						

Notes:

- 1 Full Council 09/12/2016 referred Energy and Environment Committee
- 1 Energy and Environment Committee 09/13/2016 discussed  
Action Text: The Council Bill (CB) was discussed.  
Notes:
- 1 Energy and Environment Committee 09/27/2016 pass as amended Pass  
Action Text: The Committee recommends that Full Council pass as amended the Council Bill (CB).  
In Favor: 2 Chair Sawant, O'Brien  
Opposed: 0
- 2 Full Council 10/10/2016 held Pass  
Action Text: The Motion carried and the Council Bill (CB) was held until October 31, 2016 by the following vote:  
Notes: Motion was made and duly seconded to hold Council Bill 118798, until October 31, 2016.  
In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant  
Opposed: 0
- 2 Full Council 10/31/2016 passed as amended Pass  
Action Text: The Motion carried, the Council Bill (CB) was passed as amended by the following vote, and the President signed the Bill:  
Notes: ACTION 1:  
  
Motion was made by Councilmember González, duly seconded and carried, to amend Council Bill 118798, by substituting Section 4, with the underlined and strike through language below:  
  
Section 4. By April 10, 2017, City Light will provide the Council's Energy and Environment Committee with a detailed analysis of costs, benefits, and potential risks of participation in the CAISO EIM ~~as the information becomes available~~ to support the Council's decision about its participation in the market.  
  
ACTION 2:  
  
Motion was made and duly seconded to pass Council Bill 118798 as amended.  
In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant  
Opposed: 0
- 3 City Clerk 11/02/2016 submitted for Mayor  
Mayor's signature  
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor  
Notes:
- 3 Mayor 11/04/2016 Signed

3 Mayor 11/04/2016 returned City Clerk

3 City Clerk 11/04/2016 attested by City  
Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.

Notes:

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CITY OF SEATTLE

ORDINANCE 125176

COUNCIL BILL 118798

AN ORDINANCE relating to the City Light Department; authorizing the Department to participate in the California Independent System Operator's Energy Imbalance Market, including authorizing the execution of any necessary agreements with the California Independent System Operator, as well as any additional agreements necessary or convenient for implementation and participation in the California Independent System Operator's Energy Imbalance Market.

WHEREAS, The City of Seattle (the "City") recognizes that the City Light Department ("City Light") experiences imbalances between its customers' demand and power supply portfolio and must therefore transact in wholesale energy markets for energy and transmission services and products to effectively manage its resources and achieve balance between supply and demand on both a short-term and a long-term basis; and

WHEREAS, Seattle Municipal Code subsection 21.49.130.B provides specific authority for City Light to enter into contracts for the acquisition, exchange or sale of short-term capacity or energy, or integration, transmission or ancillary services; and

WHEREAS, the California Independent System Operator ("CAISO") manages an Energy Imbalance Market ("EIM") that allows entities like City Light to participate in short-term energy transactions on a fifteen- and five-minute basis; and

WHEREAS, the western United States has seen an increase in the development of variable energy resources such as wind and solar generators that in turn create higher probabilities of energy imbalances in regional balancing authority areas; and

WHEREAS, City Light's generating resources, particularly its owned hydroelectric facilities, are uniquely able to respond to energy imbalance in short time increments similar to CAISO's EIM fifteen- and five-minute market dispatches; and

1 WHEREAS, City Light's participation in such a market is in line with and would further its  
2 commitment to be an environmental leader in the region and enable the broader  
3 integration of renewable resources across the western United States; and

4 WHEREAS, City Light can end its participation in the CAISO EIM on 30 days' notice without  
5 penalty; and

6 WHEREAS, City Light has conducted a cost/benefit analysis showing positive customer benefits  
7 from City Light's participation in the CAISO's EIM, but participation will require new  
8 operations technology products and upgrades to existing infrastructure as well as new  
9 business practices and processes; NOW, THEREFORE,

10 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

11 Section 1. The City Light Department ("City Light") is authorized to take all steps  
12 necessary or convenient to prepare for participation in the California Independent System  
13 Operator's ("CAISO") Energy Imbalance Market ("EIM") to the extent and for as long as the  
14 General Manager and Chief Executive Officer of City Light (the "General Manager") believes  
15 participation falls within the range of prudent utility practices for City Light.

16 Section 2. The General Manager, or the General Manager's designee, is hereby  
17 authorized to execute, for and on behalf of The City of Seattle, any agreement with the CAISO  
18 that is necessary or convenient to the purpose of preparing to participate in the CAISO's EIM,  
19 including extensions of such agreements.

20 Section 3. The General Manager, or the General Manager's designee, is further  
21 authorized to execute, for and on behalf of The City of Seattle, any additional agreement(s)  
22 necessary or convenient for the purpose of preparing to participate in the CAISO's EIM,

1 including the ability to enter and make amendments and extensions of these additional  
2 agreements associated with the CAISO's EIM implementation.

3           Section 4. By April 10, 2017, City Light will provide the Council's Energy and  
4 Environment Committee with a detailed analysis of costs, benefits, and potential risks of  
5 participation in the CAISO EIM to support the Council's decision about its participation in the  
6 market.

7

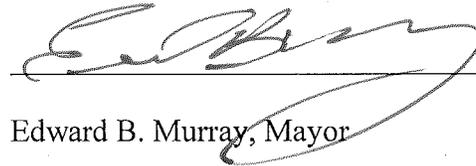
1 Section 5. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 31<sup>st</sup> day of October, 2016,  
5 and signed by me in open session in authentication of its passage this 31<sup>st</sup> day of  
6 October, 2016.

7 

8 President \_\_\_\_\_ of the City Council

9 Approved by me this 4<sup>th</sup> day of November, 2016.

10 

11 Edward B. Murray, Mayor

12 Filed by me this 4<sup>th</sup> day of NOVEMBER, 2016.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)  
16