

SCL NODO Substation Ordinance

North Downtown Load Service and Substation Program – Substation, Transmission, Network System and Network Services

Due Date of this Brief	February 23, 2012		
Supersedes	n/a		
Key Contacts	Name(s)	Phone	Short Title
	Phil West	4-3718	CSED Officer
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Council Action Required?	Yes	If YES, within the next 3 months?	
		Yes	
Public Hearing Required?	No		
Presenters (if applicable)	Jorge Carrasco - Superintendent, City Light		

Summary Statement

The City Light Department (“City Light”) is submitting legislation to the City Council to remove spending restrictions on the budget amounts appropriated to the North Downtown Load Service and Substation Project (“the Project”). City Light is also proposing allocations in the 2012-2017 adopted Capital Improvement Program (“CIP”) for the Project, specifically the:

- North Downtown Substation Development Project (CIP 7757)
- North Downtown Substation Transmission Lines Project (CIP 7125)

As part of this legislative effort, City Light is submitting the requested “convincing case” for the proposed new network distribution system and related substation. City Light is also submitting policy guidelines for future network rate determinations for the entire network service area.

Background

Over the past decade of advancing its Comprehensive Plan and Neighborhood Plan goals the guiding economic and development policies and subsequent infrastructure investments adopted by the City of Seattle (the “City”) have succeeded in making the City’s center into the region's most competitive location for biotech research and manufacturing, clean energy, advanced energy technology research, manufacturing and distribution, other high-tech research and manufacturing, and other innovative entrepreneurial high-tech industries. The urban centers that make up the North Downtown area (the South Lake Union Urban Center, the Denny Triangle area of the Downtown Urban Center, the Uptown Urban Center, and the First Hill Urban Center, collectively the “North Downtown area” or the “NODO area”) have accepted most of this development activity to date.

City Light Issue Paper

In early 2011 City Light engaged Quanta Technology to assist with analysis of the load service needs for the urban centers in the North-Central area of Seattle. This work, in addition to engineering studies conducted by City Light, has concluded the most viable, safe, reliable, and cost effective electrical power distribution system for these service areas is in the North Downtown area. As a result City Light is proposing to build a new North Downtown Network and the resultant NODO area substation (or Denny Substation). Initially, the distribution system will serve the South Lake Union Urban Center, but as load develops, it is designed to serve the other nearby urban centers. The first phase of the substation, transmission, network system, and network services will begin initial energization in late 2016.

These improvements will serve to support and sustain continuing growth with the capacity, reliability, and operational flexibility required by City Light in fulfilling its mission to provide electricity for customers located in these urban centers that are vital to the City's economic development.

Key Issues

In 2009, the City Council adopted a budget for the Project at the request of City Light. This budget placed provisos on the appropriation, restricting spending authority. City Light was not authorized to pursue design work on either the substation or any work related to the network projects. The City Council did authorize property acquisition and certain preliminary environmental work, including remediation. City Light purchased land for the substation in 2009 and is pursuing the authorized environmental work.

The City Council has stated that the spending restrictions will not be removed until City Light presents a "convincing case" for the Project and proposes comprehensive network rates for all of the City Light network service areas (Downtown, First Hill, University District, and the proposed NODO area).

Next Steps

- The City Council has approved a partial proviso lift of \$500,000 in the Q4-2011 Supplemental Budget ordinance to allow for preliminary engineering and pre-design to develop a business case and prepare for SEPA review of the Project.
- City Light is preparing documents that provide justification and a "convincing case" for the Project.
- City Light is preparing documents proposing a comprehensive policy for network rates.
- City Light is preparing to submit legislation in the Q1-2012 that will provide for:
 - Removal of all spending restrictions on the North Downtown Substation Development Project, CIP ID 7757 and obtaining spending authority for the remaining budget of \$9M in 2012. These amounts will be used for preliminary

engineering, initiating the formal SEPA review of the Project, and development of the design/build contract specification.

- Addition of North Downtown Substation Transmission Lines, CIP ID 7125 to the authorized list in adopted CIP. These amounts will be used for preliminary engineering and continued SEPA review of the Project.

- [Q1-Q2 2012]
City Light will prepare the 2013-2018 CIP so as to include all project allocations for:
 - Denny Substation Development – CIP ID 7757
 - Denny Substation Transmission Lines – CIP ID 7125
 - North Downtown System Network – CIP ID 8404
 - North Downtown Network Services – CIP ID 8405