



Office of the Washington State Auditor
Pat McCarthy

**Report on Compliance with the Energy
Independence Act**

City of Seattle, Seattle City Light

For the period January 1, 2016 through December 31, 2017

Published August 19, 2019

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**Office of the Washington State Auditor
Pat McCarthy**

August 19, 2019

Mayor and City Council
City of Seattle, Seattle City Light
Seattle, Washington

Report on Compliance with the Energy Independence Act

In November 2006, Washington voters approved Initiative 937, also referred to as the Energy Independence Act. The Act requires electric utilities with more than 25,000 customers to meet renewable energy and energy conservation targets.

Our Office is required to examine municipal utilities' and public utility districts' compliance with these targets. As of this reporting period, 12 such utilities with more than 25,000 customers were operating in Washington State. City of Seattle, Seattle City Light is one of those utilities.

Please find attached our report on City of Seattle, Seattle City Light's compliance with the Act.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

INDEPENDENT ACCOUNTANT'S REPORT

City of Seattle, Seattle City Light January 1, 2016 through December 31, 2017

Mayor and City Council
City of Seattle, Seattle City Light
Seattle, Washington

We have examined City of Seattle, Seattle City Light's compliance with the requirements of the Energy Independence Act codified in the Revised Code of Washington (RCW) 19.285.040. Specifically, we examined whether the City:

- Complied with its 224,431 megawatt-hour energy conservation target in accordance with the Act's requirements. The target compliance period was January 1, 2016 through December 31, 2017.

The City's management is responsible for the Utility's compliance with those specified requirements. Our responsibility is to express an opinion on the Utility's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Utility complied, in all material respects, with the specified requirements referenced above.

An examination involves performing procedures to obtain evidence about whether the Utility complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. In making an assessment of the risks of material noncompliance, we considered and obtained an understanding on internal control relevant to compliance in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we express no such opinion. We believe that the evidence we obtained about the energy conservation savings acquired for compliance is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Utility's compliance with specified requirements.

In our opinion, City of Seattle, Seattle City Light complied, in all material respects, with the aforementioned requirements as of the two-year energy conservation compliance period ended December 31, 2017.

Our examination disclosed no issues that are required to be reported under *Government Auditing Standards*.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy

State Auditor

Olympia, WA

August 9, 2019

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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