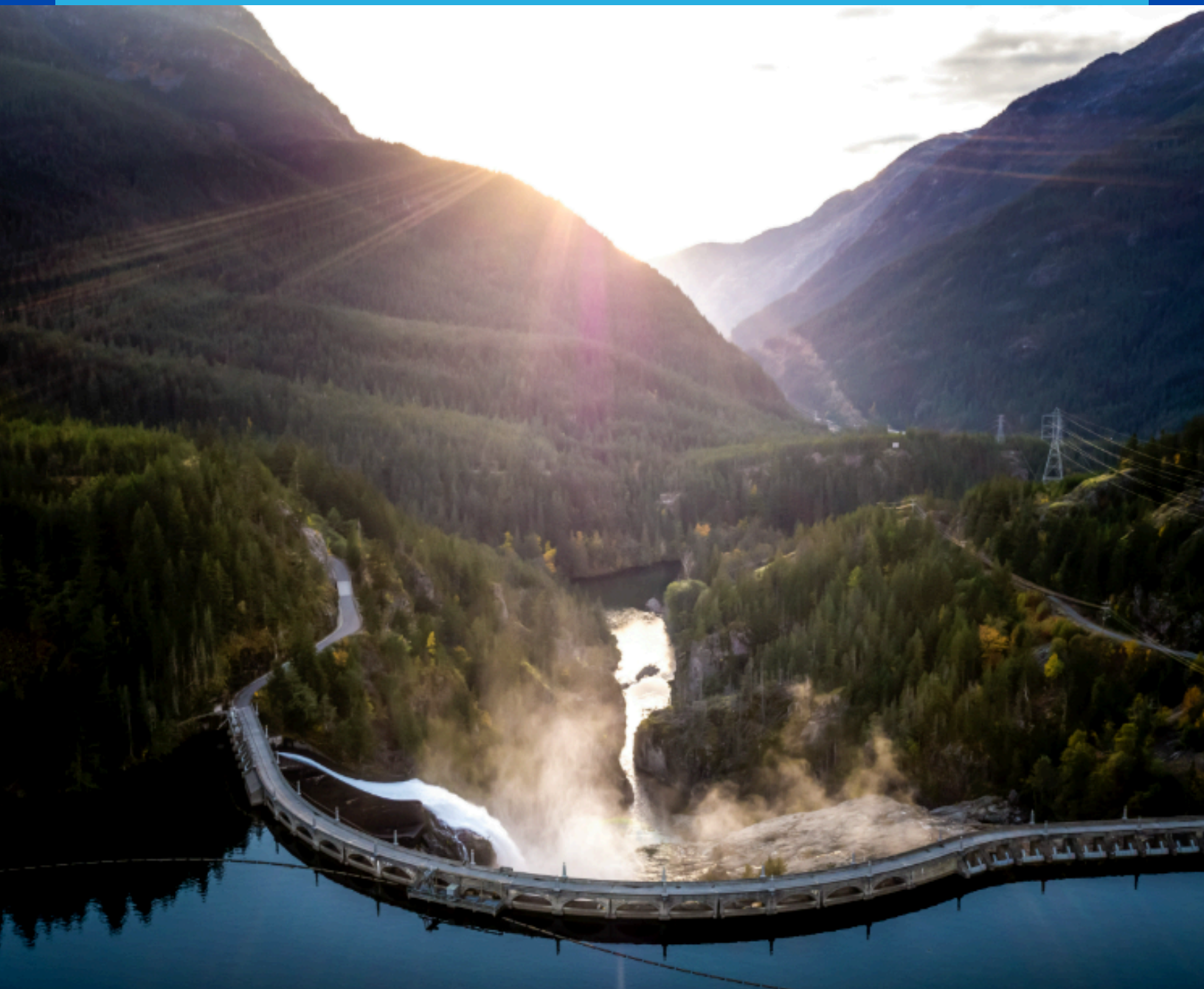


Skagit Hydroelectric Project Comprehensive Relicensing Settlement

A Shared Vision for the Next 50 Years



Skagit Project Comprehensive Relicensing Settlement: Investing in the Skagit Watershed's Future

Seattle City Light has reached a landmark Federal Energy Regulatory Commission (FERC) Relicensing Settlement with Tribes, federal and state agencies, and others to guide the future of the Skagit River Hydroelectric Project (Skagit Project). City Light is now requesting that the City Council approve this Settlement by passing legislation authorizing signature.

The Skagit Project Relicensing Settlement is the result of years of collaboration, science, and partnership with Tribes, resource agencies, local government, and community partners. This formal settlement is a major step forward in securing a new operating license for one of the City of Seattle's most important sources of renewable energy.

The settlement reflects our shared responsibility for taking care of this uniquely diverse natural area. It defines our collective approach to protect and restore fish runs for harvest, respect Tribal sovereignty, prepare for climate impacts, manage the risk of flood for downstream communities, provide education and recreation opportunities, and continue to deliver clean, reliable energy.

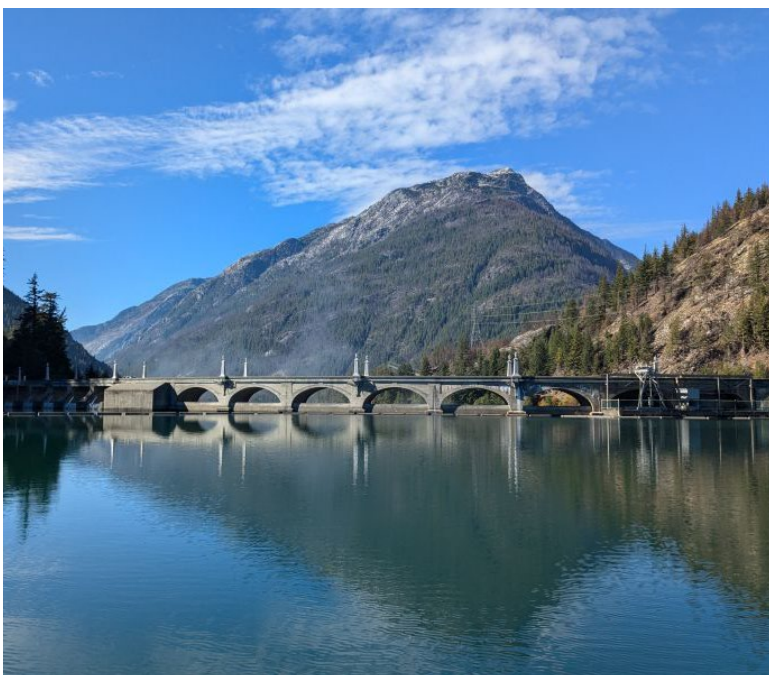
This settlement, after it is reviewed and approved by the City Council and signed by the City, will become part of the City's formal license application to the FERC for a new 50-year license to operate the Skagit Project, which provides about 20% of Seattle's electricity.

What is the Skagit Project Relicensing Settlement?

- A legal settlement among Seattle City Light, Tribes, federal, state, and county agencies, and other parties.
- Reflects agreed path forward for managing shared resources in the Skagit River Watershed.
- Requests FERC to include agreed upon protection, mitigation, and enhancement measures to become part of the new license.
- Will inform Skagit Project operations for decades.

Relicensing Settlement Parties

City of Seattle
National Marine Fisheries Service
U.S. Forest Service
U.S. Fish and Wildlife Service
National Park Service
Bureau of Indian Affairs
Washington Department of Fish and Wildlife
Washington Department of Ecology
Sauk-Suiattle Indian Tribe
Swinomish Indian Tribal Community
Upper Skagit Indian Tribe
Skagit County
and other community partners



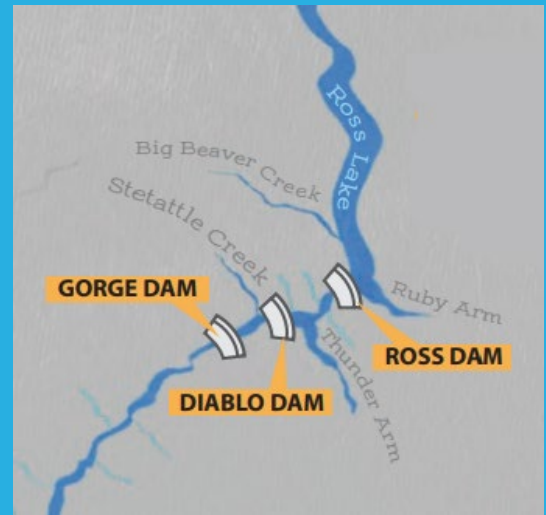
About the Skagit River Hydroelectric Project

The Skagit Project includes three power-generating facilities—Ross, Diablo, and Gorge dams—located in the upper Skagit River Watershed in the Cascade Mountains. It also includes more than 100 miles of transmission lines reaching from the Diablo switchyard, high in the mountains, to the City of Bothell.

Power Generation: Began supplying power in 1924 and today supplies about 20% of City Light’s electric power.

Operational Priorities (in order of priority): 1. Flood risk management 2. Fish protection 3. Recreation 4. Power generation.

Licensing: The current license, issued in 1995 by FERC, expired in 2025. City Light is now operating under annual licenses while seeking a new long-term license.



Relicensing Settlement Highlights

Fish Passage—Advancing Salmon Recovery and Tribal Harvest

Salmon are a vital resource to Tribes, ecosystems, and communities. The settlement commits City Light to implement a comprehensive fish passage program at the Skagit Project, intended to increase salmon harvest and support salmon recovery.

The program will take careful steps to support fish populations and protect the larger fragile river ecosystem. A continuous cycle of research will support the decisions being made by City Light and its partners to enhance the effectiveness of the program and minimize risks.



- **Sets clear goals:** Salmon recovery and improving Tribal harvest.
- **Prepares for complexities:** Includes plans for construction and long-term operations of passage at the Project.
- **Relies on science:** Tribes and federal and state resource agencies will continue to be vital partners in decision-making and program implementation. Each step will be guided by research, species-specific analysis, and adaptive management.
- **Includes feasibility criteria:** Seattle’s maximum financial contribution to the program is capped at \$979 million over the 50-year license.

Supporting Tribal Sovereignty and Cultural Resources

The relicensing settlement respects Tribal sovereignty and acknowledges cultural interests. This settlement:

- Restores river flows in culturally significant areas like the Gorge Reach.
- Protects cultural and historic resources and properties.

In addition, City Light negotiated separate, individual agreements with the Upper Skagit, Swinomish, and Sauk-Suiattle Tribes. These agreements will:

- Settle long-standing claims tied to the impacts of the Skagit Project's existence and historic and ongoing operations.
- Provide financial compensation to the Tribes.
- Support Tribal employment and education programs.
- Fund cultural centers and administrative buildings.
- Commit to energy efficiency investments on Tribal lands.



Managing Flood Risk in the Skagit Valley

The Skagit Project plays a huge role in managing flood risk in downstream Skagit Valley communities. In our rapidly changing climate, the need for electricity can fluctuate quickly, making it even more important to strengthen this protective function. The settlement:

- Updates flood storage and release protocols to continue to protect people, farmland, homes and infrastructure.
- Further aligns dam operations with local needs, including those of Skagit County and diking districts.
- Supports long-term planning for flood resilience.



Preparing for a Changing Climate

The settlement includes critical investments to help prepare for and respond to a changing climate. From managing operations as snowpack and runoff patterns change, to enhancing flood protection and building resilient infrastructure, this settlement reflects a shared understanding that climate change is reshaping the watershed.

Through a groundbreaking comprehensive ecosystem monitoring and adaptive management plan, City Light and its partners are committed to monitoring environmental conditions, using the best available science to guide decisions, and adapting operations and management activities to enhance and protect communities and ecosystems through a period of accelerating change. These commitments are designed to support the Skagit River ecosystem and provide clean energy for generations to come.

Restoring Estuary and Mainstem River Habitats for Salmon Recovery

Healthy estuary habitat is essential for salmon, and salmon are essential to Tribes, wildlife, and the region's identity. The settlement commits more than \$200 million to improve conditions throughout the watershed and support salmon recovery, including:

- **Advancing estuary restoration** to improve rearing and migration habitat for young salmon.
- **Making mainstem and upriver improvements** to remove barriers and support spawning.
- **Protecting instream flows and water quality** to support healthy fish.
- **Investing in resources** to support wildlife habitat, vegetation management, and ecological health.

Farms and Fish Can Thrive Together

Farming is essential to life in Skagit County and Washington state. That's why the settlement's estuary restoration efforts will be guided by local plans and priorities. Land will only be purchased from willing sellers.

Together, with our partners in Skagit County, we will steward the land to support salmon recovery and honor the area's farming legacy.

Enhancing Public Recreation and Education

The Skagit River Watershed is one of the wildest, most biologically diverse places in North America, making it truly special for recreation and learning. The settlement includes new investments in:

- **Improving public recreation facilities**, including trails, river access and campsites within the North Cascades National Park and the Skagit River Wild and Scenic system.
- **Supporting the Environmental Learning Center.** Owned by City Light and operated by the North Cascades Institute, the Center will continue to serve local students, surrounding communities, and utility ratepayers with hands-on outdoor education and cultural programming.



Partnering to Achieve Shared Goals

This settlement, along with City Light's Final License Application, shows how a public utility can work in true partnership with Tribes and agencies to achieve shared goals. It reflects years of collaboration and scientific study, and a commitment to the long-term health of the Skagit River. The intensive input of Tribes, federal and state agencies, local government, and others over the last seven years has been invaluable in shaping a strong path forward. Together, we've developed a blueprint for restoring salmon runs, honoring treaty rights, managing climate change, protecting communities from flooding, and delivering reliable, renewable energy to the region.

We look forward to continuing to work together as we bring these commitments to life, supporting the species and communities of the Skagit River and helping to build a cleaner, more just energy future.

What's Next: Delivering Clean Power for the Next 50 Years

The settlement will be filed as part of Seattle City Light's license application to FERC. Once the license is issued, implementation will begin immediately and continue for the duration of the term of the license.

Early Action Items

Several actions will be completed before FERC issues a new license, to lay the groundwork for long-term success:

- **Formation of the Skagit License Implementation Committee**—a collaborative group to guide the technical implementation of the license
- **Development of the Skagit River Ecosystem Monitoring and Adaptive Management Plan** to track progress and support science-based decision-making
- **Completion of the Historic Properties Management Plan** to protect and manage cultural and historic resources
- **Flow management and habitat studies** to inform actions supporting juvenile fish rearing and river health
- **Preparation of the Skagit Estuary Enhancement Plan** to restore and enhance estuarine habitat
- **Development of a Reservoir Fisheries Management Plan** to maintain ecological balance and recreational opportunities
- **Planning and design for putting flows in the Gorge Reach**—reflecting cultural and habitat values
- **Water quality monitoring and data management planning** to ensure robust tracking and reporting
- **Fish passage program early actions**, including biological studies, cost assessments, road access planning, stock selection, and development of a fish passage implementation plan



Learn more at seattle.gov/city-light/in-the-community/current-projects/skagit-relicensing.