

Seattle City Light Eyes' biggest bill increases in recent memory

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Linemen work near Seattle City Light's south service center in Seattle. By 2045, City Light estimates it will need more than double the amount of electricity Seattle consumes today. (Karen Ducey / The Seattle Times, 2025)

By

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Seattle City Light customers will likely see their electric bills rise by 9.5% in each of the next two years, the largest rate hikes in recent memory.

That's equivalent to roughly \$10 a month more for most customers.

The increases come as the municipal utility grapples with rising costs, backlogged capital needs, growing demand and more extreme weather. For years, City Light has deprioritized maintenance in favor of lower rates and customer services. But as the utility faces mounting infrastructure and energy demands, that's no longer a path it can follow.

"Ten bucks a month is a lot, and especially in the context of everything else that is getting more expensive," acknowledged Kirsty Grainger, City Light's chief financial officer. But it's an unavoidable increase that reflects the reality of Seattle's energy needs, she said.

"This is a proposal two years in the making, and it is based on extensive analysis and forecasting," she said.

The rate increase is endorsed by the independent City Light Review Panel as necessary.

Still, some members of the Seattle City Council bemoaned the added burden on customers.

“I can’t underscore enough the impact of what we’re being asked to ultimately approve here on people’s everyday lives,” Councilmember Rob Saka said in a council meeting Wednesday.

City Light customers are more used to increases of between 4% and 5% — less than the 8.6% hikes Puget Sound Energy customers have seen since 2023.

In the 2010s, economic and population growth in Seattle was balanced out by new efficiencies, particularly in new construction. In fact, the city was so good at conserving power that the department once feared consumption was not high enough to cover the utility’s ongoing costs.

But in more recent years, that picture has flipped. The electrification of buildings and vehicles has sent power use soaring as all of the low-hanging conservation efforts have been tapped. Extreme cold and heat, and wider adoption of air conditioning, has simultaneously sent the city’s peak demand periods to new heights.

That trend is projected to continue. By 2045, City Light estimates it will need more than 3,500 new megawatts — more than double the amount Seattle consumes today.

Seattle’s hydro dams won’t keep up, nor will its practice of filling holes with purchases from the Bonneville Power Administration dams on the Columbia River.

If no new power is added, the city estimates that, by 2045, it will have more than 20 days when demand exceeds supply. The industry standard is to have no more than one such day every decade.

Because City Light is barred from buying fossil fuels, bringing on new power will mean building or contracting for new wind, solar, nuclear or geothermal energy — all of which will cost more than what the existing dams provide.

Meanwhile, power generation has gotten more volatile as drought has left less water behind the city’s dams.

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Compounding the stress is rapid inflation in the cost of essential supplies and increasingly urgent capital needs. The city is in the early stages of a \$3 billion program to replace aging underground cables and upgrade the grid. It will spend \$4 billion on the Skagit River

hydroelectric project. It also expects to add one or two new substations, each likely to cost more than \$200 million.

There's also one other major question hanging over the utility: the future of data centers in the city.

They currently consume 5% of the city's energy supply. Despite a yearlong moratorium on new large-scale centers, they are expected to require significant new supply over the next 20 years.

Seattle is writing new policies to require new data centers to pay for their own grid upgrades and the cost of new supply required to run them. The goal is to not pass the cost of their energy needs on to typical customers.

Still, finding that new supply will be a scramble. Utilities in the Northwest, along with major companies, are competing for clean-energy resources in an ecosystem where the construction of new transmission lines is severely backlogged.

Seattle City Light is banking big on new wind and solar energy. It has already [brought on some new solar](#).

As part of the proposed rate increase, Seattle is proposing to expand its utility discount program. Under the new rules, anyone earning less than 60% of the area median income — or about \$69,000 for an individual — would qualify for a discount. That would add more than 30,000 new eligible customers.

If the council does not sign off on the rate increases, said Leo Lam, a member of the Seattle City Light Review Panel, “the biggest risk is we run out of power.”