

A wide-angle photograph of a city waterfront. In the foreground, a wooden pier with several white mooring posts extends into the water. A white motorboat is docked at the pier. In the background, a dense urban skyline is visible under a clear blue sky. Notable buildings include a tall, white, rectangular skyscraper and a large, curved, metallic structure. A green bridge structure is visible on the right side of the image.

Serving our customers

2022 Integrated Resource Plan (IRP)

Preliminary Findings

TACOMA POWER
TACOMA PUBLIC UTILITIES

IRP 2022 Introduction



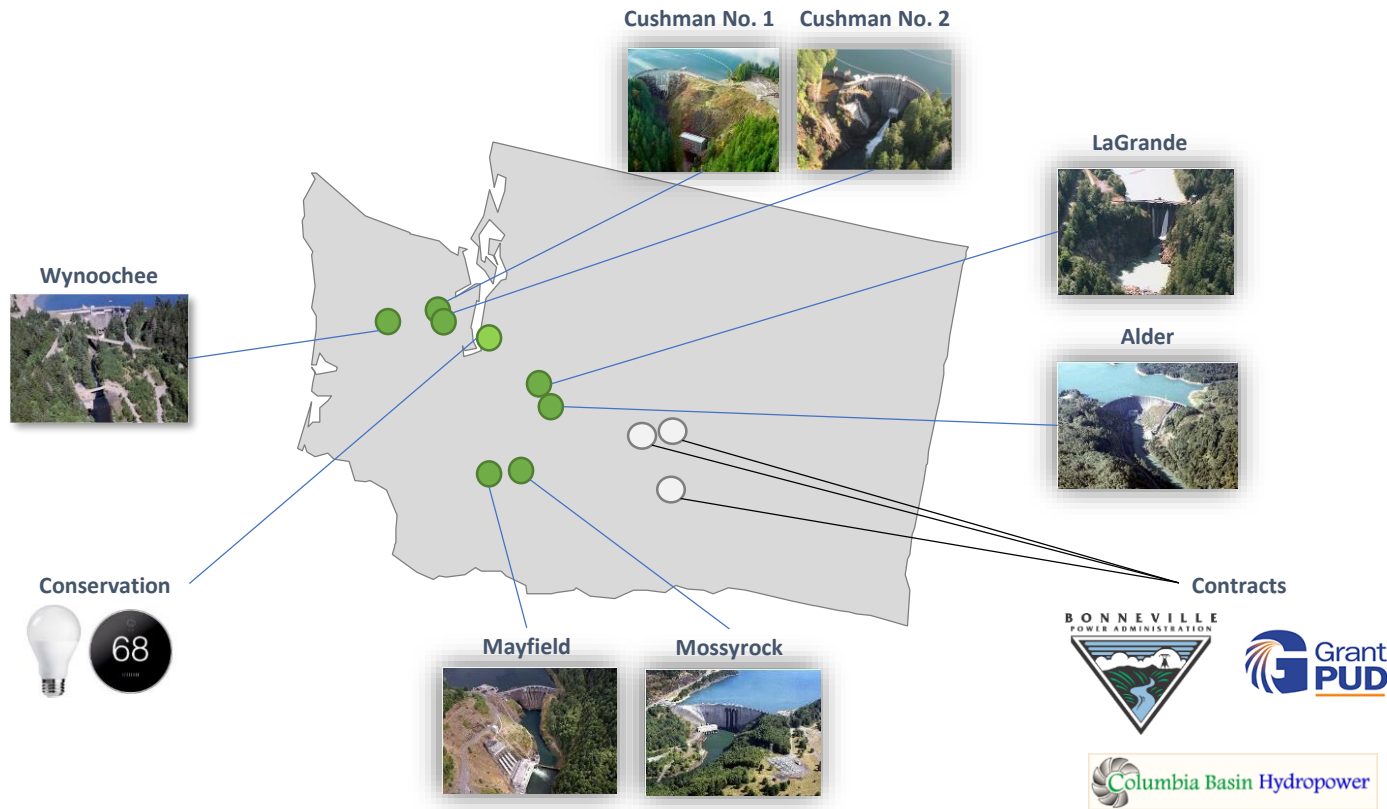
An integrated resource plan (IRP) is:

- Plan to ensure we have enough resources to meet customer needs for many years into the future

Electric utility resource plans law (19.280 RCW)

- Requires utilities to develop integrated resource plans
 - Full plan every 4 years, smaller update every 2 years in between
 - Full plan in 2020, next update due September 2022
- Plan must be approved by governing body

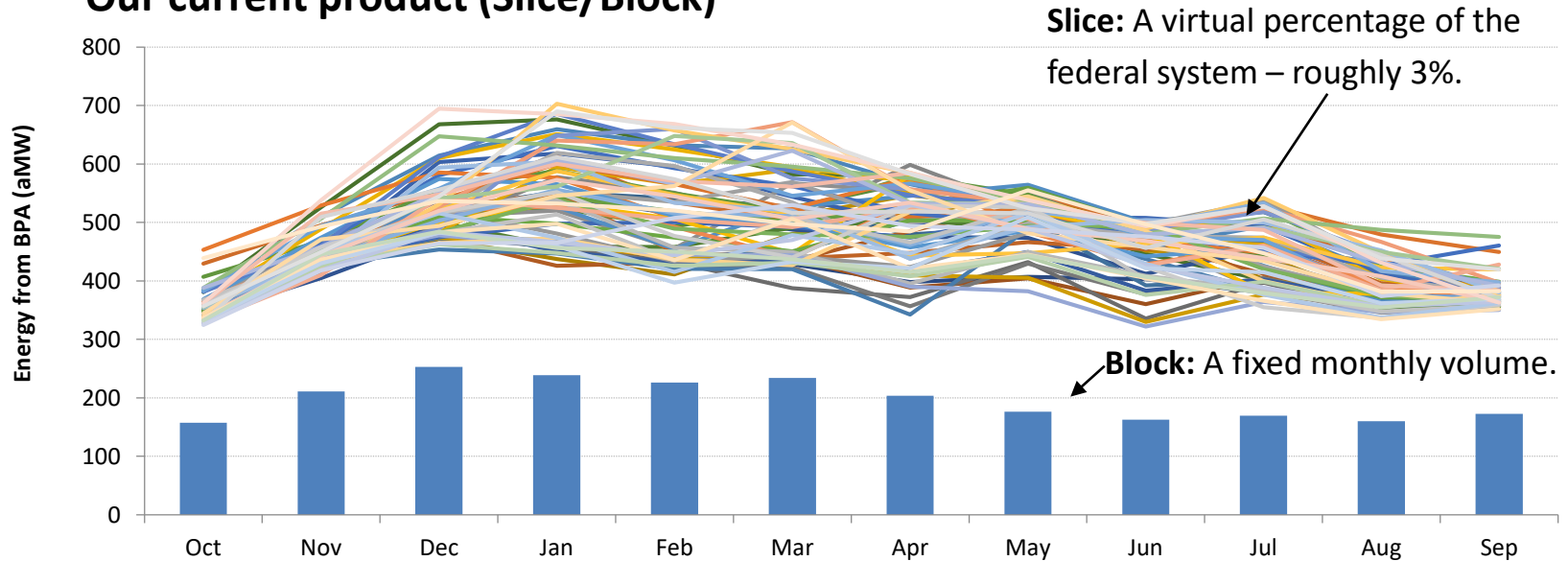
Our portfolio



Our BPA contract

- Represents ~60% of our generating resources
- BPA is a federal agency and sells power at cost
- Current Contract Expires September 2028
- Mostly hydro and 96% carbon-free

Our current product (Slice/Block)



- **Update:** BPA Contract Renewal
 - Should we renew?
 - Which product will best meet our needs if so?
 - What are the risks to renewal?
 - Are we diversified enough?
- **Update:** How will climate change impact our resource position?
- **New:** How will we ensure we have enough resources under accelerated vehicle & building electrification?
- **New:** How might we supply a large electrofuel load?

Preliminary Findings



- **To maintain reliability we need to renew BPA contract in 2028 or replace it with something else**
 - We would have severe resource deficiencies if we didn't renew BPA contract or replace it with something else
 - It would take ~550MW of “always-available capacity” to replace BPA
- **Current BPA product (Slice/Block) still looking like a promising choice**
 - Slice/Block product provides enough to meet customer needs
 - May find we're a little short with other BPA products
 - Cost analysis still under way

Important Caveat: 2022 IRP analysis assumes post-2028 BPA contract looks similar to our contract today

When are we most at risk with our current portfolio?

Wintertime

**Conditions of low
water & high
loads combined**

**Times when we
can't rely on the
wholesale market**

Bottom line: We have enough resource to meet customer needs with our current portfolio but monitor conditions that create most risk.

Next Steps



What's left to do?

BPA Renewal

- Portfolios capable of replacing BPA
- Costs vs. benefit of different BPA products
- Is there value in diversifying away from BPA a little more?
- Risks of BPA contract (Snake River dam removal, climate change, etc.)

Cost analysis

- Which portfolios are most cost-effective for our customers?

Impacts of climate change

- Modeling under way but still vetting results

Impacts of electrification & large electrofuel load

- Preliminary look at potential impacts on load complete
- Next will incorporate into system modeling

2022 IRP Schedule



June 30

Public Workshop:
Preliminary
results and
recommendations



July 13

**PUB Study
Session:** Updated
results and
recommendations



July 19

Public Workshop:
Updated results
and
recommendations



August 10

PUB Meeting:
Request approval
of 2022 IRP



September 1

IRP due to
Department of
Commerce