



APPROVED 10-23-19

MINUTES
City of Tacoma
Public Utility Board
Special Meeting
2:00 p.m.

Board Chair Larkin called the Public Utility Board study session to order at 2:01 p.m. at the Public Utilities Administration Building.

Present: Bryan Flint, Chrissy Cooley, Carlos Watson, Karen Larkin, Mark Patterson

Chair Larkin moved to convene a closed session (RCW 42.30.140(4)); seconded by Board Member Flint and passed by the Board. The closed session was adjourned at 2:45 p.m. and the Board went back into open session for the special meeting. In open session Chair Larkin moved to convene to an executive session for fifteen minutes for pending and potential litigation (RCW 42.30.110(1)(i)); seconded by Board Member Flint and passed by the Board. The executive session was convened at 2:45 p.m. and at 3:00 p.m. was extended for 10 minutes. The executive session adjourned at 3:10 p.m.

Adjournment

The special meeting was adjourned 3:10 at p.m..

Approved:

Approved:

Karen Larkin, Chair

Mark Patterson, Secretary



APPROVED 10-23-19

MINUTES
City of Tacoma
Public Utility Board Study Session
October 9, 2019
3:00 p.m.

Board Chair Larkin called the Public Utility Board study session to order at 3:12 p.m. at the Public Utilities Administration Building.

Present: Bryan Flint, Chrissy Cooley, Carlos Watson, Karen Larkin, Mark Patterson

TPU Cafeteria Services Contract

Terry Coggins, Assistant Power Section Manager, summarized the current contract for the TPU cafeteria. The contract was originally approved via Resolution U-10683 in 2014. Mr. Coggins provided an overview of the contract scope, benefits, and annual citywide expenditures. Mr. Coggins informed the Board that Tacoma Power will seek approval to extend funding with Jonz Catering, who runs the cafeteria, at a future Board meeting.

Tacoma Power: Resource Adequacy

Ray Johnson, Assistant Power Section Manager, began by defining resource adequacy as having enough resources to serve loads. Resource adequacy can be measured in different ways and on different geographic levels. Today's challenges for utilities are to provide reliable, secure electricity at least cost while complying with state regulatory mandates and while promoting consumer and local regulator preference. Mr. Johnson then shared graphical illustrations of long-term load-resource balances. Current capacity with Tacoma Power's current portfolio and future capacity post 2028 with no Bonneville Power Administration (BPA) contract was then reviewed. Mr. Johnson then addressed how the transition toward decarbonization will impact regional resource adequacy. Estimated capacity need in 2024 and what challenges utilities face in addressing resource shortfalls was discussed. Mr. Johnson then shared that a resource adequacy program coordinates and directs utility investment in dispatchable generation a few years ahead of when electricity needs to be delivered. This lead-time is necessary, as power resources take a long time to build, particularly emerging generation or storage technologies. The objective of a program is to provide reliability and lower costs and risks for ratepayers. In summary, the Western Electricity Coordinating Council region is at risk of having insufficient resources in the immediate future. Today's markets do not provide the correct incentives to assure resource adequacy that may impair the industry's ability to meet carbon goals. The region should develop a regional resource adequacy program to address the issue and increase investment in clean dispatchable generation. Tacoma

Power will not have sufficient resources after 2028. Resource adequacy needs to be a key metric for portfolios considered in the 2020 Integrated Resource Plan (IRP). Next steps for Tacoma Power are to develop new resource adequacy metrics for the 2020 IRP and explore emerging capacity and flexible capacity revenues. Tacoma Power will continue to work with other utilities through the Northwest Power Pool to develop a regional resource adequacy standard.

Real Property Disposition Policy for Affordable Housing

Dylan Harrison, Sr. Real Estate Officer, shared that the drivers for TPU’s surplus real property disposition policy are: Fair market value; City of Tacoma affordable housing and equity goals; Other governmental entity jurisdictional interests; and TPU Board strategic directives. Policies for within and outside the City of Tacoma boundaries as they relate to affordable housing and Tribal considerations were reviewed and discussed. Mr. Harrison will incorporate feedback from the discussion into the next policy draft and present the updated information to the Board at a future meeting.

Discussion of Board Policies

Board Chair Larkin led the review of the draft Strategic Directive 6 (SD6) on Innovation. Board Members provided input for Chair Larkin to include in the next draft, which will be discussed at a future study session.

Adjournment

The study session was adjourned at 5:48 p.m. until the next regularly scheduled study session on Wednesday, October 23, 2019 at 3:00 p.m.

Approved:

Approved:

Karen Larkin, Chair

Mark Patterson, Secretary