



RESOLUTION NO. U-11193

1 A RESOLUTION adopting Public Utility Board Strategic Directive (SD) Eleven
2 on Decarbonization.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
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9 WHEREAS the Strategic Directives guide TPU's efforts to effectively and
10 efficiently address current and future challenges, mitigate risks, pursue strategic
11 opportunities, optimize services for TPU customers, and capture the
12 performance expectations of the Board, and
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14 WHEREAS this resolution adopts Strategic Directive Eleven concerning
15 Decarbonization; and

16 WHEREAS TPU seeks to be a leader in decarbonization of the electric
17 utility system and transportation electrification and to promote Tacoma Power's
18 renewable and nearly carbon-free generation portfolio as a driver of economic
19 development and competitive advantage for existing customers, and
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21 WHEREAS the Values set forth in Strategic Directive Eleven are:

- 22 1. TPU is committed to advancing decarbonization of the electric utility
23 system and transportation electrification where technically and
24 economically feasible to meet these challenges today and into the
25 future;
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2. Electrification of transportation can produce new markets for TPU and can provide added revenue from surplus power that can help keep rates down for all customers;
3. The TPU Board joins the Tacoma City Council in supporting Council Resolution 40509, relating to the reality of climate change, and Council Resolution 39427, the Environmental Action Plan;
4. TPU believes that decarbonization is a vital tool to address the public emergency of climate change, and will help to minimize harm to current and future generations;
5. The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that decarbonization and transportation electrification is pursued with strict discipline through analysis, sound technical data and good management oversight;
6. TPU is committed to educating our customers on the benefits of decarbonization and transportation electrification; and
7. TPU is committed to decarbonizing our own operations and transitioning to electrified transportation as much as economically and operationally feasible, and

WHEREAS the Outcomes of this Strategic Directive include:

1. Decarbonization and transportation electrification activities are identified, deployed, and supported with financial investment;



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2. TPU will promote and support decarbonization efforts which benefit our customers, reducing their costs as well as reducing rate pressure;
3. TPU will seek opportunities to make pro-active capital investments to accommodate anticipated customer electrification and decarbonization efforts;
4. TPU will be ready to act on opportunities as they arise by researching our customers' needs and barriers with regards to transportation electrification and collaborating with federal, state, and local governments, private business, and other stakeholders;
5. TPU will leverage its abundant natural resources to support decarbonization through the development of carbon credit projects;
6. TPU will seek opportunities to reduce greenhouse gas emissions in our own activities where operationally appropriate by replacing energy-using devices with electric alternatives;
7. TPU will partner with and support the City of Tacoma in their greenhouse gas reduction efforts;
8. TPU will encourage electrification of transportation and decarbonization in the community and support with programs and initiatives in alignment with TPU business objectives and statutory authority;
9. TPU will support a legislative agenda that improves Tacoma Power's ability to advance decarbonization through increased electrification of energy use; and



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10. Decarbonization efforts are made transparent through reporting, and

WHEREAS these policies were developed at regularly-scheduled Board study sessions and/or properly-noticed public meetings and all future Board reviews and amendments will be handled similarly, and

WHEREAS the Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policies when necessary as TPU navigates changes in the utility industry, and

WHEREAS the Board and Director have determined that adopting Public Utility Board Strategic Directive Eleven on Decarbonization is in the best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That Public Utility Board Strategic Directive Eleven on Decarbonization, in the form as on file with the Clerk, is adopted and approved.

Approved as to form:

_____ Chair

/s/
Chief Deputy City Attorney

_____ Secretary

Clerk

Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: August 31, 2020
DATE: September 9, 2020

SUMMARY: A resolution adopting Public Utility Board Strategic Directives (SD) Eleven on Decarbonization.

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

This resolution adopts Strategic Directive Eleven (SD11) listed above. Strategic Directives guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize services for the TPU customers. Strategic Directives also capture the performance expectations of the Board.

Tacoma Public Utilities seeks to be a leader in decarbonization of the electric utility system and transportation electrification and to promote Tacoma Power's renewable and nearly carbon free generation portfolio as a driver of economic development and a competitive advantage for existing customers.

Values include: TPU is committed to advancing decarbonization of the electric utility system and transportation electrification where technically and economically feasible to meet these challenges today and into the future; Electrification of transportation can produce new markets for TPU and can provide added revenue from surplus power that can help keep rates down for all customers; The TPU Board joins the Tacoma City Council in supporting Council Resolution 40509, relating to the reality of climate change, and Council Resolution 39427, the Environmental Action Plan; TPU believes that decarbonization is a vital tool to address the public emergency of climate change, and will help to minimize harm to current and future generations; The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that decarbonization and transportation electrification is pursued with strict discipline through analysis, sound technical data and good management oversight; TPU is committed to educating our customers on the benefits of decarbonization and transportation electrification; TPU is committed to decarbonizing our own operations and transitioning to electrified transportation as much as economically and operationally feasible.

Outcomes include: Decarbonization and transportation electrification activities are identified, deployed, and supported with financial investment; TPU will promote and support decarbonization efforts which benefit our customers, reducing their costs as well as reducing rate pressure. TPU will seek opportunities to make proactive capital investments to accommodate anticipated customer electrification and decarbonization efforts; TPU will be ready to act on opportunities as they arise by researching our customers' needs and barriers with regards to transportation electrification and collaborating with federal, state, and local governments, private business, and other stakeholders; TPU will leverage its abundant natural resources to support decarbonization through the development of carbon credit projects; TPU will



Board Action Memorandum

seek opportunities to reduce greenhouse gas emissions in our own activities where operationally appropriate by replacing energy using devices with electric alternatives; TPU will partner with and support the City of Tacoma in their greenhouse gas reduction efforts; TPU will encourage electrification of transportation and decarbonization in the community and support with programs and initiatives in alignment with TPU business objectives and statutory authority; TPU will support a legislative agenda that improves Tacoma Power's ability to advance decarbonization through increased electrification of energy use; Decarbonization efforts are made transparent through reporting.

These policies were developed at regularly scheduled or properly-noticed Board study sessions and meetings and all future reviews and amendments to the Public Utility Board policies will be in handled similarly.

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR?
N/A

ATTACHMENTS: Strategic Directive 11 – Decarbonization

CONTACT: Jackie Flowers, Director of Utilities



PUBLIC UTILITY BOARD POLICY

Category: **Strategic Directive**

Title: **Decarbonization**

Date of Adoption: **September 9, 2020**

Policy Number: **SD-11**

Resolution No.: **U-11193**

Revision Date:

Purpose

Tacoma Public Utilities seeks to be a leader in decarbonization of the electric utility system and transportation electrification and to promote Tacoma Power's renewable and nearly carbon free generation portfolio as a driver of economic development and a competitive advantage for existing customers.

Values

1. TPU is committed to advancing decarbonization of the electric utility system and transportation electrification where technically and economically feasible to meet these challenges today and into the future.
2. Electrification of transportation can produce new markets for TPU and can provide added revenue from surplus power that can help keep rates down for all customers.
3. The TPU Board joins the Tacoma City Council in supporting Council Resolution 40509, relating to the reality of climate change, and Council Resolution 39427, the Environmental Action Plan.
4. TPU believes that decarbonization is a vital tool to address the public emergency of climate change, and will help to minimize harm to current and future generations.
5. The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that decarbonization and transportation electrification is pursued with strict discipline through analysis, sound technical data and good management oversight.

6. TPU is committed to educating our customers on the benefits of decarbonization and transportation electrification.
7. TPU is committed to decarbonizing our own operations and transitioning to electrified transportation as much as economically and operationally feasible.

Outcomes

1. Decarbonization and transportation electrification activities are identified, deployed, and supported with financial investment.
2. TPU will promote and support decarbonization efforts which benefit our customers, reducing their costs as well as reducing rate pressure. TPU will seek opportunities to make pro-active capital investments to accommodate anticipated customer electrification and decarbonization efforts.
3. TPU will be ready to act on opportunities as they arise by researching our customers' needs and barriers with regards to transportation electrification and collaborating with federal, state, and local governments, private business, and other stakeholders.
4. TPU will leverage its abundant natural resources to support decarbonization through the development of carbon credit projects.
5. TPU will seek opportunities to reduce greenhouse gas emissions in our own activities where operationally appropriate by replacing energy using devices with electric alternatives.
6. TPU will partner with and support the City of Tacoma in their greenhouse gas reduction efforts.
7. TPU will encourage electrification of transportation and decarbonization in the community and support with programs and initiatives in alignment with TPU business objectives and statutory authority.
8. TPU will support a legislative agenda that improves Tacoma Power's ability to advance decarbonization through increased electrification of energy use.
9. Decarbonization efforts are made transparent through reporting.

Measurements

1. Track progress on related Tacoma Environmental Action Plan and participate in City's Greenhouse Gas Inventory.
2. Adhere to the Transportation Electrification Strategic Plan.

3. Decarbonization goals will be reflected in long term planning such as the Power Integrated Resource Plan.
4. Track community outreach and communication activities related to decarbonization and transportation electrification.
5. Report to the Utility Board on organizational work groups who are focused on innovation, research and development, and modernization projects.
6. Individual work groups track and report progress.
7. Agree on simple metrics that can be tracked and reported. These metrics should map directly to an established value profile.

Reporting

1. Frequency: Annually
2. Reporting Method: To Be Developed.