



RESOLUTION NO. U-11198

1 A RESOLUTION adopting Public Utility Board Strategic Directive (SD) Fourteen
2 on Resource Planning.

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 Fourteen on
15 Resource Planning; and

16 WHEREAS Tacoma Public Utilities' highest priority is providing safe and
17 reliable power, water, and rail services that meet or exceed customer needs
18 over the long term (20 to 60 years); and
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20 WHEREAS the Values set forth in Strategic Directive Fourteen are:

- 21 1. TPU values the discipline of periodically examining customer long-
22 term utility service needs and the business and technology trends
23 within the respective utilities industries, identifying long-term
24 opportunities for the utility services, and developing shorter term
25 actions that prepare for predicted resource adequacy future(s);
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2. TPU believes prudent long-term resource planning that considers anticipated customer needs and the impact of future uncertainty results in sustainable delivery of utility services, predictable budgets and reasonably stable rates;
3. TPU values responsible stewardship and recognizes that resource decisions have financial, environmental, and customer impacts for a generation or more, and that such decisions need to be based on thoughtful analyses of all the alternatives based on up-to-date data and information, including trends, risks, pros, cons, and the uncertainty of the future; and
4. TPU recognizes our customers should have access to its resource planning analyses, presented in a way that is understandable and affording customers and other stakeholders opportunities to provide input in the resource planning process; and

WHEREAS the Outcomes of this Strategic Directive include:

1. Long-term resource plans that fairly estimate customer trends and requirements and contemplate the universe of practicable alternative sources of power, water and rail services considering the likely progression of business and technology advancement;
2. Long-term resource plans that reflect changing legal and regulatory requirements that have direct or indirect influence on resource alternatives;



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- 3. Long-term resource plans that are broad-based and unbiased, derived from comprehensive “best practices” analyses that take into account current utilities industry conditions and predictable trends in addition to future uncertainties and risks;
- 4. Long-term resource plans that incorporate input from customers, stakeholders and other relevant sources; and
- 5. Work product that is written in a way the general public can comprehend while also providing transparency through technical documentation for those interested in the details; 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 Fourteen on Resource Planning is in the best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,

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

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That Public Utility Board Strategic Directive Fourteen on Resource

Planning, in the form as on file with the Clerk, is adopted and approved.

Approved as to form:

Chair

/s/

Chief Deputy City Attorney

Secretary

Adopted _____

Clerk



PUBLIC UTILITY BOARD POLICY

<p>Category: Strategic Directive</p> <p>Date of Adoption: September 23, 2020</p> <p>Resolution No.: U-11198</p> <p>Revision Date:</p>	<p>Title: Resource Planning</p> <p>Policy Number: SD-14</p>
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Purpose

Tacoma Public Utilities' highest priority is providing safe and reliable power, water, and rail services that meet or exceed customer needs over the long term (20 to 60 years).

Values

1. TPU values the discipline of periodically examining customer long-term utility service needs and the business and technology trends within the respective utilities industries, identifying long-term opportunities for the utility services, and developing shorter term actions that prepare for predicted resource adequacy future(s).
2. TPU believes prudent long-term resource planning that considers anticipated customer needs and the impact of future uncertainty results in sustainable delivery of utility services, predictable budgets and reasonably stable rates.
3. TPU values responsible stewardship and recognizes that resource decisions have financial, environmental, and customer impacts for a generation or more. Such decisions need to be based on thoughtful analyses of all the alternatives based on up-to-date data and information, including trends, risks, pros, cons, and the uncertainty of the future.
4. TPU recognizes our customers should have access to its resource planning analyses, presented in a way that is understandable and affording customers and other stakeholders opportunities to provide input in the resource planning process.

Outcomes

1. Long-term resource plans that fairly estimate customer trends and requirements and contemplate the universe of practicable alternative sources of power, water and rail services considering the likely progression of business and technology advancement.

2. Long-term resource plans that reflect changing legal and regulatory requirements that have direct or indirect influence on resource alternatives.
3. Long-term resource plans that are broad based and unbiased, derived from comprehensive “best practices” analyses that take into account current utilities industry conditions and predictable trends in addition to future uncertainties and risks.
4. Long-term resource plans that incorporate input from customers, stakeholders and other relevant sources.
5. Work product that is written in a way the general public can comprehend while also providing transparency through technical documentation for those interested in the details.

Measurements

1. All operating divisions: Progress toward action items identified in long range plans.

Reporting

1. Integrated resource plans for power every two years and every six years for Water.
2. Comprehensive rail service “futures” plan every two years. The first document will be developed as a component of Rail’s strategic planning process, which will begin in Q4 2020.
3. Annual report of anticipated changes in integrated resource planning, issues and opportunities.