



## AMENDED -RESOLUTION NO. U-11207

1 A RESOLUTION related to Tacoma Power, amending Chapter 12.06 of the  
2 Municipal Code, Electric Energy – Regulation and Rates, by adding  
thereto a new Section 12.06.265 to be known as “New Large Load  
Service (Schedule NLL)”, effective April 1, 2021 and April 1, 2022.

3 WHEREAS the City of Tacoma, Department of Public Utilities, Light  
4 Division, (d/b/a “Tacoma Power”) is proposing a new rate tariff that will codify  
5 the rate charged for new large loads between 8 and 20 MW, and

6  
7 WHEREAS stating this rate as a formal tariff in the municipal code will  
8 provide consistency with the practice for all other rate schedules, increase  
9 transparency for industrial operations considering locating in the area, and  
10 support economic development in the City of Tacoma, and

11  
12 WHEREAS retail revenues from new large loads contribute margin  
13 toward Tacoma Power’s fixed costs which helps keep rates lower for all  
14 customers, and the proposed rate does not change the existing and projected  
15 revenue structures for the 2021/2022 Budget period, and

16  
17 WHEREAS Tacoma Power desires to amend Chapter 12.06 of the  
18 Tacoma Municipal Code, Electric Energy - Regulations and Rates, by adding a  
19 new Section 12.06.265 to be known as “New Large Load Service (Schedule  
20 NLL); Now, therefore,

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

22 That the Public Utility Board approves the new rate category – New  
23 Large Load Service (Schedule NLL), effective April 1, 2021 and April 1, 2022,  
24 and the Council of the City of Tacoma is requested to concur by enacting an  
25 ordinance adding a new Section 12.06.265 to be known as “New Large Load  
26





## Board Action Memorandum

**TO:** Jackie Flowers, Director of Utilities  
**COPY:** Charleen Jacobs, Director and Board Offices  
**FROM:** Chris Robinson, Tacoma Power Superintendent/COO  
**MEETING DATE:** October 28, 2020  
**DATE:** October 15, 2020

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**SUMMARY:** Tacoma Power requests approval by the Public Utility Board for a new rate category—New Large Load Service (Schedule NLL).

**BACKGROUND:** This new tariff codifies the rate to be charged to new large loads between 8 and 20 MW. Currently, the pricing for these loads is specified in Tacoma Power's Electric Rate & Financial Policy. Restating this rate as a formal tariff in the municipal code is consistent with the practice for all other rates.

Tacoma Power is committed to supporting economic development in the City of Tacoma. Stating the rate for new large electric loads in the Tacoma Municipal Code increases transparency for industrial operations considering locating in the area and improves consistency with the practice for all other rate schedules.

This proposal does not change existing revenue structures. In the 2021/2022 Budget period, Tacoma Power expects customers on Schedule NLL to provide \$10.8 million in retail revenue.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes

**IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

**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:** Proposed Amendments to Chapter 12.06 of the Tacoma Municipal Code

**CONTACT:** Erin Erben, Tacoma Power Rates & Financial Planning Manager, 253-502-8986  
Bill Berry, Tacoma Power Rates, Planning & Analysis Section Manager, 253-502-8294



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Jackie Flowers, Director of Utilities, Tacoma Public Utilities  
**COPY:** City Council and City Clerk  
**SUBJECT:** Proposed Rate Ordinance – Amend and revise TMC Chapters 12.06 regarding New Large Load Service  
**DATE:** October 28, 2020

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**SUMMARY AND PURPOSE:**

Tacoma Power requests approval by the City Council for a new rate category—New Large Load Service (Schedule NLL).

**BACKGROUND:**

**This Department’s Recommendation is Based On:** Tacoma Power is committed to supporting economic development in the City of Tacoma. Stating the rate for new large electric loads in the Tacoma Municipal Code increases transparency for industrial operations considering locating in the area and improves consistency with the practice for all other rate schedules.

This new tariff codifies the rate to be charged to new large loads between 8 and 20 MW. Currently, the pricing for these loads is specified in Tacoma Power’s Electric Rate & Financial Policy. Restating this rate as a formal tariff in the municipal code is consistent with the practice for all other rates.

**COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:**

This rate proposal is in response to the stated need of staff professionals in economic development.

**2025 STRATEGIC PRIORITIES:**

**Equity and Accessibility: (Mandatory)**

This rate is designed to assist economic development staff in liaising with businesses interested in moving to Tacoma. Expansion of the City’s economic base provides additional opportunity to all Tacoma residents. In addition, retail revenues from new large loads contribute margin toward Tacoma Power’s fixed costs, keeping rates low for all customer groups.

**Economy/Workforce: Equity Index Score: Moderate Opportunity**

- Increase the number of Tacoma households that have livable wage jobs within proximity to the city.
- Increase the number of infrastructure projects and improvements that support existing and new business developments.
- Increase positive public perception related to the Tacoma economy.

**Explain how your legislation will affect the selected indicator(s).**

Expansion of the City’s industrial base provides increased employment opportunities as well as increased tax revenue for City programs. Large transmission-level loads served under this rate are often associated with industrial or manufacturing jobs that provide a living wage and multiplier effects in the community.



**ALTERNATIVES:**

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Continue to provide NLL service under the provisions of the Electric Rate & Financial Policy.	No action required.	Continued confusion by businesses considering locating in Tacoma.

**EVALUATION AND FOLLOW UP:**

Business siting decisions are based on a large number of factors, including but not limited to electric rates. Retail revenues received by new large loads, if realized, will strengthen Tacoma Power's financials.

**STAFF/SPONSOR RECOMMENDATION:**

Tacoma Power requests approval by the City Council of a formal New Large Load tariff.



**FISCAL IMPACT:**

Please provide a short summary of the fiscal impacts associated with the grant, agreement, policy action, or other action.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1.4700-Power			
2.			
<b>TOTAL</b>			

**What Funding is being used to support the expense?**

**Are the expenditures and revenues planned and budgeted in this biennium's current budget?**

**YES**

This proposal does not changing existing revenue structures. In the 2021/2022 Budget period, Tacoma Power expects customers on Schedule NLL to provide \$10.8 million in retail revenue.

**Are there financial costs or other impacts of not implementing the legislation?**

**No**

**Will the legislation have an ongoing/recurring fiscal impact?**

**YES**

Retail rates are an ongoing revenues.

**Will the legislation change the City's FTE/personnel counts?**

**No**

No additional personnel needed.

**ATTACHMENTS:**

- Proposed Amendments to Chapters 12.06 TMC



## Chapter 12.06 Electric Energy – Regulations and Rates<sup>1</sup>

Amended and Added Section:

12.06.265 New large load service – Schedule NLL. Effective April 1, 2021.

### 12.06.265 New large load service – Schedule NLL. Effective April 1, 2021.

A. Applicability. For new loads or expanding existing loads greater than 8 MW but less than 20 MW within a twelve-month period. Loads receiving service under Schedule NLL may receive service under Schedule CP (or a successor rate) after a period of ten consecutive years from the beginning of service if applicable requirements are met.

B. Availability. For major industrial power use upon the execution of a written Power Service Agreement (Contract) with Tacoma Power, which shall require among other conditions:

1. A minimum Contract Demand (as set forth in the Contract) of not less than 8,000 kilowatts and not more than 20,000 kilowatts;
2. Delivery of power at one primary voltage;
3. Metering at primary voltage but in no case at less than nominal 4,160 volts;
4. Power factor adjustment to 95 percent lagging or better; and
5. Service is subject to curtailment and certain notice provisions are applicable.

C. Monthly Rate. The sum of the following power service, delivery, customer and other charges:

1. Power Service Charges:

(a) Energy: All energy measured in kilowatt-hours at \$0.038760 per kWh.

(b) Demand: All kilowatts of Billing Demand delivered at \$5.95 per kW.

(c) Minimum Charge: The Demand Charge.

(d) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

Contract Demand Overrun Charge = MW x 300% x DC

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

2. Delivery: All kilowatts of Billing Demand delivered at \$5.22 per kW.

3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$5,727.00 per month.

D. Billing Demand. Determined by means of a demand meter, 30-minute interval.

1. The Billing Demand shall be the highest of:

(a) The highest measured demand for the month, adjusted for power factor;

(b) 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor; or

(c) 60 percent of the highest Contract Demand (as set forth in the Contract) during any of the preceding 11 months.

E. Service Conditions.

1. Power factor provision applicable; and

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy and delivery services shall apply.

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<sup>1</sup> Prior legislation: Ords. 16486, 16718, 16729, 16979, 17181, 17335, 17652, 17740, 18074, 18121, 18378, 18379, 18577, 18654, 18705 and 19120.

**Chapter 12.06**  
**Electric Energy – Regulations and Rates<sup>1</sup>**

Amended Section:

12.06.265 New large load service – Schedule NLL. *Effective April 1, 202~~2~~<sup>1</sup>*.

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4. Power factor adjustment to 95 percent lagging or better; and
5. Service is subject to curtailment and certain notice provisions are applicable.

C. Monthly Rate. The sum of the following power service, delivery, customer and other charges:

1. Power Service Charges:

(a) Energy: All energy measured in kilowatt-hours at \$0.03~~95498760~~ per kWh.

(b) Demand: All kilowatts of Billing Demand delivered at \$~~6.065.95~~ per kW.

(c) Minimum Charge: The Demand Charge.

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$$\text{Contract Demand Overrun Charge} = \text{MW} \times 300\% \times \text{DC}$$

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

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