



RESOLUTION NO. U-11208

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 12.06.372 to be known as “Shore Power Service
(Schedule SP)”, effective April 1, 2021.

3 WHEREAS the City of Tacoma, Department of Public Utilities, Light
4 Division, (d/b/a “Tacoma Power”) proposes a new tariff that will provide a
5 service for the use of electric power instead of burning bunker fuel for ships in
6 port at the Port of Tacoma, and
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8 WHEREAS Tacoma Power has conducted extensive stakeholder
9 engagement with the Port of Tacoma in constructing this rate, and

10 WHEREAS certain ports across the world are mandated to use shore
11 power infrastructure and an increasing amount of marine vessels have systems
12 that can accept shore power in lieu of burning fossil fuels, and
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14 WHEREAS the current rate structure would charge this type of power
15 usage under Schedule G, which includes a demand charge, and under
16 Schedule G it would be difficult for terminal operators to allocate demand
17 charges incurred by ships that dock at their terminals, and
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19 WHEREAS the proposed rate schedule recovers the revenues that
20 would have been covered by the demand charge from an increased energy
21 charge, and

22 WHEREAS the Shore Power rate is designed to recover the same
23 revenue that would be received by the utility under Schedule G, and
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WHEREAS if the institution of the Shore Power Service rate increased load for shore power service, the utility would benefit from increased retail sales, and

WHEREAS an additional benefit of a Shore Power Service rate is that it would encourage the reduction of greenhouse gases and other emissions in the Tacoma region, and

WHEREAS Tacoma Power desires to amend Chapter 12.06 of the Tacoma Municipal Code, Electric Energy - Regulations and Rates, by adding a new Section 12.06.372 "Shore Power Service (Schedule SP) ; Now, therefore,

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

That the Public Utility Board approves the new rate category – Shore Power Service (Schedule SP), effective April 1, 2021, and the Council of the City of Tacoma is requested to concur by enacting an ordinance adding a new Section 12.06.372 "Shore Power Service (Schedule SP), substantially in the same form as on file with the Clerk of the Board and as approved by the City Attorney.

Approved as to form:

/s/

Chief Deputy City Attorney

Clerk

Chair

Secretary

Adopted _____



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

SUMMARY: Tacoma Power requests approval by the Public Utility Board for a new rate category—Shore Power Service (Schedule SP).

BACKGROUND: The new tariff will provide service for ships at the Port of Tacoma to use electric power instead of burning bunker fuel while in port.

Increasing numbers of marine vessels have systems that can accept power from shore in lieu of burning fossil fuels while in Port. In California, China, and the United Kingdom, certain ports are mandated to use shore power infrastructure. Under Tacoma Power's current rate structure, this kind of power usage would be charged under Schedule G, which includes a demand charge. Under Schedule G, it would be difficult for terminal operators to allocate demand charges incurred by ships that dock at their terminals. Therefore, the proposed rate schedule recovers these revenues from an increased energy charge. The Shore Power rate is designed to recover the same revenue that would be received by the utility under the otherwise-applicable rate (Schedule G). If customers respond to the institution of the rate by increasing load for shore power service, the utility will benefit from increased retail sales.

Tacoma Power has conducted extensive stakeholder engagement with the Port of Tacoma in constructing this rate.

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 Shore Power Service
DATE: October 28, 2020

SUMMARY AND PURPOSE:

Tacoma Power requests approval by the City Council for a new rate category—Shore Power Service (Schedule SP).

BACKGROUND:

This Department’s Recommendation is Based On: The impacts of both climate change and low air-quality attainment fall most heavily on vulnerable communities. Meeting climate-change policy targets will be impossible without substantial electrification of transportation infrastructure. Increasing numbers of maritime vessels have systems that can accept electric power from shore in lieu of burning fossil fuels while in port. In California, China, and the United Kingdom, certain ports are mandated to use shore power infrastructure. By facilitating the electrification of operations in the Port of Tacoma, the Shore Power Service rate offering encourages the reduction of both greenhouse gases and other disease-causing noxious emissions, which improves air quality for the entire Tacoma region.

Under Tacoma Power’s current rate structure, shore power usage would be charged under Schedule G, which includes a demand charge. Under Schedule G, it would be difficult for terminal operators to allocate demand charges incurred by ships that dock at their terminals. Therefore, the proposed rate schedule recovers these revenues from an increased energy charge. The tariff enables Port of Tacoma marine vessels to use Tacoma Power’s clean, renewable hydropower instead of bunker fuel while in port.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Tacoma Power has conducted extensive stakeholder engagement with the Port of Tacoma in constructing this rate.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

As long ago as 2008, the City recognized the threat of climate change with its Climate Action Plan. In April 2016, world leaders from 175 countries recognized the threat of climate change and the urgent need to combat it by adopting the Paris Agreement, and working to limit warming to no more than 1.5°C. Meeting this target will be impossible without substantial electrification of transportation infrastructure, such as will be facilitated by this rate offering. In addition, burning fossil fuels is associated with low air-quality attainment, which is linked to increased disease burden, particularly in low-income and marginalized communities. Shore power at the Port of Tacoma would remove a source of this pollution in the City.

Economy/Workforce: Equity Index Score: High Opportunity

- Increase the number of infrastructure projects and improvements that support existing and new business developments.



- Increase positive public perception related to the Tacoma economy.

Livability: Equity Index Score: Moderate Opportunity

- How does your policy, program, or service help or harm the health of the natural environment?² (e.g. reduction in carbon emissions, open space conditions, sustainability, clean air, water and soil, and noise and light pollution).
- Improve health outcomes and reduce disparities, in alignment with the community health needs assessment and CHIP, for all Tacoma residents

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

This rate offering will facilitate the installation of shore power facilities at the Port of Tacoma. Shore power facilities allow ships to use Tacoma Power’s clean, renewable hydropower instead of bunker fuel while in Port, which reduces greenhouse gas emissions and improves air quality for the entire Tacoma region.

With installation of shore power facilities, Port of Tacoma will join a number of West Coast ports providing shore power services, which increases the positive perception and competitiveness of this valuable economic engine.

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. Serve shore power facilities under existing rate Schedule G	No action needed.	<ul style="list-style-type: none"> • Reduced likelihood for installation of shore power infrastructure at terminals due to administrative burden. • Uncertainty for ships considering a switch to shore power. • Persistence of greenhouse gas emissions. • Persistence of health impacts from particulate and other polluting emissions.

EVALUATION AND FOLLOW UP:

The Port of Tacoma has preliminary plans to install shore power service at certain terminals as early as 2022, contingent, in part, upon rate availability. Installation of electrification infrastructure and resulting retail electric sales under this tariff represents the best positive outcome of this service offering.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Power requests approval by the City Council of a Shore Power 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.			
TOTAL			

What Funding is being used to support the expense?

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

YES

The Shore Power rate is designed to recover the same revenue that would be received by the utility under the otherwise-applicable rate (Schedule G). If customers respond to the institution of the rate by increasing load for shore power service, the utility will benefit from increased retail sales.

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

YES

Lost revenue from retail sales.

Will the legislation have an ongoing/recurring fiscal impact?

YES

Power sales are on ongoing revenue source.

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

NO

No additional resources needed.

ATTACHMENTS:

- Proposed Amendments to Chapters 12.06 TMC

Chapter 12.06
Electric Energy – Regulations and Rates¹

Amended and Added Section:

12.06.372 Shore power – Schedule SP. Effective April 1, 2021.

12.06.372 Shore power – Schedule SP. Effective April 1, 2021.

A. Applicability. Service under this schedule is applicable to electric service connections to marine vessels with systems that can accept power from shore rather than use onboard power generation systems while in dock and are metered separately from all other commercial loads. To receive service under this schedule, a customer must execute a Power Service Agreement (Contract) with Tacoma Power which shall, at a minimum, include provisions regarding scheduling and curtailments of loads. Tacoma Power reserves the right to curtail service under this schedule due to maintenance or emergency conditions on the Tacoma Power electrical system.

For customers providing all their own transformation from Tacoma Power's distribution-system voltage, a discount for transformer investment and maintenance will be provided by reducing the monthly bill by 0.8 percent. For customers metered on the primary side of a transformer, a discount for transformer losses will be provided by reducing the monthly bill by 1 percent. These discount percentages are additive, and not compounded.

B. Monthly Rate. The sum of the following energy supply, delivery, and customer charges:

1. Energy Supply and Delivery: All energy supplied and delivered in kilowatt-hours at \$0.11713 per kWh.

2. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$81.60 per month.

C. Service Conditions.

1. Customer account-holders receiving energy under this rate schedule shall be authorized to recover amounts billed under this schedule from third parties without being held to be in violation of Tacoma Municipal Code 12.06.120.

2. Power factor provision applicable.

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

¹ 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 Rates¹

Amended Section:

12.06.372 Shore power – Schedule SP. *Effective April 1, 202~~2~~¹.*

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B. Monthly Rate. The sum of the following energy supply, delivery, and customer charges:

1. Energy Supply and Delivery: All energy supplied and delivered in kilowatt-hours at \$0.11~~944713~~ per kWh.
2. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~83.251-60~~ per month.

C. Service Conditions.

1. Customer account-holders receiving energy under this rate schedule shall be authorized to recover amounts billed under this schedule from third parties without being held to be in violation of Tacoma Municipal Code 12.06.120.
2. Power factor provision applicable.
3. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

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