



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Clark Mather, Community & Government Relations Manager
MEETING DATE: November 18, 2020
DATE: November 4, 2020

SUMMARY: A resolution approving TPU's state and federal legislative agenda.

BACKGROUND: TPU's legislative agenda includes some of the proactive policy objectives, consistent with TPU's legislative policies, that TPU staff will advocate for at the state and federal levels. TPU's legislative agenda was last approved by the Public Utility Board via Resolution U-11126 on December 4, 2019. Following PUB approval, TPU's legislative agenda will be presented to the Tacoma Mayor and City Council for approval as part of the City's Legislative Agenda before the end of the 2020 calendar year.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? There are no anticipated expenditures or revenues related to this request.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. 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: List any attachments (contracts, policies, agreements, etc.).

- TPU Legislative Agenda (provided to the Director's Office following any PUB-member requested changes)

CONTACT:

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Supervisor Name: Jim Sant, Deputy Director – MSO & PAC
Podium Presenter: Clark Mather

EXHIBIT A

Tacoma Public Utilities 2021 Legislative Agenda

TPU-Wide – Federal

- **Infrastructure financing tools:** TPU supports legislation that promotes the availability of tax-exempt municipal bonds and will support proposals that revoke changes made in 2017 relating to advance refunding. TPU also supports restoring Build America Bond payments back to their originally-enacted levels.
- **TPU supports programs to assist lower-income residents:** TPU supports additional funding for programs that provide assistance to lower-income residents.

Tacoma Power – Federal

- **Support proposals to improve BPA’s competitiveness:** TPU will continue to support federal proposals to improve BPA’s cost competitiveness. Specific examples include renegotiating the power provisions of the Columbia River Treaty and achieving more accurate allocations of Federal Columbia River Power System (FCRPS) costs.
- **Carbon reduction policies:** TPU will actively engage in and seek to support proposals that decarbonize the economy at reasonable costs to customers and that appropriately acknowledge and credit hydropower as a carbon-free generating resource.
- **Support investment in electric transportation infrastructure and programs that advance the development of clean fuels:** TPU will support additional funding for electric transportation infrastructure and programs that advance the development and production of clean fuels.
- **Provide funding for the Hydropower Incentive Program:** Tacoma Power continues to support federal appropriations for the Department of Energy’s Hydropower Incentive Program. The program provides payments to hydropower utilities, including Tacoma Power, for hydroelectric production added to an existing dam or conduit.
- **Support legislation to maintain municipal utility control over poles and pole attachment rate setting:** TPU supports legislation that would ensure that municipally-owned utilities maintain their historic authority to safely manage pole attachments on utility poles.

Tacoma Water – Federal

- **Support implementation of the Howard Hanson Dam – Additional Water Storage Project:** Tacoma Water continues to support federal authorization, appropriations, and actions necessary to complete the Howard Hanson Dam – Additional Water Storage Project. Any federal action must respect federal/non-federal cost share agreements already in place. TPU believes Howard Hanson Dam fish passage and the Additional Water Storage Project are critical to salmon and orca recovery as a construction-ready project with broad impact.
- **Support funding of the Water Infrastructure Finance and Innovation Act (WIFIA):** Tacoma Water is supportive of appropriations to fully fund the Water Infrastructure Finance and Innovation Act (WIFIA).
- **Support funding of the Drinking Water State Revolving Fund:** Tacoma Water supports adequate appropriations for the Drinking Water State Revolving Fund.

Tacoma Rail – Federal

- **Support permanent extension of the Railroad Track Maintenance Credit:** Tacoma Rail supports permanent extension of the Railroad Track Maintenance Credit – or “45G” tax credit. Tacoma Rail receives about \$250,000 in annual revenues from the 45G tax credit. Those funds have been used for a number of safety upgrades as well as to comply with unfunded federal requirements mandated by the 2008 Rail Safety Act.
- **Establish capital grant program for short line railroads:** Tacoma Rail seeks to work with Congress to establish a short line specific freight railroad state-of-good-repair program as part of the federal freight/rail title and other federal programs. Specifically, establishment of a competitive capital grant program for short line regional railroad infrastructure improvement projects.

Tacoma Power -- State

- **Carbon reduction policies:** Washington lawmakers have indicated that they will continue to focus on legislative solutions aimed at decarbonizing Washington State's economy. TPU will actively engage in and seek to support proposals that decarbonize the economy at reasonable costs to customers and that appropriately acknowledge and credit hydropower as a carbon-free generating resource and align with existing and emerging regional organized markets.
- **Support investment in electric transportation infrastructure and programs that advance the development of clean fuels:** TPU will support additional funding for electric transportation infrastructure and programs that advance the development and production of clean fuels.
- **Support equal treatment of hydropower:** Tacoma Power customers have invested in renewable, carbon-free hydroelectric generating facilities for decades. These facilities will continue to require significant reinvestment to ensure their future safe and reliable operation. During the 2019 Legislative Session, other renewable generating resources were given special tax treatment. TPU will continue to advocate for consistent tax treatment or alternative approaches that support equal treatment of all renewable, carbon-free resources.

Tacoma Water – State

- **Support the Public Works Trust Fund:** More than 6.2 million Washington State residents, 85 percent of the state's population, get their drinking water from public water systems. Nationally, \$472 billion needs to be invested over the next 20 years to support a resilient system and keep up with aging drinking water infrastructure. The Public Works Trust Fund (PWTF) is a crucial funding program for many communities around our state providing low-interest loans to help maintain vital public infrastructure. TPU supports public water systems and city partners in their request to fully restore and protect existing funding of the PWTF.

Tacoma Rail – State

- **Support Loan Request for East End Locomotive Facility and Track Maintenance:** The State of Washington administers both a grant program and a loan program designed to support freight rail capital needs. Tacoma Rail has applied for three projects under the Freight Rail Infrastructure Bank (Loan Program). If awarded, the funds would be used to help update the East End Locomotive Facility as well as proactively rehabilitate two segments of our track.