



RESOLUTION NO. U-11335

1 A RESOLUTION related to Tacoma Power; authorizing the execution of Point-
2 to-Point Transmission Service Agreements with Brookfield Renewable
Trading and Marketing LP.

3
4 WHEREAS the City of Tacoma, Department of Public Utilities, Light
5 Division ("Tacoma Power") provides transmission service to customers
6 pursuant to its Open Access Transmission Tariff ("OATT"), which governs rates,
7 terms and conditions of transmission service, and

8 WHEREAS pursuant to the OATT, customers desiring transmission
9 service must enter into a service agreement subject to Public Utility Board
10 Approval, and

11
12 WHEREAS Brookfield Renewable Trading and Marketing LP
13 ("Brookfield Renewable") has requested to enter into firm and non-firm point-to-
14 point transmission service agreements with Tacoma Power under Tacoma
15 Power's OATT to facilitate the delivery of power from WestRock's Tacoma
16 Biomass generator to the Bonneville Power Administration transmission system
17 for ultimate delivery to customers outside of the Tacoma Power service territory,
18 and

19
20 WHEREAS Morgan Stanley is currently acquiring transmission service
21 from Tacoma Power for the delivery of the Tacoma Biomass generator, but
22 WestRock has contracted with Brookfield Renewable to manage the power
23 deliveries starting on October 1, 2022, and
24
25
26



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Chris Robison, Power Superintendent
MEETING DATE: August 10, 2022
DATE: July 28, 2022

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input type="checkbox"/> SD1 – Equity & Inclusion | <input type="checkbox"/> SD8 – Telecom |
| <input checked="" type="checkbox"/> SD2 – Financial Sustainability | <input type="checkbox"/> SD9 – Economic Development |
| <input type="checkbox"/> SD3 – Rates | <input type="checkbox"/> SD10 – Government Relations |
| <input type="checkbox"/> SD4 – Stakeholder Engagement | <input type="checkbox"/> SD11 – Decarbonization/Electric Vehicles |
| <input type="checkbox"/> SD5 – Environmental Leadership | <input type="checkbox"/> SD12 – Employee Relations |
| <input type="checkbox"/> SD6 – Innovation | <input checked="" type="checkbox"/> SD13 – Customer Service |
| <input type="checkbox"/> SD7 – Reliability & Resiliency | <input type="checkbox"/> SD14 – Resource Planning |

SUMMARY: Brookfield Renewable Trading and Marketing LP (“Brookfield Renewable”) has requested to enter into short-term transmission service agreements with Tacoma Power. The OATT contains form of service agreements for firm and non-firm point-to-point transmission service. These service agreements provide for blanket authorization for short-term (i.e., less than one year) of transmission service. The actual transmission service desired will be requested and granted via Tacoma Power’s Internet-based Open-Access Same-Time Information System (“OASIS”). The agreements have an initial term of three years. At the end of the term, the Transmission Customer must provide notice to renew the contracts for an additional three years.

Tacoma Power seeks authorization for Jackie Flowers, Director, to execute the agreements on behalf of Tacoma Power.

BACKGROUND: Tacoma Power has an Open Access Transmission Tariff (“OATT”) that is used to provide transmission service to wholesale customers (i.e., parties involved in sales for resale). The OATT contains both the terms and conditions, and the rates, associated with the provision of transmission service.

Before the OATT, Tacoma Power had a transfer tariff it used to provide transmission service to parties such as the Bonneville Power Administration (“BPA”) and Iberdrola Renewables (which later became Avangrid). BPA provides power services to customers generally known as the Pierce County Mutuals that are connected to the Tacoma Power transmission system. Examples of the Pierce County Mutuals are Peninsula Light Company, Elmhurst Mutual Power and Light Company, and Lakeview Light & Power. Iberdrola Renewables contracted with WestRock (Simpson at the time) to deliver the power generated at the biomass generating facility to California.

In 1996, the Federal Energy Regulatory Commission (FERC) issued its Order Nos. 888 and 889 that established open access transmission service. Until then, transmission owners could deny the use of their transmission systems, which negatively impacted the wholesale power market used to sell and purchase



Board Action Memorandum

power. Tacoma Power is not under FERC's jurisdiction, but public power entities, such as Tacoma Power, have voluntarily adopted the use of FERC's OATT.

In 2012, Tacoma Power drafted its OATT and fashioned it after FERC's *pro forma* OATT in effect at that time. The OATT was approved by the Public Utility Board and City Council. In 2021, the OATT was modified to update the rates and to make the changes needed to accommodate Tacoma Power's entry into the Energy Imbalance Market. The updated OATT was again approved by the Public Utility Board and City Council. Service to BPA and Morgan Stanley Capital Group (who is currently marketing the Tacoma Biomass generation) is now provided under the OATT.

The OATT provides for two types of transmission service: Network Integration Transmission Service ("Network Service") and Point-To-Point Transmission Service ("PTP Service"). Network Service is meant to provide service similar to that which the transmission provider uses to serve its own load. The transmission customer has a set of defined network customers and network resources, and the entire transmission system is used to deliver the power from those resources to the loads. BPA is taking Network Service as it serves the multiple Pierce County Mutuals that are connected in various locations across Tacoma Power's transmission system. PTP service, as the name implies, is used to transfer power from a single point of receipt to a single point of delivery. The transmission between the two points is commonly referred to as a transmission path. PTP Transmission is also further segregated into firm and non-firm service. Firm service can only be interrupted if there is a system reliability problem. In addition to reliability-related issues, non-firm service can be interrupted for reasons such as financial. For example, if one customer offers a higher price than another customer, or if a customer purchases for a longer term than another. Since the service is cost based and rarely, if ever, discounted, service is seldom interrupted as a result of a customer paying a higher price.

Brookfield Renewable is entering into PTP transmission service agreements with Tacoma Power to facilitate the delivery of power from WestRock's Tacoma Biomass generator to the Bonneville Power Administration transmission system for ultimate delivery to customers outside of the Tacoma Power service territory. As mentioned, Morgan Stanley is currently acquiring transmission service from Tacoma Power for the delivery of the Tacoma Biomass generator, but WestRock has contracted with Brookfield Renewable to manage the power deliveries starting on October 1, 2022.



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ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS 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? No

ATTACHMENTS:

- Firm and Non-Firm Point-To-Point Transmission Service Agreements between Brookfield Renewable and Tacoma Power;

CONTACT:

Primary Contact: Marc Donaldson, Power Engineer IV, 253-502-8352 (work)/406-565-0741 (WFH)

Supervisor's Name: Khanh Thai

Presenter (if different from primary contact):

**Service Agreement for
Non-Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between City of Tacoma, Department of Public Utilities, Tacoma Power, a municipal corporation (Tacoma Power), and Brookfield Renewable Trading and Marketing LP (Transmission Customer).
- 2.0 The Transmission Customer has been determined by Tacoma Power to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by Tacoma Power upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information Tacoma Power deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 Transmission Customers requesting Non-Firm Point-to-Point Transmission Service shall consider this agreement as a blanket authorizing agreement for such service.
- 6.0 The term of this agreement shall be three (3) years from the date referenced in Section 1.0, at which time Transmission Customer must provide notice to Tacoma Power that Transmission Customer would like to renew this agreement for an additional three (3) year term.
- 7.0 Tacoma Power agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 8.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Tacoma Power:
Tacoma Power
ATTN: T&D Manager
3628 South 35th Street
Tacoma, WA 98409

Transmission Customer:

Brookfield Renewable Trading and Marketing LP
ATTN: Scheduling
Phone: 819-561-8645
Email: gpreatimedesk@brookfieldrenewable.com

With a copy to: Brookfield Renewable Trading and Marketing LP
ATTN: General Counsel
200 Liberty Street, 14th floor
New York, NY 10281

9.0 The Tariff is incorporated herein and made a part hereof.

10.0 Other Provisions: _____

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

BROOKFIELD RENEWABLE TRADING
AND MARKETING LP

TACOMA POWER



By: _____

By: _____

Name: Marco Talamo
(Print/Type)

Name: _____
(Print/Type)

Title: Vice President

Title: _____

Date: 7/27/22

Date: _____

Approved as to form:

DocuSigned by:
Michael W. Smith
43FA2C4CA6EA4FA...
Deputy City Attorney

Specifications for Non-Firm Point-To-Point Transmission Service

- 1.0 Term of Transaction: Per OASIS Transmission Service Request(s)
Start Date and Hour: Per OASIS Transmission Service Request(s)
Termination Date and Hour: Per OASIS Transmission Service Request(s)

- 2.0 Point(s) of Receipt: Per OASIS Transmission Service Request(s)

- 3.0 Point(s) of Delivery: Per OASIS Transmission Service Request(s)

- 4.0 Maximum amount of capacity at each Point of Receipt:
Per OASIS Transmission Service Request(s)

- 5.0 Maximum amount of capacity at each Point of Delivery:
Per OASIS Transmission Service Request(s)

- 6.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined consistent with the terms and conditions of the Tariff.)
 - 6.1 Transmission Charge: The current Tariff rate for the increment of transmission service requested on OASIS.

 - 6.2 Distribution Facilities Charge: _____

 - 6.3 Other Charges : _____

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Firm Point-To-Point Transmission Service**

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- 2.0 The Transmission Customer has been determined by Tacoma Power to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to Tacoma Power an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Transmission Customers requesting Short-Term Firm Point-to-Point Transmission Service shall consider this agreement as a blanket authorizing agreement for such service.
- 5.0 Transmission Customers requesting Long-Term Firm Point-to-Point Transmission Service shall complete the Specifications sheet attached hereto.
- 6.0 Service under this agreement shall commence on the later of the requested service commencement date, or the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. With respect to requests for blanket authorization for Short-Term Firm Point-to-Point Transmission Service, the term of this agreement shall be three (3) years from the date referenced in Section 1.0, at which time Transmission Customer must provide notice to Tacoma Power that Transmission Customer would like to renew this agreement for an additional three (3) year term. With respect to Long-Term Firm Point-to-Point Transmission Service, the term of this agreement shall be mutually agreed to between the parties and included in the Specifications sheet attached hereto. Notwithstanding the foregoing, service under this agreement may be terminated on such other date as mutually agreed upon by the parties.
- 7.0 Tacoma Power agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 8.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Tacoma Power
ATTN: T&D Manager
3628 South 35th Street
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Transmission Customer:

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BROOKFIELD RENEWABLE TRADING
AND MARKETING LP

TACOMA POWER



By: _____

By: _____

Name: Marco Talamo
(Print/Type)

Name: _____
(Print/Type)

Title: Vice President

Title: _____

Date: 7/27/22

Date: _____

Approved as to form:

DocuSigned by:
Michael W. Smith 07/28/2022
43FA2C4CA6EA4FA
Deputy City Attorney