



## RESOLUTION NO. U-11550

1 A RESOLUTION related to the Department of Public Utilities, Light Division  
2 (d/b/a "Tacoma Power") authorizing Tacoma Power to reserve 15 MVA  
3 of excess transformation capacity from the Lincoln Substation for the  
4 Husky Terminal Expansion Project in the Port of Tacoma for up to 10  
5 years for future expansion by the Northwest Seaport Alliance.

6 WHEREAS the Northwest Seaport Alliance ("NWSA") is reconfiguring  
7 Husky Terminal located in the Port of Tacoma by adding refrigeration units, a  
8 new maintenance building, lighting improvements, and gantry crane  
9 electrification, and

10 WHEREAS these improvements represent approximately 13.5  
11 megawatts of total new load, requiring new equipment at an existing substation  
12 and two dedicated distribution feeders from the substation to Husky Terminal,  
13 and

14 WHEREAS as outlined in NWSA's master plan – which highlights future  
15 projects with significant electrical demand – NWSA is proactively purchasing  
16 oversized equipment to accommodate its future anticipated needs, and

17 WHEREAS Tacoma Power typically purchases substation transformers  
18 in 25 MVA and 40 MVA sizes, and

19 WHEREAS although this project requiring a 25 MVA transformer, NWSA  
20 has chosen to purchase a 40 MVA unit instead, and

21 WHEREAS Tacoma Power has agreed to reserve the resulting excess  
22 capacity for future expansion by NWSA for up to ten years, and  
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1 WHEREAS Tacoma Power will treat the additional 15 MVA transformer  
2 capacity at Lincoln Substation as unavailable capacity in future impact studies  
3 for up to 10 years, and  
4

5 WHEREAS any future NWSA use of this excess capacity must comply  
6 with Tacoma Power's Customer Service Policy and Interconnection Process,  
7 and  
8

9 WHEREAS the purchase and installation costs associated with upsizing  
10 the equipment will be paid for by the NWSA; Now, therefore,  
11

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

13 Tacoma Power is authorized to reserve and hold up to 15 MVA excess  
14 transformation capacity from Lincoln Substation for up to ten years for future  
15 expansion by the Northwest Seaport Alliance as part of the Husky Terminal  
16 Expansion Project in the Port of Tacoma.

17 Approved as to form:

Chair

18 /s/

19 Chief Deputy City Attorney

Secretary

20 Adopted

21 Clerk  
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24  
25  
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## Board Action Memorandum

**TO:** Jackie Flowers, Director of Utilities  
**COPY:** Charleen Jacobs, Director and Board Offices  
**FROM:** Chris Robinson, Power Superintendent  
**MEETING DATE:** August 27, 2025  
**DATE:** August 7, 2025

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### **GUIDING PRINCIPLE ALIGNMENT (select as many that apply):**

Please indicate which of the Public Utility Board's Guiding Principle(s) is supported by this action.

- |  |  |
|--|--|
| <input type="checkbox"/> GP1 – Diversity, Equity, Inclusion, Belonging | <input type="checkbox"/> GP8 – Telecom                         |
| <input type="checkbox"/> GP2 – Financial Sustainability                | <input checked="" type="checkbox"/> GP9 – Economic Development |
| <input type="checkbox"/> GP3 – Rates                                   | <input type="checkbox"/> GP10 – Government Relations           |
| <input type="checkbox"/> GP4 – Stakeholder Engagement                  | <input type="checkbox"/> GP12 – Employee Relations             |
| <input type="checkbox"/> GP5 – Environmental Sustainability            | <input checked="" type="checkbox"/> GP13 – Customer Service    |
| <input type="checkbox"/> GP6 – Innovation                              | <input type="checkbox"/> GP14 – Resource Planning              |
| <input type="checkbox"/> GP7 – Reliability & Resiliency                |  |

### **SUMMARY:**

This resolution will authorize Tacoma Power to hold up to 15 MVA excess transformation capacity from Lincoln Substation for ten years as part of the Husky Terminal Expansion Project in the Port of Tacoma. The purchase and installation costs associated with upsizing the equipment will be paid for by the Northwest Seaport Alliance (NWSA).

### **BACKGROUND:**

In the Port of Tacoma, the NWSA is reconfiguring Husky Terminal by adding refrigeration units, a new maintenance building, lighting improvements, and gantry crane electrification. These improvements represent approximately 13.5 megawatts of total new load, requiring new equipment at an existing substation and two dedicated distribution feeders from the substation to Husky Terminal. For more information about the construction project, please see the related Resolution for the utility installation agreement.

As outlined in NWSA's master plan—which highlights future projects with significant electrical demand—NWSA is proactively purchasing oversized equipment to accommodate anticipated needs. Tacoma Power has agreed to reserve the resulting excess capacity for ten years to support these future projects. The terms are detailed in the accompanying memorandum of understanding.

Tacoma Power typically purchases substation transformers in 25 MVA and 40 MVA sizes. Although this project requires a 25 MVA transformer, NWSA has chosen to purchase a 40 MVA unit instead. Tacoma Power will treat the additional 15 MVA transformer capacity at Lincoln Substation as unavailable capacity in future impact studies. Any future NWSA use of this excess capacity must comply with Tacoma Power's Customer Service Policy and Interconnection Process.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No**

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



## Board Action Memorandum

All direct costs associated with this memorandum of understanding will be paid in by NWSA in its entirety.

**IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No**

**ATTACHMENTS:** Memorandum of Understanding Reserve Capacity

**CONTACT:**

Primary Contact: John Nierenberg, System Planning & Operations Manager; (253) 502-8931  
Supervisor's Name: John Merrell; interim T&D Section Manager; (253) 502-8286

## MEMORANDUM OF UNDERSTANDING - CAPACITY RESERVATION

This Memorandum of Understanding – Capacity Reservation (“MOU”) dated September 1, 2025 (“Effective Date”) between the City of Tacoma, Department of Public Utilities, Light Division (“Tacoma Power”) and the Northwest Seaport Alliance (“NWSA”). Tacoma Power and NWSA are hereafter referred to collectively as the “Parties.”

### RECITALS

**WHEREAS**, the Port of Tacoma and the Port of Seattle are the managing members of NWSA which was formed for the joint operation, management, and use of certain properties of each port district by NWSA, including Terminals 3 and 4 located at 1011 Port of Tacoma Road, in Tacoma, Pierce County, Washington; and

**WHEREAS**, NWSA intends to modify and make additional improvements at Terminals 3 & 4; and

**WHEREAS**, NWSA has requested Tacoma Power provide approximately 13.5 MW to serve the Phase 1 planned load for the Expansion of Terminals 3 & 4; and

**WHEREAS**, Tacoma Power completed a System Impact and Facilities Study that determined that modifications and improvements to Tacoma Power’s existing Lincoln Substation and distribution system are required to serve the planned load for Expansion of Terminals 3 & 4; and

**WHEREAS**, Tacoma Power purchases substation transformers in standard capacity configurations of 25 MVA and 40 MVA; and

**WHEREAS**, NWSA has requested Tacoma Power to purchase equipment and transformation with a rating of 40 MVA for the Lincoln Substation to meet current load requirements and NWSA plans to utilize additional capacity in the project work shown in the NWSA master planning horizon; and

**WHEREAS**, NWSA is paying for the equipment that is the subject of this MOU; and

**WHEREAS**, NWSA has requested that Tacoma Power reserve a portion of the substation capacity for the Port of Tacoma’s future use and Tacoma Power is willing to reserve said capacity subject to the terms herein.

**THEREFORE** in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

#### 1. RESERVED CAPACITY

##### 1.1 Reserved Capacity

Tacoma Power agrees to exclude 15 MVA of the new 40 MVA transformer at Lincoln Substation (“Reserved Capacity”) from impact studies as it is being held for NWSA projects until ten (10) years following energization of the transformer, at which time if the load is not connected and

the capacity utilized by NWSA it will no longer be excluded from impact studies as unavailable capacity. The Reserved Capacity is exclusive of the 13.5 MW Phase 1 planned load for the Expansion of Terminals 3 & 4.

### 1.2 Reservation Term

The Reserved Capacity shall be held for NWSA for a term of ten (10) years from the energization of the transformer (the "Reservation Term"), unless earlier terminated or extended in accordance with this Agreement.

### 1.3 Use of Capacity

NWSA may utilize the Reserved Capacity in whole or in part at any time during the Reservation Term, provided that:

- The customer follows the **Procedures and Requirements for Connecting to Tacoma Power's System** and associated timelines found in Attachment A of the Facility Connection Requirements ([http://www.oasis.oati.com/woa/docs/TPWT/TPWTdocs/Facility Interconnection Requirements 2023-11-21.pdf](http://www.oasis.oati.com/woa/docs/TPWT/TPWTdocs/Facility_Interconnection_Requirements_2023-11-21.pdf)) on Tacoma Power's OASIS site (<http://www.oasis.oati.com/tpwt/>)
- Provided that the customer signs and pays for the associated **UTILITY INSTALLATION AGREEMENT (UIA)** for the new load.

The future phase of NWSA projects must follow Tacoma Power's Customer Service Policy and Interconnection Process.

Tacoma Power's distribution capacity will be assessed separately as part of the future interconnection process impact study.

Backup substation transformation may also be a limitation in utilizing the increased capacity of Lincoln Substation.

### 1.4 Additional Infrastructure Costs

NWSA shall bear the cost of any new or upgraded infrastructure (e.g., transformers, switchgear, conductors) necessary to serve the increased load, as determined by Tacoma Power in accordance with its policies.

## 2. TERM AND TERMINATION

### 2.1 Term

This Agreement shall remain in effect for the full ten-year Reservation Term, unless terminated earlier pursuant to Section 2.2.

### 2.2 Termination

This Agreement may be terminated by mutual agreement between the parties at any time in writing.

## 3. CONDITIONS AND OBLIGATIONS

### 3.1 Substation Operating Conditions

Tacoma Power shall maintain the Reserved Capacity available, except where affected by Force Majeure events, planned maintenance, or system emergencies.

### 3.2 Transfer of Capacity

NWSA may not assign or transfer rights to the Reserved Capacity to a third party.

## 4. MISCELLANEOUS

### 4.1 Force Majeure

As used herein, Force Majeure means any event or circumstance beyond the reasonable control of a party, which, despite the exercise of due diligence and reasonable efforts, prevents or materially delays the performance of any obligation under this MOU, in whole or in part.

### 4.2 Notices

All notices shall be in writing and delivered by personal delivery, mail, courier, or email as follows:

- Tacoma Power:  
Name: Khanh Thai  
Title: System Planning Manager, Tacoma Power  
Email: kthai@tacoma.gov  
Phone: 253-502-8195  
Address: 3628 S 35<sup>th</sup> St, Tacoma, WA 98409
- NWSA  
Name: Thais Howard  
Title: Senior Director, Engineering  
Email: thoward@nwseaportalliance.com  
Phone: (253) 888-4718  
Address: 1 Sitcum Plaza, PO BOX 1837, Tacoma, WA, 98401

### 4.3 Entire Agreement

This Agreement contains the entire understanding of the Parties regarding the reservation of capacity and supersedes all prior agreements on this topic.

### 4.4 Governing Law

This Agreement shall be governed by the laws of the State of Washington.

### 4.5 Amendment

Any amendment to this MOU must be in writing and signed by both Parties.

## SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding – Capacity Reservation as of the Effective Date.

City of Tacoma

By: \_\_\_\_\_

Name: Jackie Flowers

Title: Public Utilities Director / CEO

Date:

Northwest Seaport Alliance

By: \_\_\_\_\_

Name: John Wolfe

Title: Chief Executive Officer

Date: