



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 Chapter 12.06 regarding Electric Vehicle Public Charging
DATE: November 19, 2024

SUMMARY AND PURPOSE:

Tacoma Power requests approval by the City Council to revise TMC 12.06.374 with an updated tariff on EV public charging (Schedule EVPC), effective on January 1, 2025.

BACKGROUND:

This Department’s Recommendation is Based On: Tacoma Power has provided electric service to utility-owned electric vehicle (EV) charging stations since 2012. Tacoma Power anticipates having 67 public charging ports in service by the end of 2026 (85 if counting all Tacoma Power charging ports), including 4 new DC Fast Charging stations in downtown Tacoma. Schedule EVPC was effective on January 1, 2023 with a rate of \$0.21 per kWh of charging, and is applicable to all public charging stations owned by Tacoma Power. The schedule was adopted because state law, RCW 19.94.560, mandates the use of dollar per kWh or megajoule pricing.

This rate update will set the Level 2 charging rate at \$0.25/kWh and introduce a DC fast charging rate at \$0.40/kWh. These rates are based on the Small General rate (Schedule B) and include network fees, maintenance cost, and relevant taxes. The Level 2 increase from \$0.21 per kWh to \$0.25 per kWh reflects increased costs, including costs related to vandalism and cut cords at electric charging stations. These rates are cost based and competitive with other electric charging providers in Tacoma and Pierce County. The DC fast charging rate reflects higher operating and maintenance costs associated with offering DC fast charging.

This update to the EV-charging rate will result in a better match between revenue and expense. If the rate is not updated regularly to reflect the current cost of providing the EV public charging service, electric customers who do not use the public-charging service will eventually pay the under-recovered costs. This update of EV rates will minimize this cross-subsidization.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Tacoma Power researched the prices charged by other utilities and private companies for public EV charging service. The new rate is cost based and competitive with rates offered by other service providers in the region.

Tacoma Power has presented overviews and proposal related to Schedule EVPC to the Public Utility Board on July 10 and September 11, Government Performance Finance Committee on September 17, and Joint Public Utility Board and City Council on October 8 in the development of this specific recommendation.



ALTERNATIVES:

| Alternative(s) | Positive Impact(s) | Negative Impact(s) |
|---|--------------------------|---|
| 1. Continue to apply the existing EV rate to public charging sites. | Lower rates for EV users | Tacoma Power will not recover all the costs associated with EV charging and other retail ratepayers who do not use public charging stations will subsidize these costs. |
| 2. | | |
| 3. | | |

EVALUATION AND FOLLOW UP:

Tacoma Power will continue to collect data on usage patterns at EV public charging sites and use this along with associated cost data to make sure that the rates are cost based and competitive.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Power requests approval by the City Council to revise TMC 12.06.374 with an updated tariff on EV public charging, which will increase the rate per kWh for Level 2 charging from \$0.21 per kWh to \$0.25 per kWh and create a new rate for DC fast charging at \$0.40 per kWh, effective on January 1, 2025.

FISCAL IMPACT:

The incremental revenues of increasing the EV rate tariff and adding a new DCFC rate are about \$15,000 annually, \$30,000 for 2025/2026.

| Fund Number & Name | COST OBJECT (CC/WBS/ORDER) | Cost Element | Total Amount |
|--------------------|-------------------------------|--------------|-----------------|
| 1. 4700-Power | | | \$30,000 |
| 2. | | | |
| TOTAL | | | \$30,000 |



What Funding is being used to support the expense?

N/A

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

YES

Both the expense and the projected revenue for EV public charging service are included in this biennium's budget.

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

YES

If this rate is not updated, electric customers of Tacoma Power will be allocated the difference between the revenue collected at the public charging stations and the cost of providing the charging service. This update of rates assigns the costs associated with EV public charging to those who use this infrastructure.

Will the legislation have an ongoing/recurring fiscal impact?

YES

These retail rates for EV public charging are ongoing revenue.

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

NO

No new personnel.

ATTACHMENTS:

- Proposed Amendments to TMC Chapter 12.06.374