



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Chris Robinson, Power Superintendent
Ray Johnson, Deputy General Manager, Tacoma Power
Rachel Gardner Clark, Manager, Resource Planning & Analytics, Tacoma Power
Aimee Higby, Power Energy Portfolio Analyst, Principal, Tacoma Power
MEETING DATE: March 26, 2025
DATE: March 14, 2025

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 type="checkbox"/> GP9 – Economic Development |
| <input checked="" type="checkbox"/> GP3 – Rates | <input type="checkbox"/> GP10 – Government Relations |
| <input type="checkbox"/> GP4 – Stakeholder Engagement | <input type="checkbox"/> GP12 – Employee Relations |
| <input checked="" type="checkbox"/> GP5 – Environmental Sustainability | <input type="checkbox"/> GP13 – Customer Service |
| <input type="checkbox"/> GP6 – Innovation | <input checked="" type="checkbox"/> GP14 – Resource Planning |
| <input checked="" type="checkbox"/> GP7 – Reliability & Resiliency | |

SUMMARY:

Tacoma Power recommends the Public Utility Board authorized the Director of Utilities to execute an interlocal agreement between Tacoma Power and the Department of Commerce, in the amount of \$339,500, budgeted from the State of Washington's Climate Commitment Account, for a pumped storage feasibility study at Mossyrock dam. Chapter 39.34 RCW Interlocal Cooperation Act requires Council approval to enter into the agreement.

BACKGROUND:

The 2024 State of Washington legislative session appropriated \$350,000 from the climate commitment account to Tacoma Power to complete a study to assess the feasibility of pumped storage at Mossyrock dam. The contracted amount will be \$339,500 after the Department of Commerce's 3% administration fee is assessed. Tacoma Power's 2024 Integrated Resource Plan (IRP) update to the 2022 IRP included the recommendation to make incremental investments in existing resource infrastructure where cost-effective. The pumped storage feasibility study was included as part of the two-year action plan to assess supply-side resources. Work will be conducted by a contracted third party and is already under way.

The Department of Commerce is responsible for contracting with Tacoma Power to disburse the funds that were allocated to Tacoma Power by the budget proviso and from the Climate Commitment Account. Chapter 39.34 RCW Interlocal Cooperation Act requires Council approval to enter into the agreement, and Tacoma Power is seeking Public Utility Board approval prior to seeking Council approval. The budget proviso and contract for which this resolution seeks approval is included below.

Per ESSB 5950 Sec. 130 (30) which authorized the grant to Tacoma:



Board Action Memorandum

- \$350,000 of the climate commitment account—state appropriation is provided solely for the authority to contract with Tacoma power, to conduct a feasibility study, including scoping project costs, on pumped storage at Tacoma power's Mossyrock dam.
- The contract is exempt from the competitive procurement requirements in chapter 39.26 RCW.
- Funds may not be expended or obligated prior to January 1, 2025.
- If Initiative Measure 2 No. 2117 was approved in the general election, this subsection would have been null and void upon the effective date of the measure. However, the measure was not passed.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

The appropriated funds from the state are budgeted to cover the study and Tacoma Power's net budgeted amount to be spent on the study is \$0.

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

ATTACHMENTS: List any attachments (contracts, policies, agreements, etc.).
Interagency Agreement Contract Number: 25-53310-003

CONTACT:

Primary Contact: Rachel Gardner Clark, Manager, Resource Planning & Analytics, Tacoma Power and Aimee Higby, Power Energy Portfolio Analyst, Principal, Tacoma Power
Supervisor's Name: Leah Marquez-Glynn
Presenter (if different from primary contact):