



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Chris Robinson, Tacoma Power Superintendent/COO
MEETING DATE: October 28, 2020
DATE: October 15, 2020

SUMMARY: Tacoma Power requests approval by the Public Utility Board for a new rate provisions under General Service (Schedule G) regarding customer-owned electric generation that feeds onto Tacoma Power's grid (Distributed Generation, or DG).

BACKGROUND: The rate treatment of customer-owned generation facilities with a capacity less than 100 kW are subject to Tacoma Power's net metering requirements under RCW 80.60.030. No rate provisions currently cover larger customer-owned generation facilities. Tacoma Power has recently received notice that several commercial customers may intend to install such facilities. If the proposed rate is not passed, Tacoma Power will have no provisions to compensate large customer-owned generation facilities for their excess generation.

Large customer-owned generation facilities can sometimes produce energy in excess of that required by the facility at which they are located. This energy is transmitted onto Tacoma Power's electric grid. Under current law, there are no provisions for compensation for this excess customer generation, and there is no obligation for the utility to purchase it. These additional provisions provide a clear pricing option for energy transmitted to Tacoma Power's system, and clarify the ownership of non-power attributes under such circumstances.

The total number and size of large customer-owned generators that may locate in Tacoma Power's service territory is unknown. The goal of the proposed compensation plan is to compensate customer generators for the value of their energy, so that Tacoma Power's other ratepayers do not bear additional expense or burden and the net cost to the utility is negligible, while still providing fair compensation to customers choosing to invest in their own renewable solar (or other distributed generation) energy.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

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: Proposed Amendments to Chapter 12.06 of the Tacoma Municipal Code

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