



## RESOLUTION NO. U-11482

1 A RESOLUTION related to Tacoma Power, amending Chapter 12.06 of the  
2 Municipal Code, Electric Energy – Regulation and Rates, by modifying  
3 Schedule Electrofuel Service Pilot (Schedule EF), Section 12.06.373 of  
4 the Tacoma Municipal Code, effective January 1, 2025.

5 WHEREAS the City of Tacoma, Department of Public Utilities, Light  
6 Division, (“Tacoma Power”) implemented Tacoma Municipal Code (“TMC”)  
7 12.06.373 Electrofuel Service Pilot (“Schedule EF”), by Public Utility Board  
8 Resolution No. U-11206, effective on April 1, 2021, and

9 WHEREAS Schedule EF is a pilot program limited to 65 MW of total load  
10 to serve customers who use a large quantity of electricity to produce hydrogen  
11 fuels, and

12 WHEREAS currently, there are not any customers using Schedule EF,  
13 and

14 WHEREAS the power market dynamic has changed since the  
15 implementation of the pilot program in 2021, and

16 WHEREAS the current incremental costs of serving a new large electric  
17 load, especially the cost of supplying them with a large amount of carbon-free  
18 power, is exceedingly high, and

19 WHEREAS if Tacoma Power continues to offer Schedule EF under the  
20 existing rate structure, the large incremental cost caused by customers under  
21 Schedule EF will lead to substantial rate increases for all existing customers,  
22 and  
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1 WHEREAS the addition of such a large load can potentially cause  
2 system-wide capacity shortages in some months, jeopardizing Tacoma Power's  
3 resource adequacy, and

4 WHEREAS in order to avoid cost shifting and ensure resource  
5 adequacy, Tacoma Power proposes to modify Schedule EF to align it with  
6 Schedule Very Large Load ("VLL") which is designed for customers with a load  
7 requirement of 10 average megawatt or more over any consecutive 12-month  
8 period, and

9 WHEREAS under Schedule VLL and the modified Schedule EF, large  
10 load customers will pay for the costs of new resources dedicated to their use,  
11 and

12 WHEREAS the power supply rate will be based on the incremental cost  
13 of serving these customers, and

14 WHEREAS as for the power delivery and customer-related rates,  
15 Tacoma Power will charge the same delivery charge and customer charge as  
16 the otherwise applicable rate schedules based on the system average cost, and

17 WHEREAS this modification is consistent with the cost-causation  
18 principle in rate making, and

19 WHEREAS, in addition, under the Schedule EF, demand response  
20 programs will be offered to EF customers that can be better tailored to their  
21 operation, and

22 WHEREAS the interruptibility requirement under the current Schedule  
23 EF is too stringent for most, if not all, potential customers, and

