



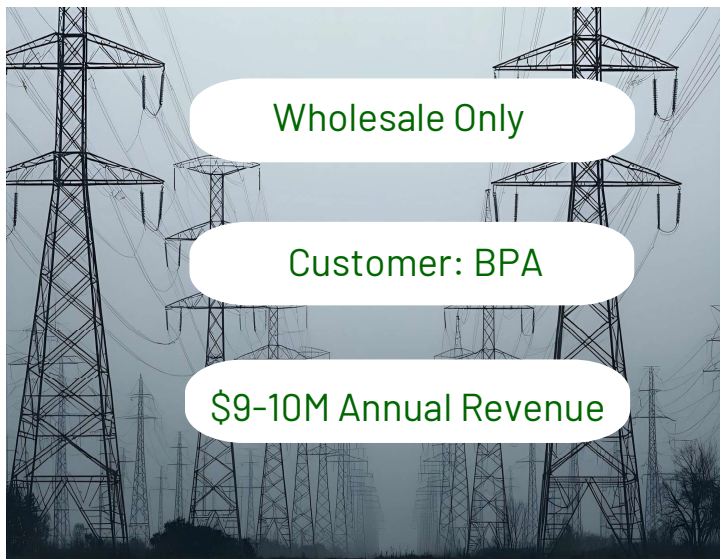
# Update to Tacoma Power's Open Access Transmission Tariff

Tacoma Power | Rates, Planning & Analysis

City Council Meeting  
March 3, 2026  
Ordinance No. 29094



## OVERVIEW



Wholesale Only

Customer: BPA

\$9-10M Annual Revenue

The Open-Access Transmission Tariff (OATT) is a charge for one utility or market participant to use another utility's transmission lines.

While not required by the Federal Energy Regulatory Commission (FERC), Tacoma Power voluntarily offers access to other utilities as a best practice.

Tacoma Power provides transmission services to mutual utilities in Bonneville Power Administration (BPA) service area. BPA pays Tacoma Power for the transmission service.

## COST INCREASE

Since the 2021 update, Tacoma Power's cost of providing transmission service has increased by \$9 million, or 6.0% annually.

### Investor-Owned Utilities' Cost Increase

Energy Information Administration data shows that major Investor-Owned Electric Utilities have had an annual average transmission cost increase of **7.2%** from 2019 to 2023.



### Handy Whitman Index

Handy Whitman Index indicates an annual average increase of **7.2%** in transmission cost in the Pacific Region from 2019 to 2024.

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## RECOMMENDATION

### Recommendation

Tacoma Power requests that City Council approve the updates to Tacoma Power's Open Access Transmission Tariff:

- Increase the annual cost of service for Network Integration service by \$9 million, with an estimated annual revenue increase of \$2.6 million
- Various changes to Point-to-Point and ancillary services
- Updated terms and conditions in Attachment O

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## CURRENT SCHEDULE

|                     |                                                              |
|---------------------|--------------------------------------------------------------|
| <b>Nov 26, 2025</b> | <b>Posted the Proposed Tariff Online</b>                     |
| <b>Dec 10, 2025</b> | <b>Public Utility Board Study Session</b>                    |
| <b>Feb 3, 2026</b>  | <b>Government Performance &amp; Finance Committee (GPFC)</b> |
| <b>Feb 11, 2026</b> | <b>Public Utility Board Passed Resolution</b>                |
| <b>Mar 3, 2026</b>  | <b>City Council Meeting – 1st Reading</b>                    |
| <b>Mar 10, 2026</b> | <b>City Council Meeting – 2nd Reading</b>                    |
| <b>Apr 1, 2026</b>  | <b>Effective Date of Updated Transmission Tariff</b>         |

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## TRANSMISSION RATES

### Network Integration

- Enables customers to use Tacoma Power's transmission system to serve their own loads—just like Tacoma Power does for its own customers.
- BPA pays for the municipal and co-op utilities it serves.
- Charges are based on each customer's share of the total load, proportional to the annual cost of service.

### Point-to-Point

- Allows customers to move electricity from a specific starting point (where it's interconnected) to a specific delivery point (where it's used), using Tacoma Power's transmission system.
- Tacoma Power currently does not have any PTP customers that purchase significant volumes of service.

### Ancillary Services

- Support reliable operation of the transmission system and help maintain power quality and grid stability.
- Required and optional services. e.g. system control, voltage control, reserves, etc.

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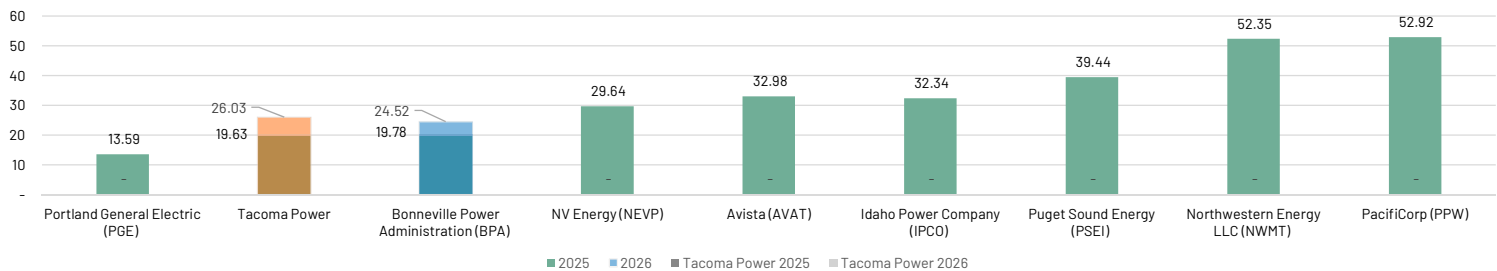
# PROPOSED RATES UPDATE

| Attachment | Service (Network Integration)            | Current (annual)                     | Proposed (annual)                     | Increase (\$) | Increase (%) | Annualized%  |
|------------|------------------------------------------|--------------------------------------|---------------------------------------|---------------|--------------|--------------|
| H          | Network Integration                      | \$26,712,345                         | \$35,814,047                          | \$9,010,702   | 34%          | 6.0%         |
| Schedule   | Service (Ancillary & Point-to-Point)     | Current (per MWh) Based on 2019 Cost | Proposed (per MWh) Based on 2024 Cost | Increase      | %            | Annualized % |
| 1          | Scheduling, System Control, and Dispatch | \$1.06                               | \$1.22                                | \$0.16        | 15%          | 2.9%         |
| 2          | Reactive Supply and Voltage Control      | \$0.14                               | \$0.00                                | -\$0.14       | -100%        | -100%        |
| 3          | Regulation and Frequency Response        | \$0.52                               | \$0.56                                | \$0.04        | 8%           | 1.5%         |
| 5          | Spinning Reserve                         | \$20.48                              | \$20.71                               | \$0.23        | 1%           | 0.2%         |
| 6          | Supplemental Reserve                     | \$20.48                              | \$20.71                               | \$0.23        | 1%           | 0.2%         |
| 7          | Point-to-Point                           | \$3.93                               | \$5.21                                | \$1.28        | 33%          | 5.8%         |

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# PEER UTILITY TRANSMISSION RATES

Point-to-Point Transmission Rates in 2025 and 2026 (\$/kW-year)



BPA Rate Increase from 2021

| BPA Network Integration Rate |                  |                      |                               | BPA Point-to-Point Rate |                  |                      |                               |
|------------------------------|------------------|----------------------|-------------------------------|-------------------------|------------------|----------------------|-------------------------------|
|                              | per kW per month | % Increase from 2021 | Annualized Increase from 2021 |                         | per kW per month | % Increase from 2021 | Annualized Increase from 2021 |
| 2021                         | 1.771            |                      |                               | 2021                    | 1.533            |                      |                               |
| 2026                         | 2.399            | 35%                  | 6.3%                          | 2026                    | 2.043            | 33%                  | 5.9%                          |

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