



APPROVED 5/10/23

MINUTES  
City of Tacoma  
Public Utility Board Study Session  
April 26, 2023  
3:00 p.m.

Chair Watson called the Public Utility Board study session to order at 3:00 p.m. in the third floor conference room (LT1) of the Public Utilities Administration Building.

**Present:** John O'Loughlin, William Bridges, Elly Claus-McGahan; Carlos Watson, Holland Cohen

**Tacoma Power: Overview of Resource Portfolio and Wholesale Trading 101**

Todd Lloyd, Asst. Power Manager, and Leah Marquez-Glynn, Resource Operations Manager, presented information on this topic. Responsibilities of this group include Resource Operations, Trading and Marketing, Scheduling and after-the-fact accounting, systems engineering, and markets performance. As background, Tacoma owns four hydro projects, seven powerhouses, and 21 generating units. Resource operations challenges include physical limitations, human safety, environmental stewardship, and recreation. A graphical representation of resources and loads was detailed. Trading basics were then summarized. Power trades for system reliability, hedging (term transactions), and fine tuning of load/resource position. All wholesale transactions are in full compliance with the energy risk management policy and hedging program, including allowed quantity, approve counterparties, and necessary approvals. On a term trading basis, Power only sells the amount of power that is likely to have sufficient supply to meet. Sales are limited to available capacity during peak hours during possible extreme events. Power does not plan on relying on purchases from the market to meet peak loads. This severely limits the number of forward sales that can be made. The presentation was concluded with an overview of how power is traded, transaction volumes, and transaction revenues.

**Tacoma Power: 2023 Power Supply Status / Energy Risk Mgt Update**

Nikki Bufford, Energy Risk Manager, and Leah Marquez-Glynn, Resource Operations Manager, presented information on this topic. Graphical illustrations of Power's hydroelectric resources, power supply (inflows, regional snowpack, refill) was detailed. The objective of energy risk management is to manage the variability from the power supply portfolio. Program components include identify and quantity of risks; risk

tolerance and policies; hedging program and metrics; trade controls and processes; monitor and reporting of risks. Graphical representations of wholesale net revenues were detailed.

### **General Board Comments/Discussion and Director's Reports**

Director Flowers reported that subject matter experts are reviewing Board Member Claus-McGahan's comments on Strategic Directives Five (SD5, Environmental Leadership) and Eleven (SD11, Decarbonization). Strategic Directives Two (SD2, Financial Sustainability) and Three (SD3 Rates) will be brought to the Board for discussion in August ahead of the Board's October budget retreat. Staff is still working on Strategic Directive One (SD1, Equity and Inclusion) edits. Board Member Bridges is working on Strategic Directives Seven (SD7, Reliability and Resiliency) and Fourteen (SD14, Resource Planning).

Director Flowers shared that she will discuss the rate stabilization fund with Council Member Hines next week; the plan is to hold the conversation over until August when Strategic Directives Two and Three are discussed.

Board Member Bridges made positive remarks about the two study session presentations and commented how these topics highlight the specialized knowledge set needed for these disciplines.

### **Adjournment**

The study session was adjourned at 5:30 p.m.

Approved:



Carlos Watson, Chair



Holland Cohen, Secretary