



TO: Elizabeth Pauli, City Manager
FROM:
COPY: Infrastructure, Planning, and Sustainability Committee
PRESENTER: Cam LeHouillier, Manager, Tacoma Power Energy Research and Development, Tacoma Public Utilities
SUBJECT: Electrification of Transportation Plans
DATE: November 6, 2019

PRESENTATION TYPE:
Informational Briefing

SUMMARY:

At the request of the Infrastructure, Planning, and Sustainability Committee (IPS) Chair, the presentation scheduled for the November 6, 2019 meeting of the IPS will provide a summary of Tacoma Power's efforts to develop an Electrification of Transportation Strategic Plan and an Action Plan.

BACKGROUND:

Transportation electrification is a transformative technology that can provide a many benefits including:

- Less expensive fuel and less costly car maintenance
- A cleaner environment, where the carbon free fuel is produced locally
- A new revenue source outside of Tacoma Public Utilities' traditional business model

Washington State is in the early adoption stage of electric vehicles. Less than 3% of new cars in Washington State are electric, but with the low cost of clean renewable power, and the falling cost of batteries for electric vehicles, we anticipate an increase in the number of electric vehicles.

Earlier this year the Washington State legislature passed Substitute House Bill 1512 clarifying a consumer-owned utility's authority to actively engage in promoting transportation electrification through programs, incentives, and advertising. The legislature gives the governing body of each utility the role of determining if and to what extent the utility will participate in transportation electrification. If the utility is to participate, the governing body must adopt an Electrification of Transportation Plan. To that end, Tacoma Power is in the process of developing an Electrification of Transportation Strategic Plan, for the Tacoma Public Utility Board's (PUB) consideration. The Strategic Plan will include the strategic vision, guiding principles, methodologies, and governance process for the utility's role in transportation electrification. In alignment with the Electrification of Transportation Strategic Plan, the Action Plan is designed to identify areas of focus for the utility, including research priorities, opportunities to engage with customers, and to preview program design and delivery.

ISSUE:

Electrifying transportation offers numerous benefits including, cost savings to drivers for electricity verses gasoline, reduced Green House Gas emissions from domestic carbon free energy sources, improved air quality, reduction in noise pollution, and increased revenues to the utility. In order for Tacoma Power to move forward with programs that provide incentives for electrification of transportation the PUB must adopt an Electrification of Transportation plan that codifies interpretation and compliance with Substitute House Bill 1512.



ALTERNATIVES:

The Tacoma Public Utility Board could choose not to move forward with the Tacoma Power's recommended Electrification of Transportation Plan, direct an alternative plan be presented, or choose not to participate in electrification of transportation at the current time.

FISCAL IMPACT:

Substitute House Bill 1512 provided clear authority for consumer-owned utilities to create and implement programs, however it did not change the Washington State Constitution's ban on "gifts of public funds". All programs must have a clear business case that shows there are no impacts to rate payers in excess of .25%.

RECOMMENDATION:

Tacoma Power will welcome feedback from the community at public meetings in December and January. The final documents, including comments from the PUB and the Public Process, will be presented for approval to the PUB in February 2020.