



## 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

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**SUMMARY:** Tacoma Power requests approval by the Public Utility Board for a new rate category—Shore Power Service (Schedule SP).

**BACKGROUND:** The new tariff will provide service for ships at the Port of Tacoma to use electric power instead of burning bunker fuel while in port.

Increasing numbers of marine vessels have systems that can accept power from shore in lieu of burning fossil fuels while in Port. In California, China, and the United Kingdom, certain ports are mandated to use shore power infrastructure. Under Tacoma Power's current rate structure, this kind of power usage would be charged under Schedule G, which includes a demand charge. Under Schedule G, it would be difficult for terminal operators to allocate demand charges incurred by ships that dock at their terminals. Therefore, the proposed rate schedule recovers these revenues from an increased energy charge. The Shore Power rate is designed to recover the same revenue that would be received by the utility under the otherwise-applicable rate (Schedule G). If customers respond to the institution of the rate by increasing load for shore power service, the utility will benefit from increased retail sales.

Tacoma Power has conducted extensive stakeholder engagement with the Port of Tacoma in constructing this rate.

**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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