



ORDINANCE NO. 28709

1 AN ORDINANCE relating to the Department of Public Utilities, Power Division,
2 (d.b.a. Tacoma Power); amending Chapter 12.06 of the Tacoma
3 Municipal Code (“TMC”), relating to Electric Energy - Regulations and
4 Rates, by adding a new subsection “E”, “Customer-Owned Generation,”
5 to Section 12.06.215, “General service - Schedule G,” and renumbering
6 the existing subsections, to compensate large customer-owned
7 generators for the value of their excess energy, effective January 1,
8 2021.

9 WHEREAS large customer-owned electric generation facilities can
10 sometimes produce energy in excess of what is required by the facility at which
11 they are located, and this energy is then transmitted onto Tacoma Power’s
12 electric grid, and

13 WHEREAS Tacoma Power has recently received notice that several
14 commercial customers intend to install large solar electric generation facilities,
15 and this rate request is in response to the request of these customers for rate
16 certainty surrounding the excess generation that may result from these
17 installations, and

18 WHEREAS under current law, there are no provisions for compensation
19 for excess customer generation for customer-owned generation facilities with a
20 capacity greater than 100kW, and no obligation for the utility to purchase it, and

21 WHEREAS the proposed rate provisions provide a clear pricing option
22 for energy transmitted to Tacoma Power’s system from customer-owned
23 generation facilities with a capacity greater than 100kW, and clarify the
24 ownership of the associated non-power attributes, such as Renewable Energy
25 Credits, and
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WHEREAS the goal of the proposed rate amendments is to ensure that Tacoma Power’s other ratepayers do not bear additional expense or burden and the net cost to the utility is negligible, while still providing fair compensation to customers choosing to invest in their own renewable solar (or other distributed energy), and

WHEREAS, pursuant to Tacoma City Charter Section 4.11, revisions to Tacoma Power rates and regulations and the Electric Rate and Financial Policy require approval by the Public Utility Board and City Council, and

WHEREAS, by adoption of Public Utility Board Resolution No. U-11209 on October 28, 2020, the proposed TMC amendment was approved, pending confirmation from the City Council; Now, Therefore,



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BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That Chapter 12.06 of the Tacoma Municipal Code Electric Energy - Regulations and Rates, is hereby amended by adding a new subsection "E", "Customer-Owned Generation," to Section 12.06.215, "General service - Schedule G," and renumbering the existing subsections as set forth in the attached Exhibit "A." This section shall become effective on January 1, 2021.

Section 2. That the City Clerk, in consultation with the City Attorney, is authorized to make necessary corrections to this ordinance, including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Chief Deputy City Attorney

Requested by Public Utility Board

Resolution No. U-11209



EXHIBIT "A"

**Chapter 12.06
ELECTRIC ENERGY – REGULATIONS AND RATES**

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Sections:

- 12.06.010 General application.
- 12.06.020 Definitions.
- 12.06.030 Available voltages.
- 12.06.040 Application for service and contract.
- 12.06.050 Inspection.
- 12.06.060 Equipment and wires.
- 12.06.070 Rearranging lines or equipment.
- 12.06.080 Metering.
- 12.06.090 Connected load.
- 12.06.100 Deposits and connection charges.
- 12.06.110 Billing – Payment of bills and delinquency.
- 12.06.115 Disconnection of electric service.
- 12.06.120 Resale of electric energy prohibited.
- 12.06.130 Diversion of current.
- 12.06.140 Tampering and injury to City equipment.
- 12.06.150 City not liable for damages.
- 12.06.160 Residential service – Schedule A-1. *Effective July 1, 2020.*
- 12.06.165 Low-income/senior and/or low-income/disabled discount residential service – Schedule A-2.
- 12.06.170 Small general service – Schedule B. *Effective July 1, 2020.*
- 12.06.180 *Repealed.*
- 12.06.190 *Repealed.*
- 12.06.210 *Repealed.*
- 12.06.215 General service – Schedule G. *Effective July 1, 2020.*
- 12.06.220 *Repealed.*
- 12.06.225 High voltage general service – Schedule HVG. *Effective July 1, 2020.*
- 12.06.240 *Repealed.*
- 12.06.250 *Repealed.*
- 12.06.260 Contract industrial service – Schedule CP. *Effective July 1, 2020.*
- 12.06.270 *Repealed.*
- 12.06.280 *Repealed.*
- 12.06.290 Street lighting and traffic signal service – Schedule H-1. *Effective July 1, 2020.*
- 12.06.295 Street lighting service – Schedule H-3. *Effective April 1, 2018.*
- 12.06.300 Private off-street lighting service – Schedule H-2. *Effective July 1, 2020.*
- 12.06.310 Power factor provisions – Schedule P.
- 12.06.314 Tax credit – Schedule TC.
- 12.06.315 *Repealed.*
- 12.06.317 *Repealed.*
- 12.06.318 *Repealed.*
- 12.06.320 Additional rules may be made by director.
- 12.06.330 Customer service policies – Additional rules and regulations.
- 12.06.340 Violations – Penalties – Enforcement.
- 12.06.350 Severability.
- 12.06.360 *Repealed.*
- 12.06.370 Renewable Energy Program.
- 12.06.371 Electric Vehicle Fast Charge – Schedule FC. *Effective January 1, 2019, to December 31, 2031.*

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1 **12.06.215 General service – Schedule G. Effective July 1, 2020.**

2 A. Availability. For general power use where a demand meter is installed, for standby capacity to
3 customers generating all or a part of their electric power requirements, and for intermittent use. The
customer's actual demand as determined by Tacoma Power must exceed 50 kilovolt amperes or total
connected load as estimated by Tacoma Power must exceed 65 kilowatts upon initial service energization.

4 For customers providing all their own transformation from Tacoma Power's distribution system voltage,
5 a discount for transformer investment and maintenance will be provided by reducing the monthly bill by
0.8 percent. For customers metered on the primary side of a transformer, a discount for transformer losses
6 will be provided by reducing the monthly bill by 1 percent. These discount percentages are additive, and
not compounded.

7 B. Monthly Rate. The sum of the following energy, delivery, and customer charges:

8 1. Energy: All energy measured in kilowatt-hours at \$0.049961 per kWh.

9 2. Delivery: All kilowatts of Billing Demand delivered at \$8.51 per kW.

10 3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable
customer service policies: \$80.00 per month.

11 4. Exceptions:

12 (a) Within the City of Fife:

13 (1) Energy: All energy measured in kilowatt-hours at \$0.049961 per kWh.

14 (2) Delivery: All kilowatts of Billing Demand delivered at \$8.51 per kW.

15 (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable
customer service policies: \$80.00 per month.

16 (b) Within the City of Fircrest:

17 (1) Energy: All energy measured in kilowatt-hours at \$0.049961 per kWh.

18 (2) Delivery: All kilowatts of Billing Demand delivered at \$8.51 per kW.

19 (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable
customer service policies: \$80.00 per month.

20 (c) Within the City of Lakewood:

21 (1) Energy: All energy measured in kilowatt-hours at \$0.049961 per kWh.

22 (2) Delivery: All kilowatts of Billing Demand delivered at \$8.51 per kW.

23 (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable
customer service policies: \$80.00 per month.

24 (d) Within the City of Steilacoom:

25 (1) Energy: All energy measured in kilowatt-hours at \$0.049961 per kWh.

26 (2) Delivery: All kilowatts of Billing Demand delivered at \$8.51 per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable
customer service policies: \$80.00 per month.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.049961 per kWh.



(2) Delivery: All kilowatts of Billing Demand delivered at \$8.51 per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$80.00 per month.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval. The Billing Demand shall be the highest of:

1. The highest measured demand for the month adjusted for power factor;
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor; or
3. 100 percent of the standby capacity.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

D. Standby Capacity. That amount of power requested by written application or estimated by the Director to be made continuously available for exclusive use of the customer.

E. Customer-Owned Generation: Effective January 1, 2021.

1. Any customer taking service under this schedule is eligible to sell to Tacoma Power the quantity of generation that exceeds its actual demand over an hour along with the generation's associated Renewable Energy Credits (REC), as defined by RCW 19.285.030, provided that such a customer:

(a) utilizes solar photovoltaic (PV) arrays sized not greater than 2 MW, or

(b) owns generation and has an agreement with Tacoma Power that provides for:

(i) compensation of excess generation under this rate schedule,

(ii) the purchase of Standby Capacity in the amount of no less than the expected energy output of the generator, and

(iii) the recovery of the cost of integration into Tacoma Power's system.

This section shall not apply to customer-owned generation facilities with a capacity less than 100 kW, which are subject to Tacoma Power's net metering requirements under RCW 80.60.030.

2. To participate, an eligible customer must comply with the following subsections (a), (b), and (c):

(a) Enter into a generator interconnection agreement with Tacoma Power and comply with all its terms. Tacoma Power may adopt any generator interconnection requirements as necessary to protect public safety, system reliability, or other regulatory requirements.

(b) Transfer to Tacoma Power ownership of all environmental, social, REC, and other non-power attributes of the electricity generated in excess of that consumed by the customer. The customer may retain ownership of all environmental, social, REC, and other non-power attributes of the electricity produced by the generator that is consumed on-site.

(c) Pay for a two-way advanced meter that is selected and installed by Tacoma Power at the generator that will be used to measure kilowatt-hours of inbound retail energy consumed by the customer's load and the outbound exported generation. Customers totalizing multiple meters may integrate customer-owned generation into their totalized service consistent with Tacoma Power's policies for meter totalization. Otherwise, meter aggregation across multiple customer premises shall not be permitted.

3. Any electricity produced by the customer's generation may be used to reduce inbound retail electricity consumption in accordance with this schedule.

4. The price Tacoma Power shall pay the customer for the quantity of excess generation delivered to Tacoma Power shall equal the quantity, as measured by the advanced meter over each hour, multiplied by:



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(a) if available, the applicable Pricing Node of the Real-time Dispatch price of Energy Imbalance Market where the generator is located, as determined by the California Independent System Operator under its market tariff, or

(b) a published index price for firm energy at the Mid-Columbia applicable to the time in which energy was delivered;

(c) plus \$4.43 for each REC transferred to Tacoma Power.

If excess generation is provided during any hour in which the advanced meter fails to record generation, Tacoma Power shall estimate the quantity of excess generation.

EE. Service Conditions.

1. At the option of Tacoma Power, primary metering may be installed where the service transformers aggregate 500 kVA or more.
2. At the option of Tacoma Power, a customer may be transferred to a non-demand metered rate if the customer's actual demand has not exceeded 50 kilovolt amperes in the prior 24-month period.
3. Power factor provision applicable.
4. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

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