



Open-Access Transmission Tariff Update

City of Tacoma | Tacoma Power

Government Performance & Finance Meeting

April 20, 2021

Resolution 40771



••• What is an OATT?

The **Open-Access Transmission Tariff** provides the rates, terms, and conditions under which **wholesale customers** (market participants and other utilities) must follow – and pay – to **transmit electricity** over Tacoma Power's transmission system.

History of Current OATT

- First Tacoma OATT established in 2000
- Updated once in 2012
- Cost-based basic template from Federal Energy Regulatory Commission (FERC)
- Wholesale pricing: followed same process as 2012 update by going directly to First Reading

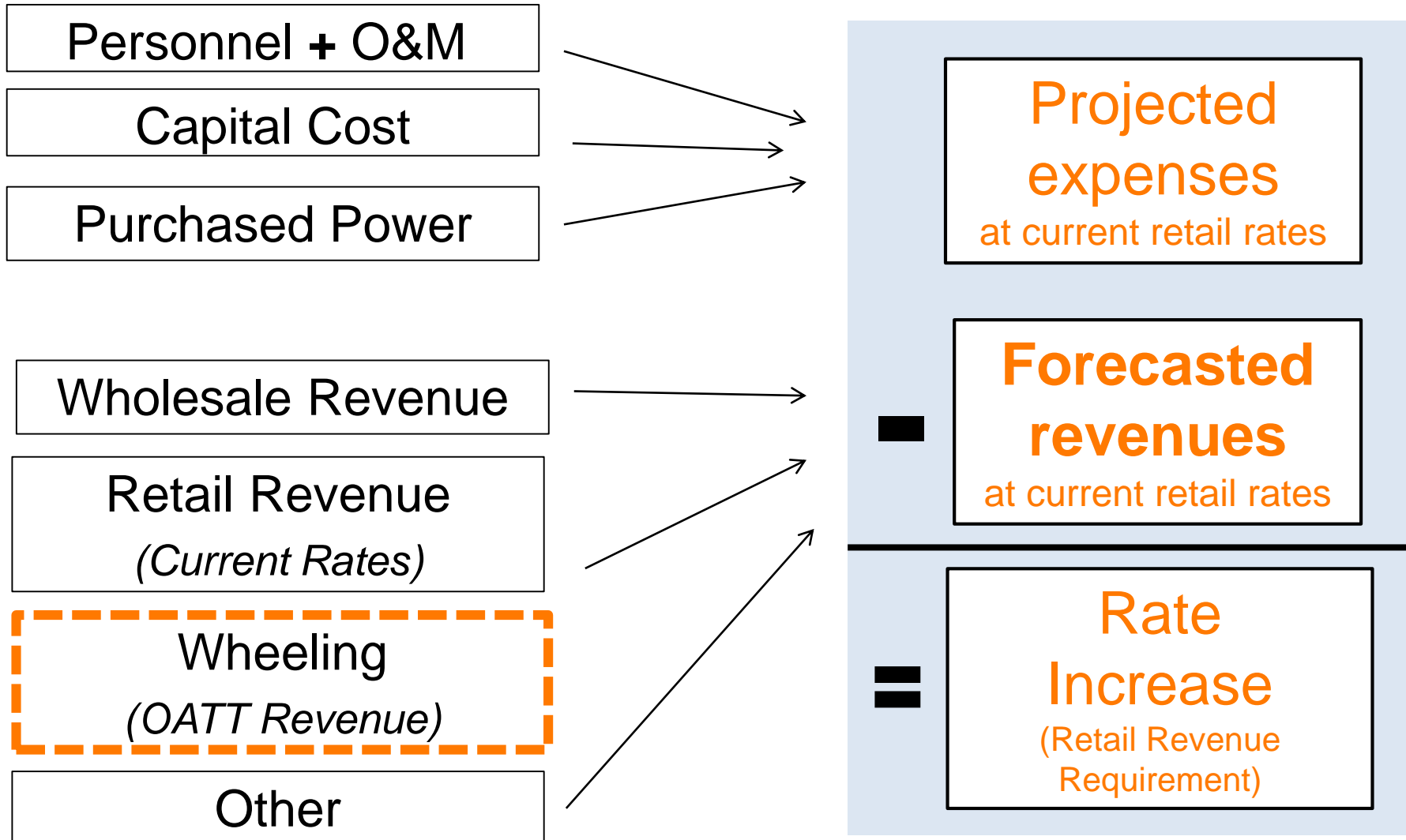
••• Co-Generation to California

- **Current contract expires in July 2021.**
If there is a successor agreement to sell this electricity, it will likely continue to be subject to the OATT increase.
- **In 2008, the value of the cogeneration was much higher in California.**
A long-term contract was established. Current prices are much lower, and the customer may begin using the output of the generator to supply a portion of its needs.

••• Effect of Change

- Primary drivers of wholesale electricity sales is **price of power**, not transmission
- **Current transmission users understand** need for rate increases and language updates
- If OATT not updated to reflect cost to service transmission customers, **retail ratepayers must bear additional cost**

••• Effect on Retail Rates



•••What is Changing?

- Increased rates
- Language changes regarding Energy Imbalance Market (EIM)
 - *Updated terms & conditions*
 - *Authorization to pass on EIM charges to market customers who cause the cost*
- Technical details about how users request service

●●● Rate Details

Sch.	Service	Current	Updated	Units
	Revenue Requirement	\$22,962,043	\$26,712,192	per Year
1	Scheduling, System Control, & Dispatch	\$0.82	\$1.06	per MWh
2	Reactive Supply and Voltage Control	\$0.08	\$0.14	per MWh
3	Regulation and Frequency Response	\$0.34	\$0.52	per MWh
5	Operating Reserves - Spinning	\$14.45	\$20.48	per MWh
6	Operating Reserves – Supplemental	\$14.45	\$20.48	per MWh
7	Point-To-Point (Hourly)	\$2.99	\$3.93	per MWh

Estimated revenue increase is \$200,000 to \$1.2 million,
depending on services purchased.

••• Next Steps

- **Government Performance and Finance Committee: April 20th**
- City Council approval
- Next Review
 - *Goal for biennial reviews in future*
 - *Council feedback on process welcomed*



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