



TPU Economic Development

Tacoma Public Utilities | Economic Development

Economic Development Committee

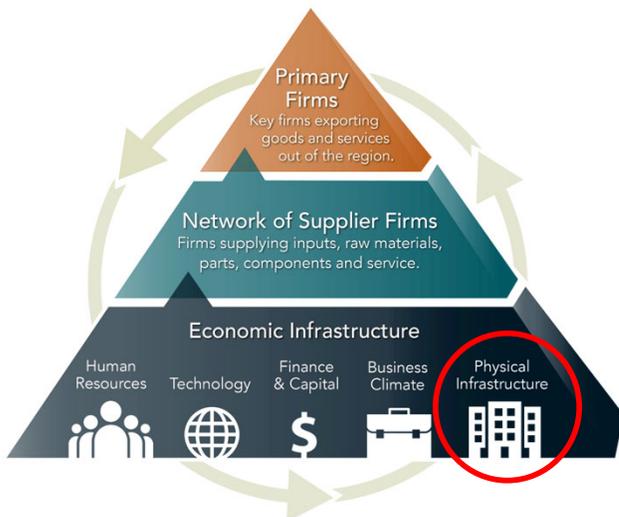
October 26, 2021

ITEM #



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Utilities & Economic Development



"All economic development is local, and it all relies on a site or building."

And every site or building is going to be served with utilities.

Utilities are one of the key stakeholders in the economic development team."

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Strategic Directive 9



- PUB passed SD9 - Economic Development – June 2020
- TPU recognizes that it supplies critical resources to the communities it serves, providing the foundation for a strong and resilient economy
- Outcome - TPU will coordinate with local and regional entities to leverage the region's unique strengths to attract innovation and economic activity resulting in higher quality of life indicators for the region

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2020-2021 Review



- Pivoted to business retention
 - Business COVID resources webpage
 - CARES Act Utility Assistance Grant
- Partnerships and collaborations strengthened
- Slower stream of prospects
- Development and implementation of the electrofuels tariff
- Peer port cities rates comparison

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2019-2021 Summary



- Pierce County continues to be attractive to development and new business
- COVID stimulus funds were critical to keeping businesses open

Commercial & Industrial Account Openings				Commercial & Industrial Account Closures			
Services	2021	2020	2019	Services	2021	2020	2019
Power & Water	220	318	353	Power & Water	212	300	354
Power Only	1,225	1,771	1,972	Power Only	1,137	1,573	1,675
Water Only	166	195	232	Water Only	125	166	184
TOTAL	1,611	2,284	2,557	TOTAL	1,474	2,039	2,213

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Green Hydrogen



- Production of H₂ from renewable energy and water through electrolysis
- Critical component to decarbonizing the economy
- Uses include:
 - Transportation fuel as gas, liquid or ammonia
 - Industrial process feedstock
- Supply side – producers, fueling stations, distribution
- Demand side – light and heavy duty vehicles, maritime vessels, trains, energy storage/backup power, buses, cold-ironing, etc.
- Partners across a number of sectors on the supply and demand sides

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Electrofuels Tariff Pilot



- Developed in part due to industry demand
- Positive national response to the rate
- Potential to create a green hydrogen fuels cluster
- There are multiple green hydrogen producers firms exploring this area
- Hurdles include
 - Scarcity of available industrial land throughout our service area
 - Size of sites is generally too small in Tacoma
- Securing an electrofuels customer will continue to be a focus throughout 2021 and 2022

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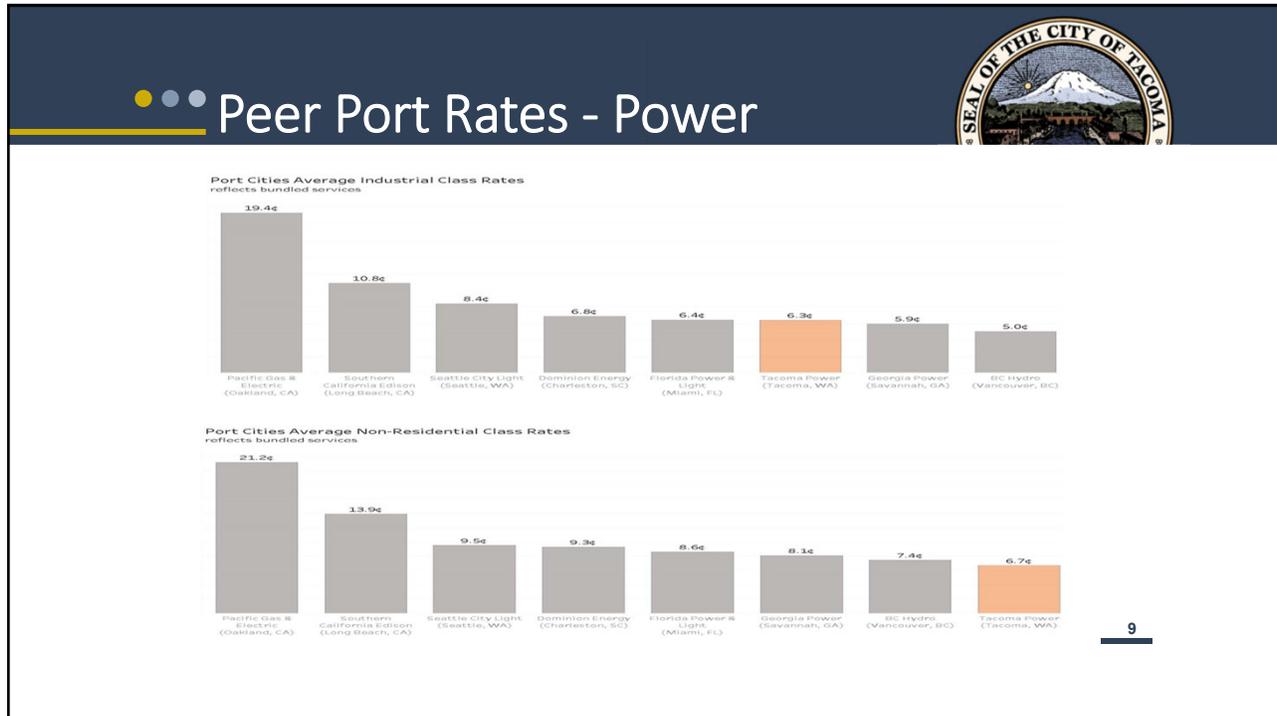
Rate Competitiveness



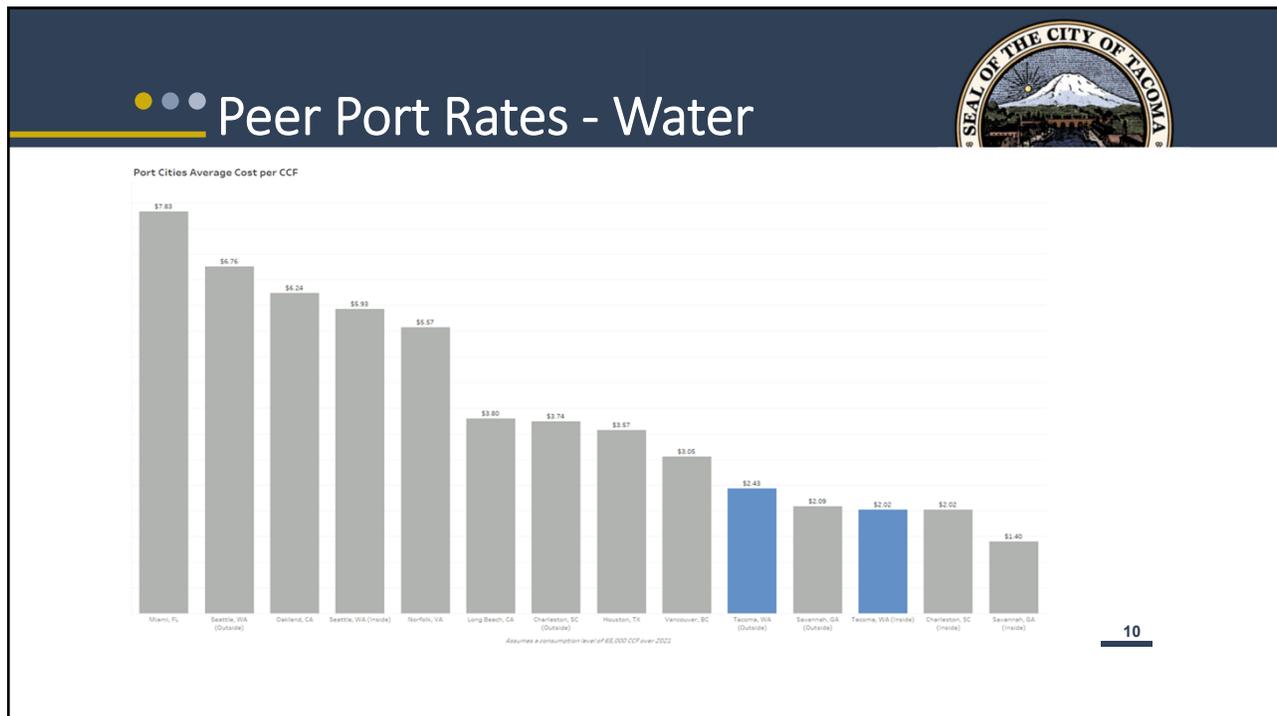
- Evaluating our rate schedules to ensure TPU remains competitive
- Tacoma Power and Water conducted rate competitiveness analyses of peer ports around the country and BC
- Complex analysis: all rate schedules are unique
- Both Power and Water are competitively priced relative to our peer port city utilities

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2021 Activity



- Focus on retention and expansion
- Numerous prospects including beverage distribution, food products, plastic extrusion, biodiesel, call center, pharmaceuticals, and glass recycling
 - Cold storage facility - 860,000 sf
 - Fred 310 (Boeing) – infrastructure build out planning
 - BridgePoint Development (BNSF site) – 160 acres
- Trends are still developing in commercial real estate regarding WFH and commercial office space
- Strategies for equity and inclusion

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Summary



- Exploring new products
- Ensuring alignment
- Working collaboratively
- Being adaptive
- Remaining competitive

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September 14, 2021

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