



# TPU Economic Development

Tacoma Public Utilities | Economic Development

Economic Development Committee

October 26, 2021

ITEM #



1

## 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."*

2

2

## 



- 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

3

3

## 



- 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

4

4

## 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			
Services	2021	2020	2019
Power & Water	220	318	353
Power Only	1,225	1,771	1,972
Water Only	166	195	232
<b>TOTAL</b>	<b>1,611</b>	<b>2,284</b>	<b>2,557</b>

Commercial & Industrial Account Closures			
Services	2021	2020	2019
Power & Water	212	300	354
Power Only	1,137	1,573	1,675
Water Only	125	166	184
<b>TOTAL</b>	<b>1,474</b>	<b>2,039</b>	<b>2,213</b>

5

5

## Green Hydrogen



- Production of H<sub>2</sub> 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

6

6

## 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

7

7

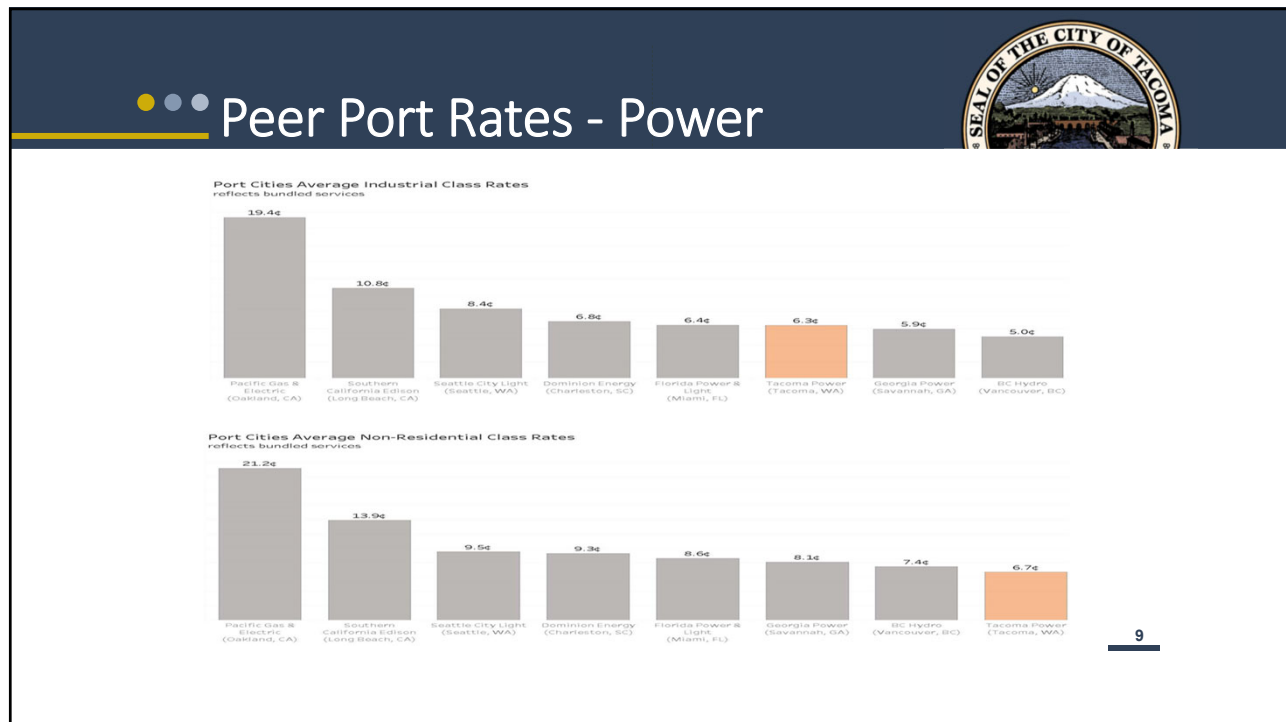
## Rate Competitiveness



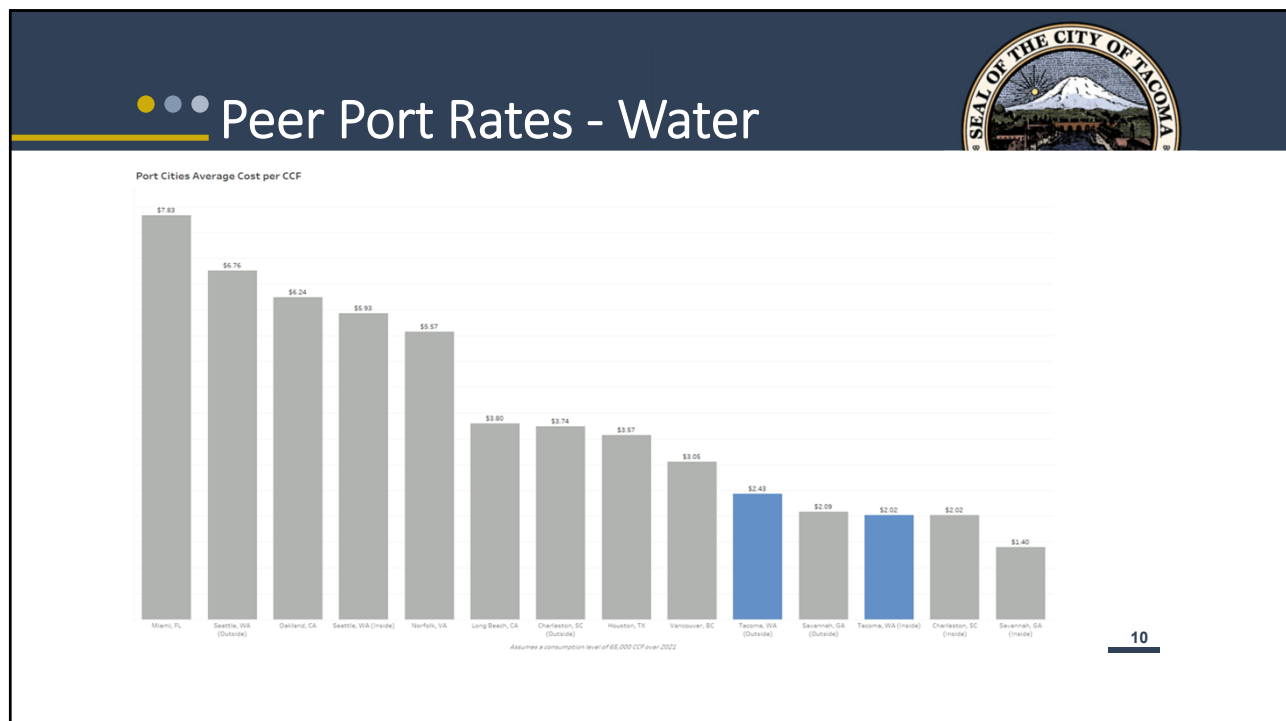
- Evaluating our rate schedules to ensure TPU remains competitive
- Tacoma Power and Water conducted rate competitiveness analyses of peer ports around the country and BC
- Complex analysis: all rate schedules are unique
- Both Power and Water are competitively priced relative to our peer port city utilities

8

8



9



10

## 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

11

11

## Summary



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

12

12



# TPU Economic Development

Tacoma Public Utilities | Economic Development

Economic Development Committee

September 14, 2021

ITEM #

