



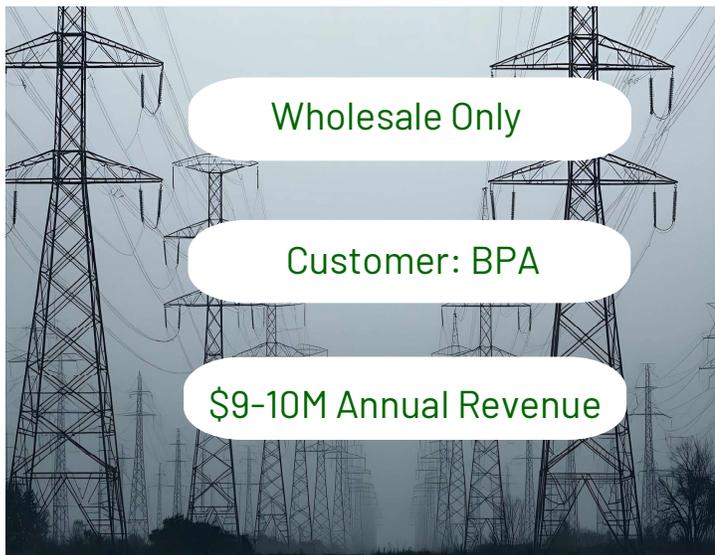
Update to Tacoma Power's Open Access Transmission Tariff

Tacoma Power | Rates, Planning & Analysis

City Council Meeting
March 3, 2026
Ordinance No. 29094



OVERVIEW



Wholesale Only

Customer: BPA

\$9-10M Annual Revenue

The Open-Access Transmission Tariff (OATT) is a charge for one utility or market participant to use another utility's transmission lines.

While not required by the Federal Energy Regulatory Commission (FERC), Tacoma Power voluntarily offers access to other utilities as a best practice.

Tacoma Power provides transmission services to mutual utilities in Bonneville Power Administration (BPA) service area. BPA pays Tacoma Power for the transmission service.

COST INCREASE

Since the 2021 update, Tacoma Power’s cost of providing transmission service has increased by \$9 million, or 6.0% annually.

Investor-Owned Utilities’ Cost Increase

Energy Information Administration data shows that major Investor-Owned Electric Utilities have had an annual average transmission cost increase of **7.2%** from 2019 to 2023.



Handy Whitman Index

Handy Whitman Index indicates an annual average increase of **7.2%** in transmission cost in the Pacific Region from 2019 to 2024.

RECOMMENDATION

Recommendation

Tacoma Power requests that City Council approve the updates to Tacoma Power’s Open Access Transmission Tariff:

- Increase the annual cost of service for Network Integration service by \$9 million, with an estimated annual revenue increase of \$2.6 million
- Various changes to Point-to-Point and ancillary services
- Updated terms and conditions in Attachment O

CURRENT SCHEDULE

Nov 26, 2025	Posted the Proposed Tariff Online
Dec 10, 2025	Public Utility Board Study Session
Feb 3, 2026	Government Performance & Finance Committee (GPFC)
Feb 11, 2026	Public Utility Board Passed Resolution
Mar 3, 2026	City Council Meeting – 1st Reading
Mar 10, 2026	City Council Meeting – 2nd Reading
Apr 1, 2026	Effective Date of Updated Transmission Tariff

TRANSMISSION RATES

Network Integration

- Enables customers to use Tacoma Power’s transmission system to serve their own loads—just like Tacoma Power does for its own customers.
- BPA pays for the municipal and co-utilities it serves.
- Charges are based on each customer’s share of the total load, proportional to the annual cost of service.

Point-to-Point

- Allows customers to move electricity from a specific starting point (where it’s interconnected) to a specific delivery point (where it’s used), using Tacoma Power’s transmission system.
- Tacoma Power currently does not have any PTP customers that purchase significant volumes of service.

Ancillary Services

- Support reliable operation of the transmission system and help maintain power quality and grid stability.
- Required and optional services. e.g. system control, voltage control, reserves, etc.

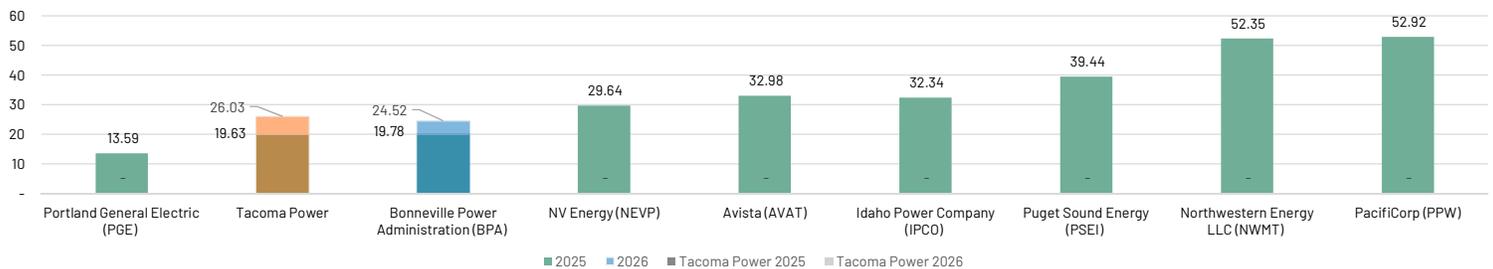
PROPOSED RATES UPDATE

Attachment	Service (Network Integration)	Current (annual)	Proposed (annual)	Increase (\$)	Increase (%)	Annualized%
H	Network Integration	\$26,712,345	\$35,814,047	\$9,010,702	34%	6.0%
Schedule	Service (Ancillary & Point-to-Point)	Current (per MWh) Based on 2019 Cost	Proposed (per MWh) Based on 2024 Cost	Increase	%	Annualized %
1	Scheduling, System Control, and Dispatch	\$1.06	\$1.22	\$0.16	15%	2.9%
2	Reactive Supply and Voltage Control	\$0.14	\$0.00	-\$0.14	-100%	-100%
3	Regulation and Frequency Response	\$0.52	\$0.56	\$0.04	8%	1.5%
5	Spinning Reserve	\$20.48	\$20.71	\$0.23	1%	0.2%
6	Supplemental Reserve	\$20.48	\$20.71	\$0.23	1%	0.2%
7	Point-to-Point	\$3.93	\$5.21	\$1.28	33%	5.8%

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PEER UTILITY TRANSMISSION RATES

Point-to-Point Transmission Rates in 2025 and 2026 (\$/kW-year)



BPA Rate Increase from 2021

	BPA Network Integration Rate			BPA Point-to-Point Rate		
	per kW per month	% Increase from 2021	Annualized Increase from 2021	per kW per month	% Increase from 2021	Annualized Increase from 2021
2021	1.771			2021	1.533	
2026	2.399	35%	6.3%	2026	2.043	33%

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