



ORDINANCE NO. 29094

1 AN ORDINANCE relating to the Department of Public Utilities, Light Division
2 (d.b.a. "Tacoma Power"); authorizing Tacoma Power to update the
3 wholesale transmission and ancillary service rates in the Open Access
4 Transmission Tariff, and to update the terms and conditions in
Attachment O to reflect current practices of the Western Energy
Imbalance Market, effective April 1, 2026.

5 WHEREAS the Department of Utilities, Light Division (d.b.a "Tacoma
6 Power") collects revenue from wholesale transmission customers who use its
7 transmission system under the published Open Access Transmission Tariff
8 ("OATT"), and

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10 WHEREAS the OATT includes rates for Network Integration and
11 Point-To-Point types of transmission services, as well as six ancillary services
12 related to transmission, and

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14 WHEREAS Tacoma Power is proposing updates to reflect 2024 cost
15 data and include revisions to Attachment O of the OATT to align with current
16 practices in the Western Energy Imbalance Market, and

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18 WHEREAS currently, Booneville Power Administration ("BPA") is the
19 main wholesale transmission customer that Tacoma Power serves, and

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21 WHEREAS BPA uses Tacoma Power's transmission system to deliver
22 power to nine utilities, known as the Pierce County Mutuals, and pays
23 Tacoma Power a proportional share of annual transmission costs based on its
energy deliveries to the Pierce County Mutuals, and

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25 WHEREAS the current OATT rates and terms were approved by the
26 City Council in 2021, pursuant to Resolution No. 40771, and



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WHEREAS the updated proposal incorporates 2024 cost information and complies with Federal Energy Regulatory Commission (“FERC”) Order 904, which prohibits charges for “Reactive Supply and Voltage Control” (Schedule 2 below), when generator output remains within standard voltage ranges, and

WHEREAS although it is generally not subject to FERC jurisdiction, Tacoma Power voluntarily follows FERC guidance on OATT rates, terms, and conditions as an industry best practice to ensure fair and non-discriminatory access, and

WHEREAS if future studies show deviations from standard voltage range, Tacoma Power may apply a cost based rate for reactive power, and

WHEREAS the current and proposed rates for various transmission services are shown in Schedule 2 below:

Schedule	Service	Current	Proposed	Units	% Increase	
					Total	Yearly
	Revenue Requirement	\$26,712,192	\$35,814,047	per Yr	34%	6.0%
1	Scheduling, System Control, & Dispatch	\$1.06	\$1.22	per MWh	15%	2.9%
2	Reactive Supply and Voltage Control	\$0.14	\$0.00	per MWh	-100%	-100%
3	Regulation and Frequency Response	\$0.52	\$0.56	per MWh	8%	1.5%
5	Operating Reserves - Spinning	\$20.48	\$20.71	per MWh	1%	0.2%
6	Operating Reserves - Supplemental	\$20.48	\$20.71	per MWh	1%	0.2%
7	Point-To-Point (Yearly)	\$19,626	\$26,027	per MW-Yr	33%	5.8%
7	Point-To-Point (Hourly)	\$3.93	\$5.21	per MWh	33%	5.8%



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WHEREAS it is in the best public interest to approve the proposed updates to the OATT as recommended, and

WHEREAS, by adoption of Public Utility Board Resolution No. U-11585 on February 11, 2026, the proposed updates were approved, pending confirmation from the City Council; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

That effective April 1, 2026, the proposed update to the wholesale transmission and ancillary service rates in the Open Access Transmission Tariff (“OATT”), and update to the terms and conditions in Attachment O of the OATT to reflect current practices of the Western Energy Imbalance Market are hereby approved, in substantially the same form as on file with the City Clerk and as approved by the City Attorney’s Office.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Chief Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-11585