

## Renewable Energy Mandates

In 2006, Initiative number 937 (I-937) was passed by the voters of Washington with the intent of requiring large utilities to use renewable energy. As defined by the initiative, renewable energy resources include solar, wind, geothermal, ocean energy, and some types of biomass energy. Interestingly, existing hydropower – which is among the cleanest of all sources and where the PUD gets most of its power – Washington State does not count toward meeting the I-937 mandate.

Under I-937, large utilities are defined as those with over 25,000 customers. As such, the PUD is considered a large utility for the purposes of these renewable energy mandates.

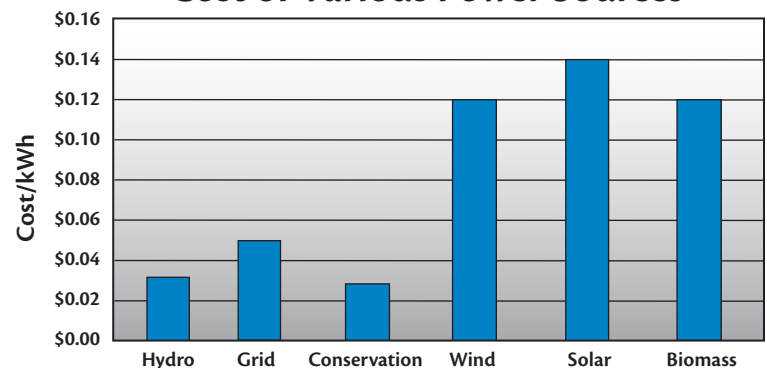
I-937 mandates the PUD to acquire defined renewable energy as part of its portfolio in the following time and step increments: 3% by 2012, 9% by 2016, and 15% by 2022. It also requires the PUD to achieve all “cost-effective” energy conservation. We begin to discuss this more on page 2.

One of the concerns customers often express is that of increasing electric rates. The Bonneville Power Administration (BPA) has already indicated they intend to increase their wholesale rate to the PUD again this year, yet existing hydro power from the BPA will continue to remain the most affordable energy resource available.

As the PUD moves to meet the mandates of voter passed I-937, rates will undoubtedly feel upward pressure. On average, wholesale hydro power from BPA costs about 3 cents per kilowatt hour, while wind is about 4 times that and solar is even slightly more. And this cost includes subsidies.

It is difficult to determine exactly what price impact I-937 will have on future rates, but the simple fact is that the PUD is mandated to replace up to 15% of existing low-cost clean hydro power from BPA with renewable energy sources that cost four times or more. Your PUD is doing what it can to keep power increases to a minimum, including pushing for legislation to have Washington State deem hydro power a renewable.

**Cost of Various Power Sources**



\*Electricity obtained from regional market

One of the benefits of any public power entity like the PUD is that it is locally controlled and operated. The Commissioners and staff are customers of the PUD and work very hard to meet the mission of providing reliable, efficient, safe and low cost utility services in a financially and environmentally responsible manner. Our concern for the future of rates and a clean environment is of utmost importance.

### SAVE THE DATES!

Newsradio 160  
**KONP**  
 29<sup>th</sup> Annual  
**KONP Home Show**  
 February 26-27 (Sat-Sun)  
[www.thekonphomeshow.com](http://www.thekonphomeshow.com)

**BUILDING  
 REMODELING  
 & ENERGY  
 EXPO**  
 Presented by the NPBA  
 March 12-13 (Sat-Sun)  
[www.sequimexpo.com](http://www.sequimexpo.com)

**PUD Mission: Providing reliable, efficient, safe and low-cost utility services in a financially and environmentally responsible manner.**

### PUD Commissioners

Our Board holds public meetings most Mondays at 1:30 p.m. at our Port Angeles office, 2431 East Highway 101.

Call (360) 565-3231 or (800) 542-7859 for more information.

**Will Purser • Hugh Haffner • Ted Simpson**

General Manager: Doug Nass

### Contact the PUD

P. O. Box 1090 • Port Angeles, WA 98362

(360) 452-9771 • Toll-free: (800) 542-7859

[info@clallampud.net](mailto:info@clallampud.net) • [www.clallampud.net](http://www.clallampud.net)



Printed on recycled paper (30% post-consumer waste) using soy-based inks

# Energy Efficiency

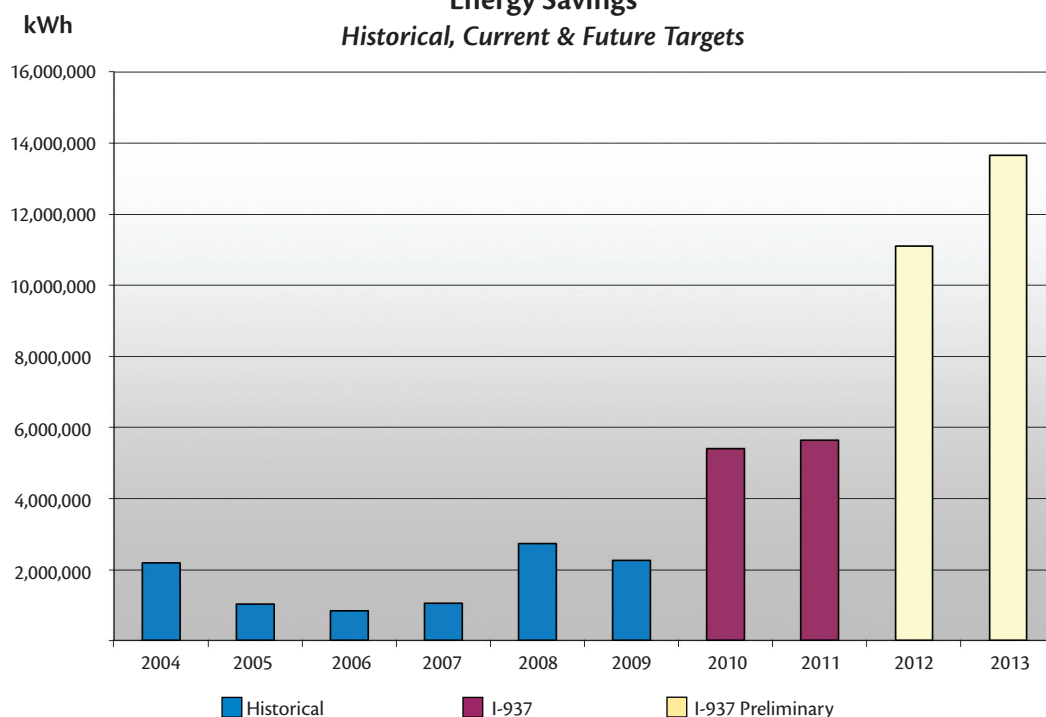
## A Utility / Community Partnership

Washington's Energy Independence Act (I-937) did more than mandate utilities meet new renewable energy requirements; it also mandates new conservation requirements. Essentially, the PUD must take a look at what its potential conservation efforts could attain over the next 10 years. Then, it must meet 1/5 of that potential within a 2 year period.

The rules have changed for how conservation efforts can be achieved too. In the past, one of the ways the PUD had met its conservation goals was through the distribution of Compact Fluorescent Lights (CFL), which is the most cost effective way to meet our requirements. However, 2011 is the last year that CFLs count toward the PUD's conservation efforts.

Making conservation even more interesting is that new conservation goals double in 2012 and only go up from there.

**Energy Savings**  
Historical, Current & Future Targets



As important as conservation is today and as successful as the PUD and its customers have been with conservation to date, beginning in 2012 PUD customers will see an even greater push for conservation. The exciting part of this is that the existing partnership between the PUD and its customers will become even more important as we work to meet the new conservation mandates.

## Your PUD on Facebook and Twitter

The PUD invites you to "Like" it on Facebook and "Follow" it on Twitter. February 2011 marks the first month the PUD will operate a Facebook and Twitter page.

Both social media sites will be used to communicate important information about the PUD and its operations.

Visit [www.clallampud.net](http://www.clallampud.net) for links to our pages. We look forward to seeing you online!



## Clallam County PUD, 70 Years

This year we continue our celebration of 70 years of serving the Olympic Peninsula. For the next 7 months this segment of the newsletter will take you through a decade by decade look at the history of your locally controlled public power utility – the Clallam County PUD #1. Last month we looked back at the 1940s; this month we look at the 1950s.

### 1950-1960

- **Mid-1950's** – the PUD built a 69KV line from Port Angeles to the initial West End Terminal at Tye Substation.
- **1955** – A fire at Neah Bay destroyed the existing diesel power plant and cottage belonging to Neah Bay Light & Power Company. The PUD worked with the Navy to restore power the next day. The fire ultimately led to the PUD purchasing all assets of Neah Bay Power & Light Company and Clallam Bay Light and Power Company.
- **1957** – Clallam County PUD and 17 other PUDs joined to form the Washington Public Power Supply System (WPPSS). The District still receives annual payments for its share of the WPPSS Packwood Hydroelectric Project. The District would later withdraw from WPPSS in 1984 (stay tuned).

Next month, we'll take a quick look at the 1960's. For more information on the history of the PUD, please visit the PUD's web site.



## Fuel Mix

Your PUD's electricity comes from the following fuel mix:

Biomass:	0.29%
Coal:	4.88%
Hydroelectric:	83.89%
Landfill Gas:	0.01%
Natural Gas::	1.93%
Nuclear:	8.86%
Other:	0.14%
<b>TOTAL:</b>	<b>100.00%</b>