



Chelan PUD Closes In on New High-Density Load Rate

Chelan County PUD is close to finalizing the rate design for a new high-density load (HDL) rate class. During the board's June 6 meeting, staff presented commissioners with an updated HDL rate design and [report](#), and the PUD continued its public hearing on the proposal. The PUD will re-open the public hearing during the June 20 board meeting, and commissioners are expected to vote on the proposal during that meeting or the next one on July 5.

The rate includes an up-front capital charge of \$190/kW of new or expanded HDL service, per an earlier staff recommendation (CU No. 1741 [15]). It also sets up three tiers of service, starting with up to 300 kW, followed by 300 kW to less than 1 MW, and 1 MW to less than 5 aMW. The basic charge per meter is set at \$130 for the lowest tier, \$560 for the second and \$860 for the largest tier. The PUD takes a similar approach with the size of service in its commercial rates. Lindsey Mohns, customer utilities business adviser, said a tiered approach was used in this case because the HDL rate is expected to cover such a wide range of service sizes. The demand and energy charges are the same for each tier—\$5.50 per kW of maximum demand and 2.7 cents/kWh, respectively. The average blended rate is about 4.57 cents/kWh, PUD spokeswoman Kimberlee Craig told *Clearing Up*.

Staff's recommendation establishes the HDL rate at the District's cost of service, based on commercial and industrial class costs until sufficient HDL customer history is collected, according to a presentation made at the board meeting. The upfront capital charge reflects accelerated capital investment in excess of what the PUD will recover in ongoing monthly charges. The HDL rate schedule will apply to server farms and similar technological operations—such as block-chain and bitcoin operations—that have an energy use intensity (EUI) of 250 kWh per square foot annually or more. EUI is the annual kilowatt-hours of energy use divided by the square footage of operating space used by the energy consuming activity, as determined by the PUD. Once the new rate is adopted, the PUD will spend the summer on rate testing, Craig said.

The goal is to have the new rate in place by Oct. 3, when the PUD will hold a hearing on its ongoing moratorium on new HDL loads (CU No. 1736 [10.1]) **[J. N.]**.