



PUD moratorium extended on big power requests

by Christine Pratt

Feb. 3, 2015, 9:13 a.m.

— Christine Pratt, World staff

WENATCHEE — Chelan County PUD commissioners Monday extended until July a moratorium on new requests for large amounts of electricity.

Commissioners agreed to a moratorium Dec. 15, after the utility last year received an unprecedented 34 inquiries for 220 average megawatts of electricity.

The utility currently needs 180-190 average megawatts to power the entire county.

“These have pretty severe rate/cost implications,” John Stoll, managing director of customer utilities, told commissioners.

The moratorium will give PUD staffers more time to:

Learn the final the results of a priority-setting and customer-opinion-gathering effort that began last summer. The process should be finished this spring.

Review existing policies for large power users and adjust them, with commissioner approval, if necessary.

Study the cost of building the substations necessary to satisfy an higher-than-historical growth local demand.

In a typical year, Chelan County’s demand for electricity grows from 1- to 3- average megawatts, Stoll has said.

Five newer applications for power already approved will result in an increase of as much as 9.5 average megawatts.

Most of the inquiries are for computer data centers — rooms full of computers the process data. They’re looking for 1 to 5 average megawatts of electricity. Some of the inquiries are for larger amounts, officials have said.

A single megawatt is enough electricity to power more than 400 of Chelan County’s typically all-electric homes, Stoll said, or a medium-sized fruit packer. Currently, even the largest area fruit packers use, on average, less than 2 average megawatts.

Richard Bundy a former Texas data-center manager who now lives in Ephrata, told commissioners he hoped for 5 average megawatts of Chelan PUD power to launch a \$7 million data center for “mining” Bitcoin, a digital currency.

Bundy said his company, Telco214, has two data centers in Grant County that together use 6.5 average megawatts of power and employ about 14 people.

He’s looking for locations in Chelan and/or Douglas County.

He told commissioners that many of the inquiries the PUD has received for power over the past year will likely not translate into actual customers, because each year the money to be made from Bitcoin mining decreases.

Upstart data centers dedicated to Bitcoin may not be in business for long.

“We think that a lot of this is driven by speculation and will not happen,” Bundy said. “A lot of the people will be dropping out.”

He said data centers spend \$85,000 per month on utilities and taxes, and that could benefit the county.

Low-cost power, high-speed fiber and the region’s climate — which reduces heating and cooling costs — makes Central Washington appealing to data center start-ups.

Chelan County resident Paul Schmidt advised caution.

“In terms of power versus the low number of jobs created, I think it’s a bad deal for the local people,” Schmidt said. “We’re giving up our ability to sell that power for a higher price. What do we gain locally for the money we’re giving up?”

He contrasted Bitcoin data centers to a manufacturer like Keyes Fibre, which uses a lot of power, but employs many people.

Equating the Bitcoin miners to “shooting stars,” Schmidt also worried about loss if the PUD is forced to invest millions in new substations to supply the data centers only to have them close their doors in a year or two when they can no longer compete with the mass of Bitcoin miners worldwide.

Commissioner Dennis Bolz said that kind of uncertainty could jeopardize the utility’s rate predictability — a quality that customers value, he said.

Craig Larsen, spokesman for the Port of Chelan County told commissioners he supported the effort to study impacts of the rapid growth in demand, but he urged them not to allow the moratorium to last so long that it becomes a barrier to other types of investment.

“Being in limbo does potentially have some cost,” he said.

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MORE INFO

Bitcoin in a nutshell

Bitcoin is a digital currency that can be used to buy things on line, including gift cards to many retailers worldwide.

Bitcoin “miners” are individuals or small groups who set up networks of high-capacity computers that compete to process blocks of sales transactions made in Bitcoin, a digital currency.

They do this by setting their computers to “guess” a complex mathematical formula that the Bitcoin system assigns to each block of its currency.

Computers used for mining make billions of random “guesses” until they hit on the formula. This requires the machines to run, nonstop. They require huge amounts of electricity to keep them running and to power chilling systems to keep the heat-emitting machines cool.

The miner whose machines hit on the correct formula for a block of Bitcoin wins and is paid in Bitcoin. And the process continues on a new block.