



PUD moves closer to special rate for data miners

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Business

WENATCHEE — Chelan County PUD staff is sticking to its March proposal to charge “high-density” energy users, such as Bitcoin miners, a higher rate that would cover the cost to supply them with electricity.

Commissioners hosted a public hearing Monday on the proposed new rate. They could vote on the proposal as soon as June 20 or July 5. If approved, the rate would take effect Oct. 1. More chance for public comment would be accepted the day of their vote.

The Oct. 1 date coincides with a planned commission discussion to lift a moratorium on new customers who require more than one average megawatt of electricity or whose energy use is considered “high density” — 250 kilowatt hours per square foot of business space per year.

The new rate would apply to energy-intense users, like those who use specialized computer systems to “mine” or process transactions in the digital currency Bitcoin.

These customers would pay about 4.5 cents per kilowatt hour for their electricity, up from the approximately 3 cents they currently pay. That includes an extra “demand” charge to compensate the PUD for ensuring enough power is available on the system to meet these customers’ needs.

High-density energy users would be required to pay up-front all the costs to supply them with power, including new transformers, cables or other equipment.

The proposal includes some provisions for allowing high-density users who are already on the system to gradually ramp up, over time, to the new, higher rate.

Customers of the PUD’s other rate classes, including residential and commercial, pay less for their electricity than the cost to provide it.

Commissioners approved the moratorium in December 2014 after officials noticed a big increase in inquiries for larger amounts of electricity. The spike is thought to be driven by Bitcoin and other data miners who “discovered” the region’s low-cost hydropower.

A new rate for energy-dense customers has been subject to multiple board discussions and a public hearing in February. Established data miners said the PUD’s early higher rate proposals would have put them out of business.

PUD officials have compiled a detailed report of their methods and calculations behind the proposal. It’s posted on the “high density load” page of the utility’s website.

Few members of the public commented after the staff presentation, other than to ask for clarification.

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