

RESOLUTION NO. 09-13465

A RESOLUTION AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO SELL THE NON-POWER ATTRIBUTES ASSOCIATED WITH THE NINE CANYON WIND PROJECT AND EXECUTE ALL NECESSARY DOCUMENTS

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District is a power purchaser of the Nine Canyon Wind Project operated by Energy Northwest (ENW). Wind generation is considered renewable and/or emission-free and there are various markets that are currently established as well as developing markets in which the District could monetize the value of the non-power attributes associated with its wind generation. The District has participated in the non-power attribute markets, typically referred to as renewable or carbon markets, which can be either voluntary or regulatory based. Other terminology used for non-power attributes include carbon offsets, renewable energy credits, environmental attributes and other descriptive terms.

The Commission has previously delegated to the General Manager the authority to sell past-generated renewable energy credits (REC) in the voluntary REC market (Resolution No. 07-13231). The authority was limited to past-generated RECs due to concerns about applicable tax laws associated with the financing of Nine Canyon Wind Project. ENW and Nine Canyon participants have received an opinion from ENW's tax counsel that participants may sell the RECs and other non-power attributes associated with each participant's share of output from the Nine Canyon Wind Project under certain circumstances and limitations. The tax opinion does provide that the sales can be forward sales.

It is District staff's recommendation that it is in the best interest of the District to authorize the General Manager or his designee to sell as appropriate the non-power attributes associated with the District's share of the Nine Canyon Wind Project, and execute all documents necessary and to pay for all costs associated with such transactions. This delegated authority to sell non-power attributes is limited as follows: all transactions shall conform to the guidelines established in the Power Risk Management Policy and/or as approved by the Power Risk Management Committee; all sales must comply with terms of the applicable agreements as reviewed and approved by the District's General Counsel (or her designee); the non-power attributes shall only be sold one time (no double counting/selling); and all sales shall comply with advice from tax and bond counsel. Net funds received by the District from such sales will be separately tracked and used to support and enhance the District's environmental, conservation and/or system efficiency improvement programs.

The General Manager of the District has reviewed staff's recommendation and concurs in the same.

**ACTION**

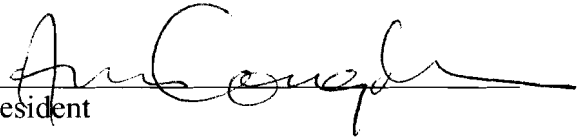
IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, as follows:

Section 1. The General Manager of the District or his designee is authorized to sell the non-power attributes associated with the District's share of the Nine Canyon Wind Project. This delegated authority to sell non-power attributes is limited as follows: all transactions shall conform to the guidelines established in the Power Risk Management Policy and/or as approved by the Power Risk Management Committee; all sales must comply with terms of the applicable agreement as reviewed and approved by the District's General Counsel or her designee; the non-power attributes shall only be sold one time (no double counting/selling); and all sales shall comply with advice from tax and bond counsel. Net funds received by the District from such sales/trades will be separately tracked and used to support and enhance the District's environmental, conservation and/or system efficiency improvement programs.

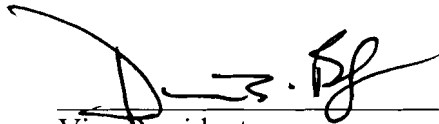
Section 2. The General Manager is authorized to execute all necessary documents and to pay all costs as appropriate in relation to the sale of the non-power attributes.

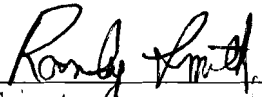
Section 3. Resolution No. 07-13230 is superseded.

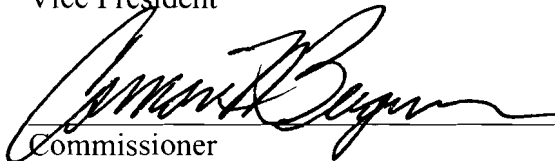
DATED this 1<sup>st</sup> day of June, 2009.

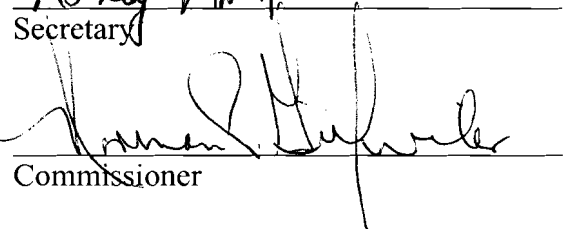
  
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President

ATTEST:

  
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Vice President

  
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Secretary

  
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Commissioner

  
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Commissioner

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