CRYPTOCURRENCY MORATORUM PUBLIC HEARING August 20, 2018





TODAY'S DISCUSSION

Rate Considerations Public comment Next steps

What we've heard from public comment

Costs associated with a new group of customers should not increase rates for others

Allow new technology a chance to succeed

Volatility of market rates is a concern, particularly small operators

Consider phase-in for new rates

Market variability in the rate is reasonable but going forward, customers need to be able to have reasonable expectations of stability in other rate elements Impact of a new rate is significant for established miners who have complied with PUD rules

No opposition to proposed rates for larger loads

Draft Cryptocurrency Rate Considerations

For use over 1 MW, with past market monthly average index energy price average (last 24 months through June 2018) 5.5 ¢/kWh*

For residential services^{**}, recommend adjusting delivery charge, resulting in 7-10 ¢/kWh* (as of May 2018), also increases with market

For use over 1 MW, with future market energy estimate, average approx. 6 ¢/kWh* for commercial or industrial services (as of May 2018), July/August 2018 estimated to be ~10 ¢/kWh

*Includes customer charge, delivery and energy, does not include upfront charges (detailed in appendix A-1) **This customer group needs further evaluation

Excess use charges apply for incidental use over authorized levels

Estimated Rate Elements*

Basic Charge: \$900/mo (*under evaluation for small customers*) **Delivery Charge:** \$5.50/KW-mo commercial & industrial 2-3 times higher for residential (residential under evaluation) **Energy Charge (forward market price indicators):** Est. market energy: Est. specified source/carbon-free: 0.4 cents/kWh Est. ancillary services & other: Est. risk:

*Description of elements available in Appendix A-2

- 2.6 cents/kWh
- - 0.8 cents/kWh
 - 1.3 cents/kWh

Efforts underway for next update

- (<1MW) that address concerns regarding impact of high basic charges and the variable energy rate
- Response to public comment, including: Evaluation and update to rates for small customers Development of phase-in options

Propose a rate outreach plan

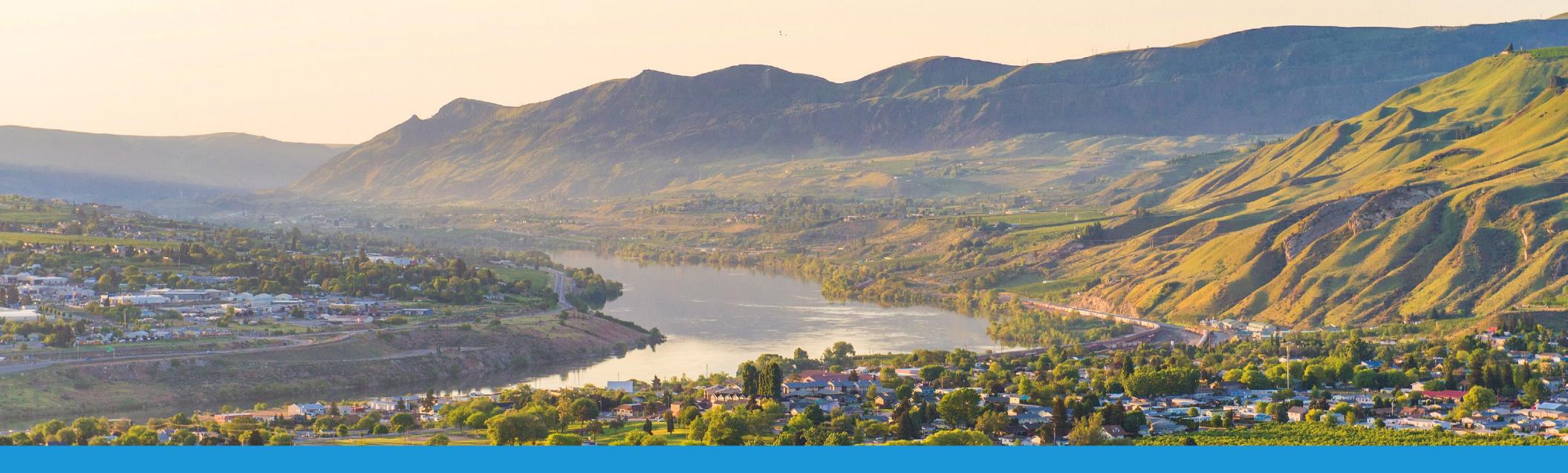
PUBLIC COMMENT



Proposed Motion

In order to allow time for staff to implement Board direction provided today, move to:

Continue the moratorium and set the next public hearing for **September 17, 2018**, during the Board's regular meeting.



Proposed Next Step: MORATORIUM DISCUSSION September 17, 2018 | Regular Commission Meeting

Appendix/Resources



A-1: Upfront Capital Charges

Transmission Costs	Distri
»\$55/kW (first 100 MW) in	»\$27(
Wenatchee corridor (Monitor, Olds	subs
Station, Wenatchee, Malaga)	»Whe
»No connections allowed north of	avail
Leavenworth (Anderson Canyon-	build
Summit Line)	Willing
»\$400/kW - \$500/kW in all other	servic
areas, or cost based on Transmission Study	

ribution Costs

0-388/kW depending on station capacity

ere substation capacity not ilable customer may be required to d necessary infrastructure

ngness to pay does not guarantee ce availability

A-2: Rate Element Descriptions

Basic Charge

Intended to cover cost associated with providing a service connection, such as metering, customer service, customer billing & receiving, etc. Billed as a flat monthly charge per meter served.

Delivery Charge

Intended to cover cost associated with the actual delivery of electricity, such as operation and maintenance of the transmission and distribution systems, outage response & restoration, etc. Billed on the peak demand (KW) within the month.

Energy Charge

Intended to cover cost associated with the purchase of electricity, including the energy index price, ancillary services, carbonfree/specified source, risk. Billed on the usage (kWh) within the month.