

## Initiative 937 Fact Sheet

Establishes two requirements for utilities serving more than 25,000 customers:

1. Commencing in 2010, identify and then pursue all available cost-effective, reliable and feasible conservation using methodologies consistent with those established by the Northwest Power and Conservation Council.
2. Cover a portion of their load with renewable energy\*
  - 3% by 2012
  - 9% by 2016
  - 15% by 2020

\*Renewable resources as defined by the initiative are those that commence operation after March 31, 1999, and include:

- Other than fresh water (hydropower does not count)
- Incremental hydropower as a result of efficiency improvements, or from irrigation pipes and canals if not a new diversion or impoundment
- Wind (SNAP does not count)
- Solar (SNAP does not count)
- Geothermal
- Wave, ocean or tidal power
- Sewage gas
- Landfill gas
- Qualified biodiesel
- Qualified biomass

About 600 Chelan County PUD customers contribute between \$25,000 - \$30,000 per year to the District's award-winning solar program – Sustainable Natural Alternative Power (SNAP). SNAP does not count as a renewable resource in the initiative.

Renewable energy is already being developed in our state. According to the Renewable Northwest Project, there are currently 86 renewable energy projects underway in the Northwest. In 1998, there were two (map attached).

Washington State already produces some the cleanest energy in the nation. Our state ranks 3<sup>rd</sup> lowest in the nation in pounds of carbon dioxide produced per kWh because 70% of our electricity comes from hydro.

Tradable Renewable Energy Credits (RECs) cannot be attributable to renewable resources from fresh water sources (such as hydropower).

Reduces local control over energy decisions.

Does not address the physical (transmission) constraints of moving energy from proposed new generation sites to load centers (i.e. local utilities).

Imposes monetary penalties (5 cents/kWh; escalating for inflation) for utilities that are unable to meet the renewable or conservation targets. These costs would be borne by ratepayers.

Forces utilities to make resource acquisition decisions based on mandates rather than sound economics, which will result in increased costs.

New hydropower is not counted as a renewable resource despite the fact that it is emission free and renewable.

The costs of wind have risen dramatically in recent years. Up as much as 70% in two years (Northwest Power and Conservation Council).

Studies show that wind blows the least during the hottest and coldest times, when energy is most needed. Wind also correlates with water years in that it blows less in low water years and more in high water years.

Wind has a capacity factor of about 30% meaning that for 100 MW of capacity you only get 30 MW of average energy. In addition, intermittent energy sources, such as wind, need to be “firmed-up” with a more reliable power source.

Alternative renewable technologies (other than wind and hydro) are still maturing. The deadlines imposed by the initiative could force utilities to purchase technologies before they are ready.

Northwest transmission paths are already constrained and adding new resources to the system without transmission improvements will increase congestion and costs to ratepayers.

Several utilities have stated publicly that this initiative will cause a further increase in their rates.

**Initiative proponents include:** American Wind Energy Association, National Wildlife Federation, NW Energy Coalition, NW Energy Efficiency Council, Randy Hardy (former BPA Administrator), Renewable Northwest Project, Save Our Wild Salmon Coalition, Senators Cantwell and Murray, Washington Labor Council, and others.

**Initiative opponents include:** Association of Washington Business (AWB), Avista, Boise Cascade, several PUD's, the Seattle Times, the Spokesman Review, Washington Farm Bureau, Washington Rural Electric Cooperative Association, Wenatchee Valley Chamber of Commerce, Weyerhaeuser, and others.

