

NOTICE OF MEETING by the COMMISSION of PUBLIC UTILITY DISTRICT NUMBER 1 OF CHELAN COUNTY ON DEVELOPMENT OF AN INTEGRATED RESOURCE PLAN UNDER RCW 19.280 and NOTICE OF COMMENCEMENT OF CONSIDERATION OF STANDARDS UNDER the PUBLIC UTILITY REGULATORY POLICIES ACT

TO INTERESTED PERSONS

The Board of Commissioners of the Chelan County PUD (Commission) hereby gives notice that it will hold a public meeting to approve the District's 2008 integrated resource plan. The plan, required by RCW 19.280, describes the mix of supply-side generating resources and conservation and efficiency resources that will meet current and projected needs at the lowest reasonable cost and risk to the utility and its ratepayers.

With this notice, the Commission is also initiating consideration of three standards under the Public Utility Regulatory Policies Act (PURPA), as amended by the Energy Independence and Security Act of 2007 (EISA). EISA added three standards to PURPA, under which a utility must initiate consideration of the standard before December 19, 2008 and make a determination about whether or not to adopt the standard by December 19, 2009.

Per this notice, the Commission invites public participation in the meeting scheduled for 1:00 p.m. on August 11, 2008 in the Commissioner's Board room at 327 N. Wenatchee Ave.

INTEGRATED RESOURCE PLAN BACKGROUND

In 2006, HB 1010 (RCW 19.280) passed the Washington State legislature. It requires investor-owned and consumer-owned electric utilities with more than 25,000 customers to develop integrated resource plans (IRP). Among other things, this IRP must include a range of load forecasts, assessments of commercially-available, utility scale renewable and nonrenewable generating technologies and a comparative evaluation of renewable and nonrenewable generating resources and conservation and efficiency resources. The District must hold a public hearing prior to submitting its first IRP, which is due to the Department of Community, Trade and Economic Development by September 1, 2008. Utilities must produce progress reports reflecting changing conditions and the progress of the IRP every two years thereafter. An updated IRP must be developed at least every four years subsequent to the 2008 integrated resource plan.

PURPA STANDARD BACKGROUND

The three new PURPA standards added under the EISA include utility consideration of standards related to:

- 1) Integrated resource planning. Specifically, consider a standard to integrate energy efficiency resources into utility, State, and regional plans; and adopt policies establishing cost-effective energy efficiency as a priority resource;

2) Rate design modifications. Specifically, consider a standard to align utility incentives with the delivery of cost-effective energy efficiency and promote energy efficiency investments; and

3) Smart Grid information. Specifically, consider a standard to provide all electricity purchasers with direct access, in written or electronic machine-readable form as appropriate, to information from their electricity provider.

Under PURPA, electric utilities with total annual retail sales of 500 million kilowatt-hours must consider the new standards (Section 102(a)). However, electric utilities can choose whether it is appropriate to adopt the new standards, in whole or in part, or not adopt the standards. In addition, nothing under PURPA prohibits this Commission from modifying or adopting, or not adopting, a different standard or rule pursuant to State law.

The Board is initiating consideration of these standards with this notice, and will make a determination on whether to adopt the standards before December 19, 2009.

PUBLIC PARTICIPATION OPPORTUNITIES

This will be the Board's final public meeting on the 2008 IRP development. To learn more or provide comments, click on Chelan PUD's web site at www.chelanpud.org/IRP.html. Public participation on the PURPA standards will be separately noticed as meetings are scheduled.