Diamond Foundry
Electric Service Agreement

May 13, 2019

Information only – No Board decision required today
Who is the Diamond Foundry?

• Diamond Foundry manufactures diamond via high heat plasma (gas subjected to electromagnetic field)
• Locating in Wenatchee was a collaboration of the City of Wenatchee and Port of Chelan County
• Leasing unused, existing warehouse space
• Bringing 35-50 jobs to the area
• Stemilt has worked with the Diamond Foundry and PUD, via separate agreements, to construct a substation to serve long-term power needs
Estimated annual contract

• 14 year term to match lease agreement
• At 7 MW, ~$1.8M per year
• At 19 MW, ~$5.3M per year
• Assumptions
  • 95% load factor
  • No power factor adjustment occurs
  • No schedule 4 charges incurred
  • 6% City tax added at time of billing, other taxes included
Rates

• Basic: at schedule 35 (currently $860/mo)
• Demand:
  • First 1,675 kW at Schedule 3 (currently $3.23/kW-mo)
  • All use above 1,675 at Schedule 35 (currently $5.50/kW-mo)
• Energy:
  • First 1,145,833 kWh (~1.59 aMW) at Schedule 3 (currently $0.0135/kWh)
  • All other use at Schedule 35 (currently $0.027/kWh)
• Applicable during ramp-up and then while load is over 5 aMW, otherwise all charges at Schedule 35
Other Recurring Charges

• Power factor adjustment if PF < 0.95
• Schedule 4 performance based items:
  • Energy Capacity Charge
  • Load Imbalance Charge
  • Load Following Charge
  • Demand Exceedance Charge
  • Excess Energy Charge
  • Schedule 4 charges expected to have minimal impact to billing under expected operation
Non-Recurring Charges

• Account Deposit:
  • Letter of credit equivalent to 2 months estimated billing
  • Subject to shorter than normal disconnect process

• Upfront Capital Charge:
  • Deferred pending Stemilt substation construction
  • Due only if Foundry load is not transferred to new Stemilt station
Timeline

• This week: Post contract on-line with Board meeting materials for public comment
• Through June 3 Board meeting: Accepting public comment via email (contactus@chelanpud.org), mail, or at next Board meeting
• June 3: Pending result of public comment, request Board approval to enter into contract with the Diamond Foundry