

Chelan County Fruit Handlers:

At yesterday's WPMA meeting, a presentation from the Chelan County PUD (PUD) was presented by Andy Wendell and Tika Parks; the full PowerPoint presentation is attached. The PUD has received within the last year an extremely large number of requests for High Density Load (HDL) power usage. These requests are coming primarily from server farm providers whose power needs are enormous and require 24/7, year round usage at high levels. Neither are these users bringing high levels of employment to the local area. Why come to Chelan County? A quick look at the national map on page 4 of the attachment will easily answer that question. Other than a small spot in the middle of Wyoming, the only three counties in the US with power prices less than 5 cents per kilowatt hour are Chelan, Douglas and Grant counties!

While I encourage you to read the entire report, look closely at page 7 as well where average usage is detailed for all classes of users but it show clearly how the HDL consumers are the real power hogs.

Why this is important is because our PUD sells on the open market $\frac{3}{4}$ of the power generated. Those sales are the key reasons our rates remain low. Warehouses fall in the Industrial (Non-HDL) category and **the PUD is seeking no increase in your rates.**

At the public meeting held to date, only the interests of the HDL users have been represented. The PUD needs to hear from you folks so that a meaningful plan can be implemented to more fairly price power to the HDL users, extend the moratorium or some combination thereof. Review carefully the 'Actions to Date' summary on page 11. If the moratorium on HDL users is to be lifted, a rate schedule that is 'fair, equitable and non-discriminatory' will have to be implemented. Legal issues do exist for the PUD; this only makes the creation of a public record of greater importance prior to the Commissioners taking action.

It is imperative that the agricultural interests in Chelan County be broadly represented at the Public Rate Hearing on Feb. 1, 2016. Why are we seeing the uptick in interest from server farm providers now? Because, according to Andy Wendell, Grant PUD has no more excess power to sell as the server farms located there have gobbled up all their excess power. Hence, server farms attention has the PUD squarely in the crosshairs.

Dan Kenoyer at Blue Star alerted me to the issue and we hastily added Andy and Tika to our agenda yesterday given the fact that neither WAGMA nor WPMA will meet again prior to the Feb 1 meeting. As noted above, Andy acknowledged there may be legal challenges to what the PUD does; RCW Chapter 54 deals with PUD's so I am copying Jon DeVaney at WSTFA in the off chance that a legislative fix might be in the offing at some future point.

I will assist you in whatever means you like in forging a collective response for the Feb 1 meeting and beyond. I have included the names of all the warehouses/managers that I could think of so that you would all know to whom this email is being sent. If I have inadvertently omitted someone, please forward.

Regards, Bruce

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