

Large Load Power Supply in Chelan County

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Increasing Demand from Data Centers

- Large load interest in Chelan County match national trend of significant growth in data center load
 - Predictions of > 40 GW of incremental data center load in the U.S. by 2030, double current amounts
 - Trend preceded artificial intelligence (AI), but has been accelerated by AI demand
- Microsoft is constructing a data center in Chelan County
- A typical large data center could more than double the existing load in Chelan PUD's service area

Large Load Power Supply Guiding Principles

- Neutral-to-positive for other customers
 - Maintain reliability and compliance of electricity service
 - Maintain stable and predictable rates for other customers
 - Protect existing management of hydro resources through wholesale marketing and hedging strategy
- Preserve local control
- Comprehensive and durable framework
 - Serve all large load customers comparably and consistently

Large Load Power Supply Framework

Staff Recommendation

- **Recommendation: Serve large load customers in Chelan County through one or more of the following arrangements:**
 1. Short-Term Supply (1 to 5 years): Chelan PUD procures wholesale energy and resells to retail customer
 2. Customer Choice: Customer procures/identifies wholesale energy, which Chelan PUD purchases then Chelan PUD resells to customer
 - Chelan PUD retains ability to approve or reject sources of energy
 3. Negotiated Contract: Negotiate any alternative power supply arrangement at Chelan PUD's discretion
 - At the Board's discretion, may include Chelan PUD generation consistent with wholesale marketing and hedging strategy
- All arrangements are contingent on the customer providing adequate credit assurance and assuming certain risks