



PUD power rate for data miners could double

by [Christine Pratt](#) Nov. 20, 2015, 2:35 p.m.

WENATCHEE — “Crypto-currency” miners and other intensive users of electricity could see their energy rates more than double if Chelan County PUD commissioners approve a unique new rate classification proposed Monday.

The new “high-density load” rate class would include a 5.036-cent per kilowatt hour energy charge. It would apply to customers whose energy use, in the PUD’s estimation, is greater than 250 kilowatt hours per square foot of building space per year.

Customers who fall into this category of usage currently pay the PUD’s the commercial rate of 3.40 cents per kilowatt hour or the industrial rate of 2.04 cents per kilowatt hour depending on the amount of electricity they use, John Stoll, the PUD’s managing director of customer utilities said Monday.

The new rate would be the highest of any class of electricity customers in Chelan, Douglas and Grant counties, PUD records show. It also tops the state’s average industrial rate of 4.51 cents per kilowatt hour, but falls short of the state’s average commercial rate of 8.06 cents, based on total energy usage.

The proposed new “high-density-load” rate class seeks better control and a more equitable energy charge for customers, including bitcoin and other digital currency “miners,” whose data center operations use an atypically high amount of electricity.

PUD officials have been developing the new rate class for a year. It would apply to all customers who meet the energy requirement, regardless of when they signed up for service, Stoll said.

Commissioners are expected to vote on the new rate class Feb. 1. Their approval could make the PUD the first in the state, or even the country, who could classify and bill a segment of their customers based on energy consumed per square foot of commercial space in use.

Stoll said Monday that he knows of no other utilities with a similar rate structure.

“We’ve seen some policies being put in place in other utilities — Colorado, New York — but when it comes to a specific rate, we’re probably unique,” he said. “Others pass on a fee or cost.” PUD officials introduced a new application form this past summer that requires new customers to provide more detail about their business and how the energy will be used.

Data miners set up racks high-capacity computers that perform complex calculations around the clock to compete for and process blocks of transactions conducted in digital currencies, such as bitcoin.

The energy used for data mining can be 10 to 100 times greater per square foot than a large supermarket or general hospital, PUD officials have said.

This type of customer can strain PUD electric infrastructure if not located in a building or zone with the capacity to handle it. They also tend to be transitory, renting space and getting out in a hurry if they find a better energy deal elsewhere, PUD officials have said.

Along with the proposed new rate class, PUD staff is also recommending an increase in the engineering and new application fees charged to recover costs of the analysis needed to ensure utility infrastructure can handle an applicant's intended energy use.

In May 2014, the PUD imposed a moratorium new applications for more than 1 megawatt of electricity, after being inundated with applications and inquiries that, taken together, would have totaled more electricity than the utility currently needs to power the entire county.

The moratorium remains in effect. Commissioners Dec. 7 will discuss when it should end.

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