



CHELAN COUNTY

Clean Energy Implementation Plan

CHELAN PUD

2026-2029



2025 Chelan PUD Clean Energy Implementation Plan

INTRODUCTION

This document represents Chelan PUD's second Clean Energy Implementation Plan (CEIP), developed in accordance with Washington's Clean Energy Transformation Act (CETA). Enacted in 2019, CETA establishes new clean energy mandates and requires electric utilities in Washington to engage in long-term planning and reporting to support the state's transition to a carbon-neutral electricity supply.

The CEIP outlines Chelan PUD's strategy for the 2026–2029 compliance period, detailing how the utility will meet CETA's clean energy requirements over the next four years.

This CEIP includes:

- Interim targets for the percentage of retail load Chelan PUD plans to serve with renewable resources and nonemitting electric generation during the compliance period;
- Specific targets for energy efficiency, demand response and renewable resources;
- Actions Chelan PUD will undertake to meet its interim and specific targets, including those that support an equitable transition;
- A forecasted distribution of energy and non-energy costs and benefits associated with the utility's portfolio of actions; and
- Chelan PUD's resource adequacy standard and the measurement metrics used to establish its targets.

Chelan PUD intends to adopt this CEIP by December 31, 2025, and will submit it to the Washington State Department of Commerce using the required reporting format. This CEIP has been developed in coordination with Chelan PUD's Integrated Resource Plan (IRP) to ensure consistency across planning efforts.

RENEWABLE RESOURCE AND NONEMITTING ELECTRIC GENERATION INTERIM TARGETS

Background

CETA requires each utility to establish interim targets for the percentage of retail load served using renewable resources and nonemitting electric generation during the CEIP planning period. Renewable resources under CETA include hydropower, the primary resource used by Chelan PUD in the service of its load. Nonemitting electric generation under CETA includes resources that do not emit greenhouse gas but that are not recognized as "renewable," for example nuclear power.

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The interim targets must demonstrate progress toward meeting CETA's 2030 greenhouse gas neutral standard and the 2045 100% clean electricity standard, unless the utility is already in compliance.

Chelan PUD has based its interim targets on the understanding that CETA compliance will be measured through a combination of renewable energy ownership, procurement, and renewable energy credit (REC) retirement.

Chelan PUD Renewable Resource and Nonemitting Electric Generation Interim Targets

For the 2026–2029 compliance period, Chelan PUD has established an interim target of 80% of retail load to be served with renewable resources. This target reflects Chelan PUD's continued reliance on its existing hydropower resources—Rocky Reach, Rock Island, and Lake Chelan—to serve traditional retail customers, along with the procurement of additional renewable resources to meet the needs of new large loads within the service territory, as necessary. Chelan PUD does not intend to rely on nonemitting electric generation, as that term is defined by CETA, during this period and is setting that target at 0%.

By maintaining an 80% renewable resource target throughout the compliance period, Chelan PUD is well positioned to meet CETA's 2030 requirement. Chelan PUD understands that any remaining emissions from fossil-fueled resources used to serve load after 2029 must be offset through the retirement of eligible renewable energy certificates (RECs), or other alternative compliance measures, which, in the case of Chelan PUD, will be limited in nature.

RENEWABLE ENERGY SPECIFIC TARGET

Background

CETA requires that each utility's CEIP include a specific target, expressed in megawatt-hours (MWh), for the amount of renewable energy to be used during the CEIP planning period. This target must align with the utilities retail load forecast and its interim clean energy target.

Chelan PUD Renewable Energy Specific Target

Chelan PUD's renewable energy specific target for the Compliance Period is 8,456,439 MWh. This figure is based on Chelan PUD's forecasted retail load of 10,570,549 MWh and its 80% renewable resource interim target.

ENERGY EFFICIENCY SPECIFIC TARGET

Background

CETA requires that each utility's CEIP establish a target for the amount, expressed in MWh, of first-year savings of energy efficiency resources expected to be acquired during the CEIP planning period. The CEIP energy efficiency target must comply with WAC 194-40-330(1). A utility may update its CEIP to incorporate a revised energy efficiency target to match a biennial

conservation target established by the utility under RCW 19.285.040 (1)(b) and WAC 194-37-070.

Chelan PUD's Energy Efficiency Specific Target

Chelan PUD's energy efficiency target for the four-year compliance period is 3.94 average megawatts (aMW) or 34,514.4 MWh. The first-year target will be 0.855 aMW or 7,489.8 MWh. This target was developed in compliance with WAC 194-40-330 using methodologies outlined in RCW 19.285.040 (1) (b) and WAC 194-37-070. To meet this target, Chelan PUD has designed a portfolio of programs serving residential, commercial, and industrial customers. These include support for low-income energy efficiency programs administered by the Chelan-Douglas Community Action Council, as well as Chelan PUD's in-house ComfortPlus program.

Additional details on these programs, including planned expansions in eligibility and product offerings, are provided in the section titled "Effects of Chelan PUD's Specific Actions."

DEMAND RESPONSE SPECIFIC TARGET

Background

CETA requires that each utility's CEIP include a target for the amount of demand response resources, expressed in megawatts (MW), expected to be acquired during the CEIP planning period. This demand response target must comply with WAC 194-40-330(2).

Chelan PUD Demand Response Specific Target

Chelan PUD has established a demand response target of 2 MW for the compliance period. This target was informed by a Demand Response Potential Assessment (DRPA) conducted in alignment with WAC 194-40-330 (2). While RCW.285 does not directly govern demand response, Chelan PUD applied similar planning methodologies used in its conservation assessments to evaluate demand-side potential.

Although Chelan PUD's low electricity rates present challenges for traditional demand response participation, Chelan PUD is committed to launching a pilot program during the compliance period, with plans to expand in future CEIP cycles.

Chelan PUD will continue to assess emerging technologies and capacity market developments to identify future opportunities. The implementation of Advanced Metering Infrastructure (AMI) is expected to enhance Chelan PUD's ability to offer and manage demand response programs.

SPECIFIC ACTIONS

Background

Each utility's CEIP must identify the specific actions the utility will take during the planning period toward meeting the CEIP's interim and specific targets.

Chelan PUD Renewable Energy Specific Action

To meet its interim and specific renewable energy targets, Chelan PUD will either retire renewable energy credits (RECs) from its hydropower resources or track and document the renewable resources used to serve retail load. These actions will ensure that Chelan PUD uses sufficient renewable resources to meet the targets established in this CEIP. Chelan PUD's Fuel Mix disclosures to Commerce will likewise document Chelan's use of renewable resources.

Chelan PUD Energy Efficiency Specific Action

To achieve its energy efficiency target, Chelan PUD has developed a suite of programs serving residential, commercial, and industrial customers. These programs include:

- Weatherization assistance
- Rebates for high-efficiency HVAC systems, pumps, motors, lighting, and smart thermostats
- Strategic Energy Management (SEM) outreach to large commercial and industrial customers

These initiatives combine low-cost/no-cost operational improvements with capital upgrades supported by utility incentives.

Chelan PUD also continues to support low-income energy efficiency programs through an annual grant to the Chelan-Douglas Community Action Council. In addition, the District is launching a new program targeting low-income customers with high energy burdens. This program was developed with input from the Low-Income Advisory Group during the first CEIP cycle and will continue to evolve with feedback from the Energy Access Advisory Team (EAAT).

Chelan PUD Demand Response Specific Action

Chelan PUD has identified a specific customer class where demand response is both economically viable and material in scale. Technical discussions regarding feasibility, rate design, and implementation methods will take place during the early years of the compliance period, with program deployment to follow.

Based on the targeted load characteristics, Chelan PUD anticipates achieving a net reduction of 2 MW of peak load through this first phase of demand response.

Chelan PUD staff will continue to monitor technological advancements, market conditions, and regulatory developments to identify additional demand response opportunities. In particular, Chelan PUD is evaluating the potential impacts of the Western Resource Adequacy

Program (WRAP) and the adoption of electric vehicles in its service territory, both of which may enhance the cost-effectiveness and value of demand response resources.

ACTIONS TO ENSURE AN EQUITABLE TRANSITION

Background

CETA places a strong emphasis on equity in utility planning. Specifically, when complying with CETA's 2030 greenhouse gas neutral standard, CETA requires each utility to "ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and non-energy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency." RCW 19.405.040(8). The CEIP process supports this directive through the identification of highly impacted communities and vulnerable populations, as well as the development of customer benefit indicators.

Highly Impacted Communities

Background

Each utility's CEIP must identify any highly impacted communities (HICs) within its service territory. A HIC is defined as:

- A community designated by the Washington Department of Health (DOH) based on a cumulative impact analysis, or
- A community located in a census tract that is fully or partially within Indian Country

The DOH uses the Washington Environmental Health Disparities (EHD) Map to designate HICs. Census tracts with an overall rank of 9 or 10 on the EHD scale are considered highly impacted. These rankings reflect exposure to environmental burdens and social determinants of health that contribute to inequities.

More information is available on the DOH Environmental Health Disparities Map website.

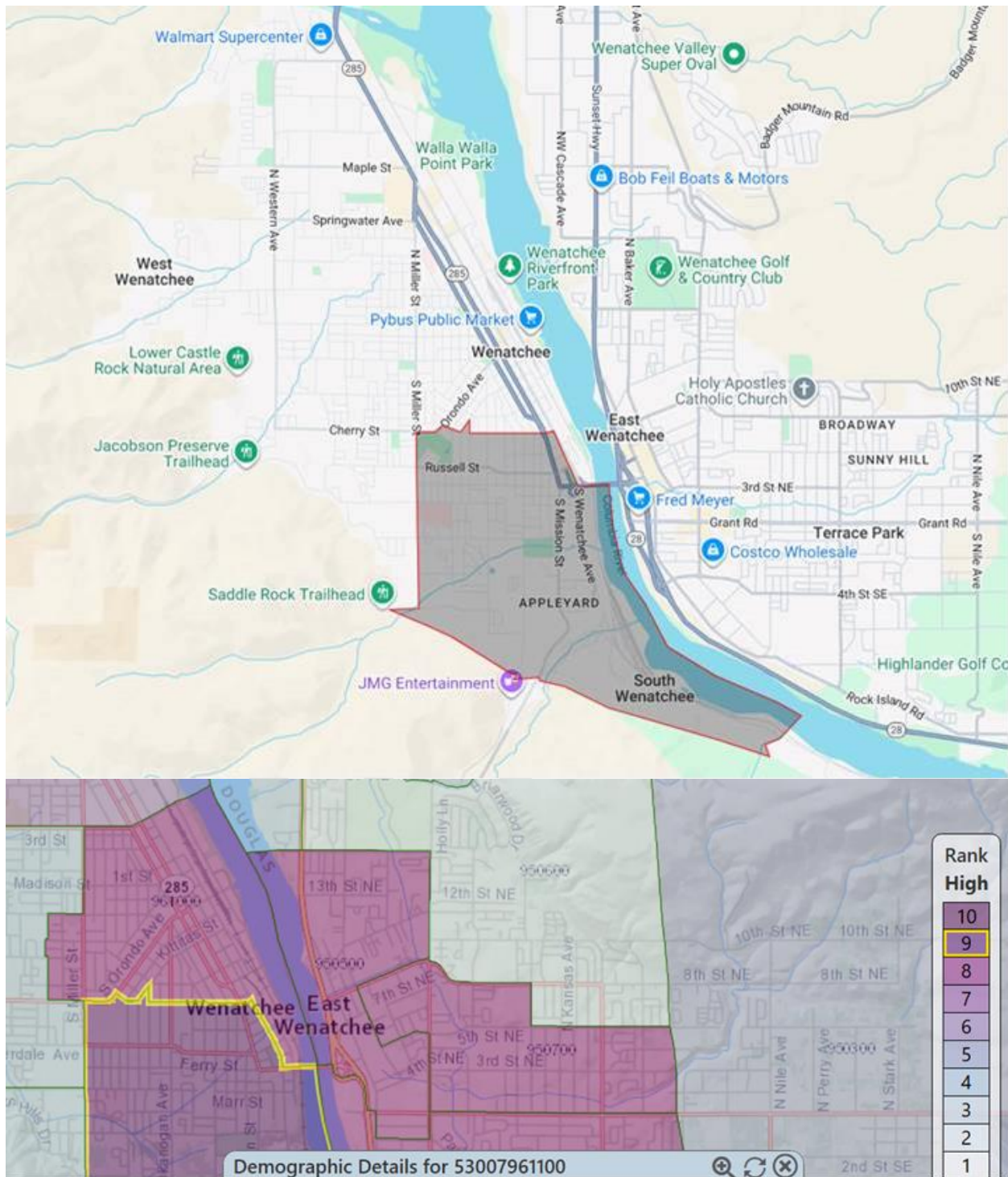
Chelan PUD Highly Impacted Community

Similar to the last iteration of the CEIP, DOH designated Chelan County census tract 53007961100 as a highly impacted community. Census tract 53007961100 is identified in the map images below and is in central Wenatchee. DOH found that this census tract scored as a 9 or 10 for the following environmental health disparities indicators:

- PM2.5 concentration (fine particulate matter);
- Lead risk from housing;
- Proximity to risk management plan (RMP) facilities;

- American Community Survey (ACS): Limited English Proficiency (LEP);
- No high school diploma;
- People of color (race/ethnicity);
- Population living in poverty \leq 185% of Federal Poverty Level (FPL);
- Unaffordable housing ($>30\%$ of income); and
- Low birth weight.

Chelan PUD will continue to prioritize equitable program design and delivery to ensure that this community receives meaningful benefits from clean energy investments.



DOH Washington Environmental Health Disparities maps of Chelan County. Image includes the sole highly impacted census tract (dark purple highlight).

Vulnerable Populations

Background

Each utility's CEIP must identify vulnerable populations based on adverse socioeconomic and sensitivity factors, developed through a public engagement process established by the utility.

Chelan County PUD Vulnerable Populations

To support the development of this CEIP, Chelan PUD convened the Energy Access Advisory Team (EAAT)—a group of local community organization leaders. Public participation and outreach methods are more fully explained on pages 16 and 17 of this document.

Based on the EAAT's insights, Chelan PUD developed the following working definition of vulnerable populations:

"Vulnerable populations are individuals or communities in Chelan County who experience disproportionate energy burdens or face barriers to participating in energy programs due to socioeconomic, geographic, health, or language access factors."

Examples include:

- Low-income households.
- Working households who may not qualify for traditional assistance but struggle to afford basic needs, including energy.
- Energy-burdened households (high energy bills relative to income).
- Rural residents with limited access to energy efficiency upgrades and internet access.
- Seniors with limited incomes.
- Individuals with disabilities or chronic health conditions.
- Medically vulnerable individuals who rely on uninterrupted electricity for health and safety.
- Individuals with limited English proficiency.
- Immigrants, indigenous peoples, and communities of color.
- Migrant or seasonal agricultural workers who face disproportionate exposure to extreme weather or wildfire smoke.
- Households without control over energy efficiency measures, including renters and those facing housing instability.

Chelan PUD also recognizes that vulnerability can be situational, such as during natural disasters, temporary disability, or periods of economic hardship.

These factors help Chelan PUD identify customers with high energy burdens. During the compliance period, Chelan PUD will focus on these customers through the implementation of its low-income energy efficiency program, while also exploring additional strategies to support those who face barriers to accessing assistance.

Distribution of Costs and Benefits

Background

Each utility's CEIP must report the forecasted distribution of energy and non-energy costs and benefits associated with its specific actions and targets. This report must:

1. Include one or more indicators developed through a public process that reflect:
 - Energy and non-energy benefits
 - Burden reduction
 - Public health and environmental improvements
 - Cost reduction
 - Energy security and resiliency
2. Identify the expected effects of specific actions on:
 - Highly impacted communities
 - Vulnerable populations
 - Including location, timing, and estimated cost, where applicable
 - Whether resources are located in or benefit these communities
3. Describe how the CEIP's specific actions are consistent with, and informed by, the utility's:
 - Integrated Resource Plan (IRP)
 - Clean Energy Action Plan (CEAP)

Additionally, the CEIP must describe how the utility intends to reduce risks to highly impacted communities and vulnerable populations during the transition to clean energy.

Customer Benefit Indicators

Background

Under CETA, each utility must identify one or more customer benefit indicators (CBIs) developed through a public engagement process. These indicators are used to evaluate the equitable distribution of energy and non-energy benefits and burdens resulting from the utility's clean energy actions.

Chelan PUD collaborated with the Energy Access Advisory Team (EAAT) to identify CBIs that reflect the needs and priorities of the community.

Chelan PUD's Selected Indicators

For the 2026-2029 compliance period, Chelan PUD has selected the following CBIs:

- Energy burden reduction; and
- Indoor air quality improvement and resilience during climate hazards.

Energy Burden Reduction

To reduce energy burden, Chelan PUD will implement programs that allow participants to self-certify income, reducing administrative barriers and increasing accessibility. This approach is designed to lower participation hurdles while also reducing program administration costs.

Chelan PUD will use energy billing data to assess the effectiveness of these programs in reducing energy burden among the target population.

Indoor Air Quality and Climate Resilience

To improve indoor air quality and support resilience during climate hazards, Chelan PUD will track the replacement of non-recirculating HVAC and air conditioning units with recirculating systems that filter indoor air. These upgrades are particularly important during wildfire smoke events, which disproportionately affect vulnerable populations.

Additional measures include expanding weatherization efforts and forming partnerships with health organizations to support climate adaptation and public health outcomes.

Effect of Chelan PUD's Specific Actions

Indicator: Energy Burden Reduction

Specific Action: Bill assistance program

Chelan PUD will develop a bill assistance program that is not limited by demographic qualifiers such as age or disability. Instead, the program will be open to all income-qualifying customers, ensuring broader access and directly reducing monthly energy bills for vulnerable populations.

Chelan PUD will develop a bill assistance program that is not limited by demographic qualifiers (e.g., age or disability), allowing all income-qualifying customers to participate. This approach ensures broader access and directly reduces monthly energy bills for vulnerable populations.

To support this action, Chelan PUD will allocate additional funding and resources to meet the program's objectives.

Effectiveness will be measured by:

- The percentage of energy-burdened households before and after implementation
- The number of households receiving assistance

Specific Action: Expand Energy Efficiency Program

The traditional income eligibility threshold is 80% of Area Median Income (AMI). Feedback from the EAAT indicated that many households fall just outside traditional income eligibility thresholds, both locally and at the state level Chelan PUD will expand its energy efficiency program to allow eligibility to households not typically served under the 80% threshold. This expansion addresses that gap.

The program will increase participation of efficiency upgrades for customers who have historically been unable to participate due to upfront cost requirements and the inability to pay for these installations. Depending on the measures installed, the program may also improve comfort and indoor environmental quality.

Chelan PUD will continue to implement energy efficiency programs across residential, commercial, and industrial sectors, including support for small businesses. Energy savings from these programs will also be made available for sale on the wholesale market, helping to maintain low retail rates and support clean energy delivery across the region.

To support this action, Chelan PUD will increase funding and outreach efforts, particularly to reach the target population and small businesses.

Effectiveness will be measured by:

- The number of homes upgraded with conservation measures that identify as a moderate-income home
- Annual household energy savings
- The number of outreach and engagement touchpoints for small businesses

Specific Action: Expand ComfortPlus Participation and Program Offerings

Chelan PUD's ComfortPlus program provides no-cost energy efficiency upgrades to income-qualified households ($\leq 80\%$ AMI). These upgrades include insulation, air sealing, heat pumps, heat pump water heaters, and updated appliances.

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For the 2026–2029 compliance period, Chelan PUD will:

- Increase funding for the program (increase participant households)
- Increase measures to include additional weatherization improvements to increase energy efficiency of the home

Effectiveness will be measured by:

- The number of households served compared to previous year
- Reduction of customer electric bill thereby reducing energy burden
- The amount of conservation achieved

Indicator: Indoor Air Quality Improvement and Resilience During Climate Hazards

Specific Action: Renewable Energy to Serve Load

Although CETA does not require utilities to serve load with 80% renewable resources and nonemitting electric generation until 2030, Chelan PUD has voluntarily adopted an 80% interim target for renewable resources for each year of the compliance period.

Customers—including those in Census Tract 53007961100, a designated highly impacted community—benefit from Chelan PUD’s existing hydropower resources, which are non-emitting and contribute to improved air quality and climate resilience.

Chelan PUD will ensure that it retains sufficient renewable resources annually to meet these interim targets. This commitment is reflected in The District’s IRP and power marketing practices.

Specific Action: Improve Indoor Air Quality in homes that participate in ComfortPlus

- Expand offerings to include additional weatherization and climate adaptation measures, such as enhanced ventilation, cooling, and filtration

These enhancements are designed to improve resilience during extreme heat and wildfire smoke events, which disproportionately affect vulnerable populations.

Chelan PUD will continue to collaborate with health agencies, community organizations, and hospitals to educate residents and provide appropriate products and services.

Effectiveness will be measured by:

- Number of homes receiving enhanced ventilation through heat pumps and weatherization.

Consistency with Long Term Planning

Chelan PUD developed its 2025 CEIP in parallel with its 2025 IRP, including the Clean Energy Action Plan (CEAP) component of the IRP. This coordinated planning approach ensures alignment across Chelan PUD's long-term strategies and compliance documents.

The 2025 Conservation Potential Assessment (CPA) informed the conservation assumptions used in both the CEIP and IRP. Both planning processes relied on the same resource mix, retail customer load forecasts, and cost-effectiveness criteria for evaluating energy efficiency and demand response resources.

Chelan PUD will formally adopt its 2025 IRP, CEAP, and CEIP before the end of 2025. These plans are designed to operate in concert, using consistent assumptions and working toward shared objectives that support CETA compliance, resource adequacy, and an equitable transition to clean energy.

RESOURCE ADEQUACY

Background

Under CETA, each utility's IRP must identify an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice. These requirements must support the utility's ability to meet CETA's greenhouse gas neutral standard by 2030 and the 100% renewable and non-emitting standard by 2045. The CEIP must align with these requirements and clearly identify the resource adequacy standards and metrics used to establish CEIP targets.

Chelan PUD Resource Adequacy Assessment

Chelan PUD's planning activities indicate that the District will have sufficient resources to meet or exceed its expected hourly peak load forecast for each month of the compliance period. Chelan PUD also expects to meet its operating reserve requirements and planning reserve margins associated with regional capacity programs.

Chelan PUD evaluates multiple planning scenarios, including:

- High load growth
- Adverse fuel conditions
- Streamflow variability, modeled using a 1-in-20-year low streamflow scenario
- A cascading hydro model, consistent with methodologies used by the regional capacity program operator

Chelan PUD is an active participant in the Western Resource Adequacy Program (WRAP), a regional initiative that promotes coordinated resource adequacy planning using common

standards and metrics. Currently, Chelan PUD participates in the non-binding phase of WRAP, with binding participation scheduled to begin during winter of 2027–2028.

Participation in WRAP will allow Chelan PUD to quantifiably demonstrate capacity sufficiency using industry-standard metrics. Based on current planning, Chelan PUD is well-positioned to meet WRAP standards with its owned and operated resources.

ALTERNATIVE COMPLIANCE OPTIONS

CETA allows utilities to meet up to 20% of their greenhouse gas neutral compliance obligation through December 31, 2044, using alternative compliance options. These options include:

- Making an alternative compliance payment
- Using unbundled RECs
- Investing in energy infrastructure projects

However, because the greenhouse gas neutral standard does not take effect until January 1, 2030, the use of alternative compliance options is not applicable during the 2026–2029 compliance period.

According to Chelan PUD’s IRP and power marketing plans, the District is well-positioned to meet its clean energy obligations using its existing portfolio of renewable hydropower resources.

PUBLIC PARTICIPATION

Background

CETA requires each utility to provide reasonable opportunities for customers and stakeholders to participate in the development of its CEIP. Utilities may use a coordinated public input process for the CEIP, IRP, and CEAP. In evaluating whether public input opportunities are reasonable, utilities must consider barriers to participation related to language, culture, income, technology, or other community-specific factors.

The CEIP must include a description of the public input process and explain how public feedback was incorporated into the development of:

- Specific actions
- Customer Benefit Indicators
- Other CEIP elements
- The utility’s supporting IRP, as applicable

Description of Chelan PUD's Public Input Process

To support the development of the 2026–2029 CEIP—particularly among historically underserved populations—Chelan PUD designed a public engagement process focused on accessibility, inclusivity, and meaningful participation.

Recognizing potential barriers such as language, cultural differences, economic constraints, and limited technology access, Chelan PUD partnered with local agencies that serve Chelan County's most vulnerable communities.

One of the primary engagement strategies was the formation of the Energy Access Advisory Team (EAAT). This stakeholder group played a central role in shaping the CEIP by helping to:

- Define key metrics
- Identify Customer Benefit Indicators (CBIs)
- Recommend actions and programs to support equitable outcomes

Chelan PUD staff met with the EAAT three times in 2025. Between meetings, staff maintained regular communication with EAAT members and agency partners to clarify information, ensure shared understanding, and to confirm that community voices were accurately reflected.

Each meeting included time to review how previous feedback had been incorporated into updated definitions—such as vulnerable populations—and into proposed CBIs.

To reduce participation barriers:

- Meetings were held mid-day, with lunch provided
- Sessions were informal and conversational
- In-person and hybrid attendance options were offered to accommodate transportation and scheduling needs
- Meeting summaries and follow-up questions were shared with all participants to allow asynchronous input

Chelan PUD also conducted a public CEIP survey, available in both English and Spanish, to gather broader community input. Bilingual PUD staff supported outreach efforts by sharing information about the CEIP process and encouraging public participation in the survey.

Community Partnerships

Organizations selected for the EAAT were chosen for their trusted presence, diverse perspectives, and strong connections to vulnerable or historically underserved populations. Members were also asked to share CEIP engagement opportunities with their clients and networks.

Participating organizations included:

- Action Health Partners

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- Community for the Advancement of Family Education (CAFÉ)
- Chelan-Douglas Community Action Council
- Chelan Valley Hope
- Housing Authority of Chelan County & the City of Wenatchee
- NCW Equity Alliance
- Our Valley Our Future
- Upper Valley MEND
- Wenatchee Valley Chamber of Commerce / Hispanic Business Council
- Other local nonprofits and service agencies

Chelan PUD also created a dedicated CEIP webpage to share information and collect public feedback. In addition, The District hosted three public Board of Commissioners meetings to further invite and receive community input.

These coordinated outreach efforts were designed to create a welcoming and accessible process that reflects the cultural and socioeconomic diversity of Chelan County.

Ongoing Engagement

To ensure continued collaboration, Chelan PUD will host quarterly meetings with the EAAT throughout the compliance period. These meetings will support transparency and trust between Chelan PUD and the organizations that serve its most vulnerable customers. Chelan PUD will continue to incorporate feedback from the EAAT and the broader community into the design and implementation of specific actions, including efforts to reduce barriers to participation in customer assistance programs.

Chelan PUD is using a coordinated public engagement process to guide the development of both its 2025 CEIP and 2025 IRP, ensuring alignment across planning efforts.