



CHELAN COUNTY

FACT SHEET:

PUD-Microsoft Energy/Fiber Partnership Benefits Chelan County and Beyond

Background:

Chelan PUD and the Microsoft Corp. have announced a five-year clean power agreement that will bring 100% carbon-free hydropower to energize Microsoft's campuses in the Puget Sound region. As part of the clean energy sale agreement, the two organizations also will partner to investigate expanding fiber and wireless-based high-speed broadband access in Chelan County.

Key Benefits of the Partnership:

- Provides revenues that will help keep Chelan PUD customer-owners rates low
- Creates a partnership with Microsoft that could help Chelan PUD's efforts to expand fiber/broadband service in Chelan County
- Assures carbon-free Chelan PUD power will stay in Washington
- Establishes hydropower as an important component of the emerging commercial/industrial market dedicated to using 100% renewable electricity

Microsoft's investment is a tremendous statement about the value of hydropower. This agreement provides a strategic partnership that has the potential for both immediate and longer-term benefits to Chelan PUD customer-owners. Sales such as this provide revenues that help keep our local rates low while also supporting our public power benefit program that funds actions like the broadband build-out. This agreement includes a partnership to investigate options for how to provide broadband service to the most remote and economically challenging areas in the County. As we continue to focus on additional fiber expansion, it will be helpful to have a technology savvy partner to advance our efforts.
-Chelan PUD General Manager Steve Wright

Partnership Details:

- The fiber and wireless partnership includes collaboration to evaluate technology options and strategies that are cost-effective in rural areas, focusing on the last and most difficult 10-15% of Chelan County. Within the next 12 months, the PUD and Microsoft expect to complete their initial evaluations of expanded fiber buildout in order to identify the most viable solutions. Continued collaboration is expected over the next five years.
- Successful energy conservation by PUD customers over the past decade has helped save about 20 average-megawatts, which provides surplus energy to help make the

Microsoft sale possible. In recent years, PUD conservation programs have achieved results nearly double the level of state mandated requirements.

- The agreement between Microsoft and Chelan also supports clean energy goals being pursued by state policy makers and an increasing number of retail commercial and industrial customers. Hydropower offers an effective means of complementing wind and solar to achieve low cost, reliable, resilient carbon-free electricity.
- Wholesale revenue from this agreement and others also will support reinvestment in hydropower assets in order to retain the economic and environmental benefits for the long-term. Most hydropower in Washington was built between the 1930s and the 1970s and will require new investment to maintain and enhance project capability. The sale also helps fund PUD investments in fish sustainability resources and maintenance of its No Net Impact commitment under tribe and agency-approved Habitat Conservation Plans.
- According to PUD Managing Director for Energy Trading Gregg Carrington, the pricing of the Microsoft sale is market based and includes the value of environmental attributes (Initiative-937 compliant and carbon-free). Discussions between Chelan and Microsoft were initiated following a new contact, approved by the Washington State Utilities and Transportation Commission, between Microsoft and Puget Sound Energy. It enabled the technology company to go to the open market to buy 100 percent carbon-free energy to power most of its Puget Sound operations. Microsoft has committed to buying renewable energy at levels substantially higher than Washington state law targets.

See Microsoft Blog: [Creating a carbon-free headquarters in the Puget Sound region](#)

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About Chelan County PUD:

Chelan County is located in north-central Washington at the base of the eastern slope of the north Cascades. Chelan County PUD owns and operates three hydro projects: Rocky Reach and Rock Island on the Columbia River near Wenatchee and Lake Chelan, just east of the City of Chelan. The Rocky Reach Discovery Center includes a museum and vantage points with panoramic views of the dam, the juvenile fish bypass system and the Columbia River.

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