

Parker and Ellefson
21090 Stellerwood Dr.
Leavenworth, WA 98826

Steve Wright
General Manager, Chelan County PUD
P.O. Box 1231, Wenatchee, WA

RE: Oppose Power Provided to BITCOIN Industry under Current Policy and Rates.

June 10, 2018

Dear Mr. Wright,

This letter is in response to your request for comment on increased demand for power from the Bitcoin industry in Chelan County. We appreciate that you have implemented a moratorium before granting these demands until you have heard from the public and considered the impacts to Chelan County. As residents of Plain, WA, we strongly oppose the current policy and advocate for: 1) rates equal to or higher than are currently assessed outside buyers and 2) stiff penalties for illegal users of power.

We strongly object to issuance of PUD power to mega-users such as Bitcoin developers at current rates and under current policy. However, Chelan PUD is a public utility and so must take action after considering what is in the best interest of the public.

Negative Impacts:

- 1) Bitcoin mining requires intense and inconsistent usage of power that will destabilize current usage by reducing sales of excess power to outside buyers under current contract and increasing rates to residents and current commercial users. Such impacts will likely increase power grid infrastructure costs and reduce community infrastructure projects such as installation of high speed internet cable, county wide.
- 2) It is an automated industry that generates data, is often remotely controlled and sometimes foreign owned and so provides few jobs to Chelan County residents.
- 3) PUD discovers illegal mining 3 times a week by Bitcoin users that are so belligerent when discovered that PUD has installed bullet proof windows. Apparently, this industry attracts an unsavory group of outlaw entrepreneurs that threaten public safety.

Positive Impacts:

- 1) Bitcoin operators may spend money at local restaurants and hotels.

Douglas and Grant counties have implemented new policies and rates directed at the sudden and voracious consumption of power by the Bitcoin industry that include higher rates that reflect the full costs and risks associated with crypto-currency mining. Chelan County should do the same. Additionally, penalties for illegal mining of power should be dramatically increased to discourage further piracy.

In closing, we would prefer that PUD no longer provide power to crypto-currency miners. The negative impacts to Chelan County seem too high to allow power mining of this sort. However, if power continues to be provided, it should not be encouraged with policies that negatively impact current users.

Sincerely,


Jerry Ellefson and Donna Parker