

Green Power Program Redesign at Snohomish PUD

RENEWABLE
ENERGY
MARKETS
CONFERENCE
2010 PORTLAND

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SNOHOMISH COUNTY
PUD
PUBLIC UTILITY DISTRICT NO. 1

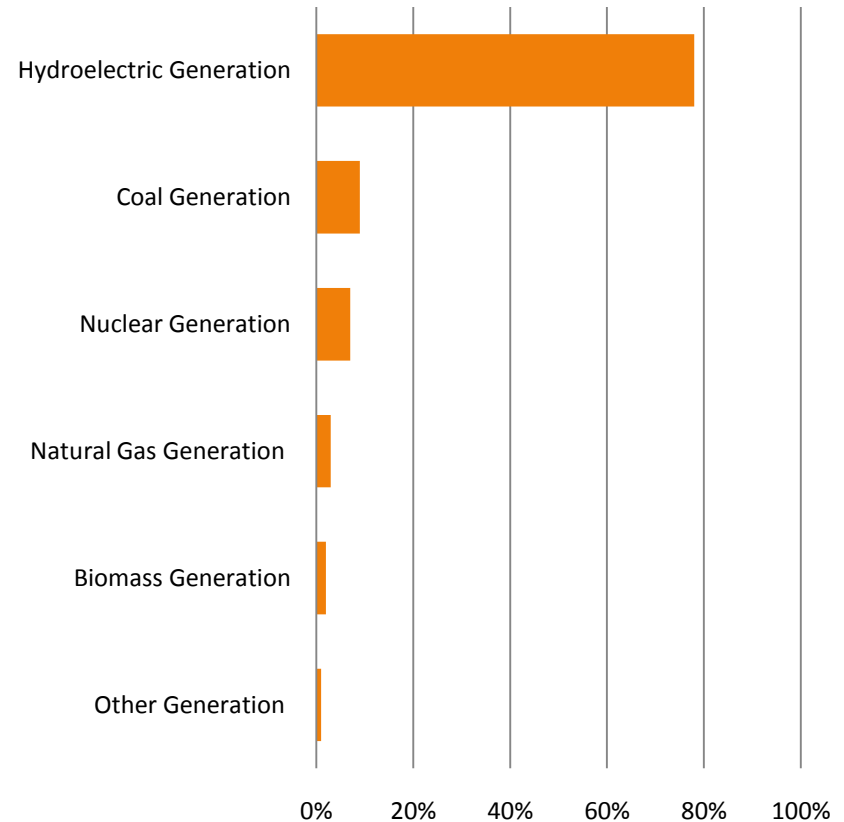
Snohomish County PUD

“Your Northwest Renewables Utility”



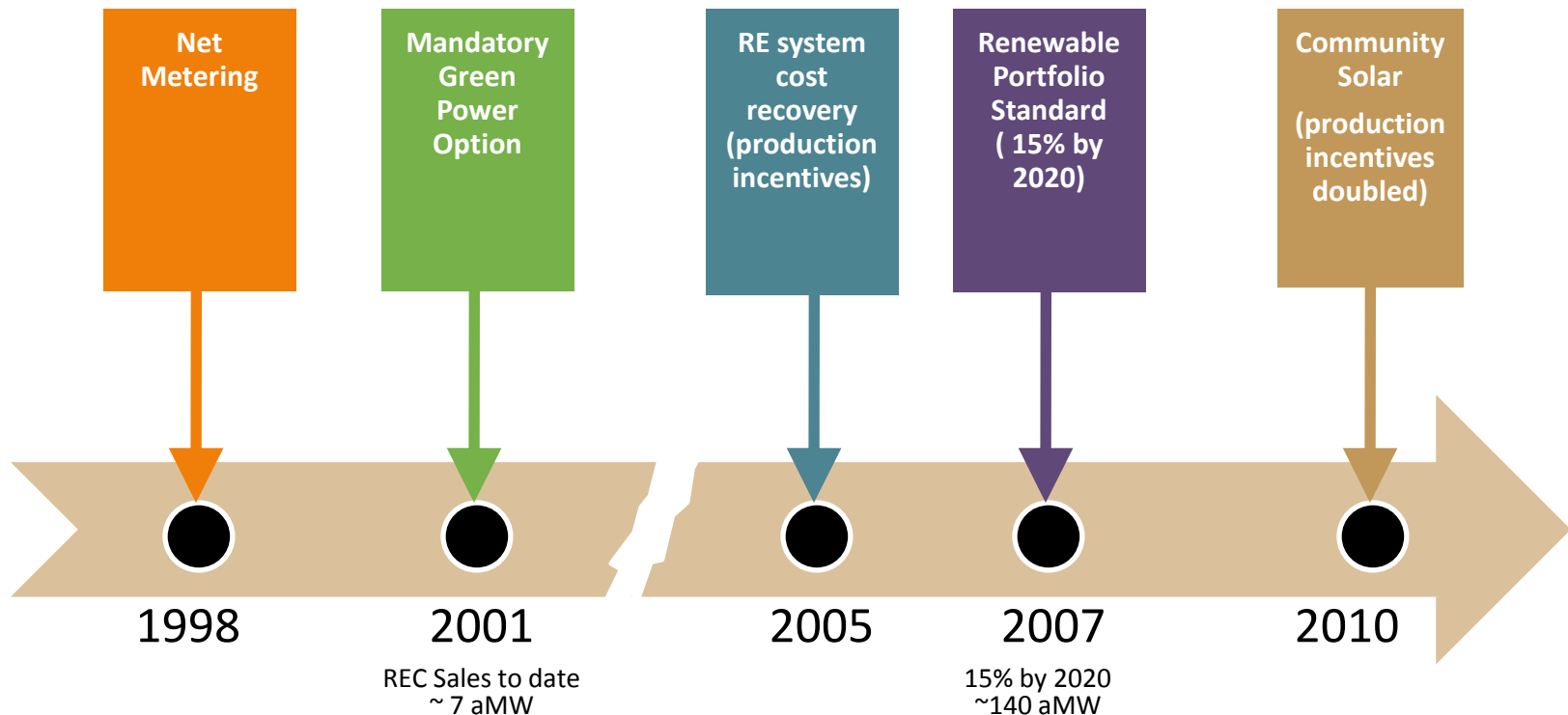
- 2nd largest publicly owned utility in Washington (60 year history)
- Service area: 2,200 square miles includes all of Snohomish County and Camano Island
- Serve 320,000 electric customers and growing rapidly (~ 10,000 new connections/year with load growth of 15 to 20 aMW/year)
- New RE acquisitions not yet evident since we are selling the RECs to fund RE R&D projects until we need them for our own RPS compliance

2009 Fuel Mix





Key RE Legislation in Washington



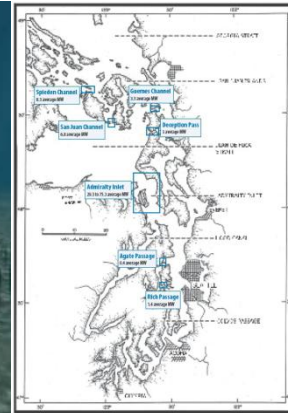
Initial Voluntary Program Design (1/1/2002 – 3/30/2009)



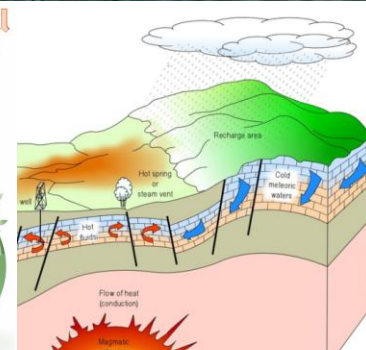
- Block product: \$3 per 150 kWh
- Available to all customers
- One block minimum and unlimited; One-time payments allowed
- Green-e certified wind RECs
- A portion of the REC purchase is for reinvestment toward new projects

RPS RE Activities so far...

- 2007: Tidal energy R&D begins
- 2008: Purchased 6 MW on avg from our 10% share of the White Creek Wind Project
- 2008: Executed long term PPA for 100% of the output from the Wheat Field Wind Project (97 aMW)
- 2008: Reclaimed our share of Packwood hydro project
- 2009: PUD acquired two new small-scale hydro sites
- 2009: Solar rebate program launched
- 2010: Another small-scale hydro site breaks ground



Geothermal
POWER



Issues with this program in an RPS world



- Carbon footprint sends wrong message



Do I have dirty power?

- RECs – difficult to distinguish the product from the utility's RE ramp up
- REC pricing uncertainty – evidence of volatility (e.g., competition for supply)



Customer Feedback

- Strong support by most for small scale renewable projects
- Especially if locally sited
- Even with the new RPS law clearly explained
- But some businesses want “bragging rights” too



New Program Design Criteria

- Focus on small scale renewables
- Local – work to engage community
- Address business need for “bragging rights”



New Strategy: Unbundle RECs and Reinvestment (3/31/2009-Present)



- Main program is focused on 100% future RE funded by contributions
- Monthly plan or one time payments allowed
- Available to all customers (only product choice for residential customers)
- Build locally-sited, small scale renewable resources along with education and outreach (BEF's Solar 4R Schools Program)



REC-based product for businesses only (3/31/2009-Present)



- Second alternative for businesses
- Meets need to meet measurable goals
- Block Product
- \$3 per 350 kWh block or one-time payment
- Supplied by REC blend (no reinvestment)
- Not strongly promoted



Value Propositions Compared

REC-based Block Product

- Green a percentage of your electricity
- Support the environment

Contribution product

- Alternative to customer-owned RE
- Meaningful/Local

Latest voluntary RE option to emerge: Community Solar



- Definition:

“A single solar energy system that provides energy and/or financial benefit to multiple community members”

- Sponsorship models and some possible options:

- Utility Owned

- Build CS project(s) with green power funds?
- Build CS project(s) as a separate offering from green pricing programs (use for RPS purposes)?

- Company or Group-Owned

- Provide initial capital using green power funds?
- Use green power funds to stimulate the market via education and outreach assistance?
- Provide incentives in exchange for the RECs and use for RPS purposes?

Back to the drawing board?



Contact



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