Green Power Program
Redesign at Snohomish PUD

Michael O'Leary / The Herald July 22, 2009
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
Key RE Legislation in Washington

- **Net Metering**
- **Mandatory Green Power Option**
- **RE system cost recovery (production incentives)**
- **Renewable Portfolio Standard (15% by 2020)**
- **Community Solar (production incentives doubled)**

1998: Net Metering
2001: Mandatory Green Power Option
2005: RE system cost recovery (production incentives)
2007: Renewable Portfolio Standard (15% by 2020)
2010: Community Solar (production incentives doubled)

- REC Sales to date ~ 7 aMW
- 15% by 2020 ~140 aMW

- 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
Issues with this program in an RPS world

- Carbon footprint sends wrong message

- REC pricing uncertainty – evidence of volatility (e.g., competition for supply)

- RECs – difficult to distinguish the product from the utility’s RE ramp up
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?