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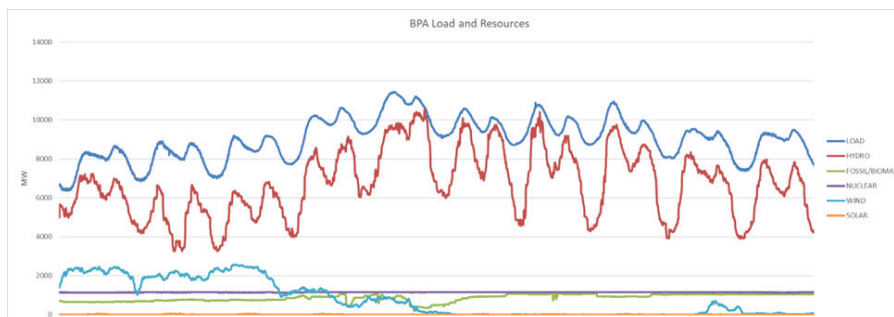
## Thank You to Our Customers!

I appreciate our customers who expressed their thanks to our staff during the cold winter weather in January. We had crews and engineers working in the terrible weather and many of our staff in the office working around the clock to support them for a difficult two-week stretch. They were away from their families when most people were hunkered down at home.



During the cold weather, we set a new record for the highest peak power consumption on January 16—105 Megawatts. Our county uses 40% more electric power than it did 20 years ago.

I have written recently about power markets and concerns about the potential for shortages of peak capacity at the times we need it most, such as these incredibly cold spells. The below chart is the Bonneville Power Administration system from January 9 through 18. The blue line shows the total BPA energy supply—load—and the generation resources that were used to meet that demand.



Note how the federal hydro system—the red line—flexed up and down to meet peak demand requirements. The Columbia Nuclear Generating station also cranked out power at a steady 1,200 MWs. I want to point out that wind generation supplied a significant amount of power at the start of the cold snap, then tapered off to nothing for days. Solar was nonexistent.

This is normal as our cold weather usually comes either with storm winds—which cause wind turbines shutdown—or stagnant air with no wind at all. There were times when the region imported and exported additional power that is not shown on this chart.

This graph demonstrates the issues when energy generation is variable. No matter how much wind or solar generation gets built in the coming years, we cannot rely on it to meet our peak loads, and storage problems are much larger than everyone realizes. We must consider how to balance these issues as we try and determine how to ensure an affordable, reliable power supply to keep your homes and businesses warm and safe.

**Jim Smith**  
**General Manager**