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WA-18

Goldendale Pumped Storage Energy Project

Klickitat PUD in 2007—after acquiring water rights from the closed aluminum smelter—began work exploring pumped storage projects. The utility has a long history of developing assets within the county and striving to maximize asset value to benefit our customers. For over 15 years, your commissioners have recognized the value of this project to the regional electric system, our communities and you—our customers.

Pumped storage offers a proven, long-lived storage option for the electric grid, providing a means for renewable energy projects—such as wind and solar—to supply power around the



clock. This is extremely important, as current legislation drives increases in electricity use by promoting the use of electric vehicles and switching from natural gas to electricity for building heating. Without additional storage on the system, this legislation could lead to significant impacts on reliability and long-term electricity costs for all of us.

The project has always been too large for KPUD to develop on our own, so we have functioned as a facilitator for development at this prime local pump storage site. In 2016, this project was transferred to qualified private developers for further site exploration. The project is currently held by an entity called Free Flow Power. The project has completed the Federal Energy Regulatory Commission draft licensing process, and FFP is working on its final FERC license application and state permitting.

The draft environmental impact statement is available for comment through July 25. Resources are available online for you to review and provide public comments. Search "Goldendale Energy Storage Project EIS" and follow the links to the Department of Ecology website—ecology.wa.gov.

Why does this matter to you? If built, this project will offer significant employment opportunities within our region during its five-year construction and long-term operations. The project is estimated to create more than 3,000 jobs during its construction period and 70 full time, family-wage jobs during operation. The construction cost is expected to be more than \$2.5 billion, much of that spent in our communities. This investment will also generate more than \$14 million annually in tax revenues in Klickitat County. This would support funding for our schools, hospitals, law enforcement and other infrastructure. Cumulative impacts have been estimated in excess of \$1 billion.

KPUD has supported this project for many years because of the positive benefits it will provide our community. KPUD would supply electric and water services to the project and receive annual revenues for the work provided to foster its development. These revenues would help offset electric rates for all our consumers in Klickitat County.

I encourage you to read the EIS —and other documents online—and provide your comments. I believe there are significant benefits this project can provide to anyone living and working in this area. Your PUD supports this project for all these reasons, and I encourage you to support it as well.

To find the information, search "Goldendale Energy Storage Project EIS." Provide your feedback by July 25.

Jim Smith General Manager