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WA-18

Your PUD Update

I mentioned in the February Ruralite that we have been active in Olympia this year. I have been asked what we are trying to achieve with these efforts.

So far, two bills we proposed have been passed and are slated for the governor's signature. The first bill will provide sales tax advantages for renewable natural gas sold in Washington state. The current rules give RNG a 3% tax advantage over natural gas if the RNG is used as a transportation fuel. The bill just passed will provide that same tax advantage for any use of RNG. Since RNG results in lower emissions than natural gas regardless of use, we argued successfully that the tax advantage should apply to all uses.

The second bill was created along with the Washington PUD Association and other member utilities. This bill requires the state Department of Natural Resources to work more closely with utilities to find ways to reduce the risk of wildfires by improving practices, rules and interactions with the DNR. In the past, it has felt that our relationship with the DNR was adversarial. This bill was put together to try and restore a working relationship with them. Utilities and the DNR are charged with providing services to the public. There should be no room for antagonistic behavior.

The bill passed unanimously through both the House and the Senate. It requires the DNR to create and participate in a task force of utility and firefighting experts to develop standard agreements for access, easements and vegetation management practices on DNR land. It also charged the department with developing procedures and work groups to find ways to reduce the risk of wildfires due to the interaction of power lines and vegetation.

I have been impressed by the commitment of current Lands Commissioner Hillary Franz and Chief Forester George Geisler. I think this bill will build opportunities for us to work together for the greater good of our customers and the state.

We also have been working with various associations to educate legislators and the governor on the costs, implications and tradeoffs of very strict carbon emission laws. My short summary for you is that we can achieve an 80% reduction in greenhouse gas emissions in Washington state relatively cheaply and quickly. However, 100% clean requirements will take many years and cost nearly 10 times what achieving an 80% reduction would cost. Given that Washington state is blessed with an incredible hydroelectric system and more than 70% of the power generated in the state is already carbon free, this seems like a large price to pay to be even cleaner than other states.

Don't take me wrong. Klickitat PUD has been in the renewable energy business for more than 20 years, and we believe environmental stewardship is important. However, there are many challenges we as a society face. In a world with limited funds, we should be prudent by not trying to go too far in some areas and potentially ignoring others.

Jim Smith
General Manager