

Cap Reached on State Renewable Energy Incentives



Per the State Renewable Energy System Cost Recovery Program (RCW 82.16), Franklin PUD is no longer approving applications for production incentives for solar and other renewable energy systems that can be paid under state law.

Like many other utilities across the state, Franklin PUD has experienced a significant increase in applications for renewable energy system interconnections, specifically rooftop solar installations, over recent months which has increased the probability of hitting the state-mandated incentive payment cap sooner than expected.

Franklin PUD is near its cap on incentives that can be paid under state law, and will not approve new applications unless we are certain of our ability to pay. The cap on the incentives we can pay remains at .5% of our

retail power sales, or approximately \$400,000 annually, since no new legislation was passed in 2016 increasing the cap.

We have approximately 67 customers currently receiving incentive payments.

Franklin PUD has sent letters to solar installers that are active in the area informing them of the hold on approving new applications for the state production incentives.

Any customers submitting applications for renewable energy systems beyond our current capacity will be given priority for future incentive payments based on the order in which they are received, and contingent upon approval of Franklin PUDs net metering interconnection provisions.

The Renewable Energy System Cost Recovery Program allows utilities to voluntarily administer Renewable Energy Incentive Payments (REIPs) to its customers who are installing solar panels on their homes. This program is fully funded by the Washington State Department of Revenue, up to a cap, by allowing a utility to take a deduction on its public utility tax return.

Franklin PUD remains supportive of renewable energy and will continue working with our legislators on future bills related to solar production incentives.

Franklin PUD in Our Community

Public power has a long history in the United States. Locally owned public power utilities first appeared more than 100 years ago when communities created electric utilities to provide light and power to their citizens. Throughout the end of the 1800's and the first decades of the 1900's, the number of utilities grew rapidly. While many utilities were sold to larger interests during the 20th century, thousands of communities chose to preserve this valuable asset and the local control it provides. Today, more than 2,000 communities across the country enjoy the advantages of public power.

Local public power utilities and their employees contribute to their communities in many other ways including:

- Offering energy efficiency programs for residents and businesses.
- Providing financial assistance for low-income services for qualifying customers.
- Creating partnerships with schools & our community on energy education programs.

And Franklin PUD does all of these things. We take pride in being a strategic partner in our community. We examine each activity we do throughout the community to be sure it provides value and benefit to our customers.

We work closely with our schools by providing tabletop safety demonstrations put on by engineers and linemen. We've participated in



Science Nights at the new STEM elementary schools, partnered with WSU for their summer science camps and other community requests. We recently participated in the Health and Safety Expo at TRAC where adults, students, and children of all ages witnessed the power of electricity and how to stay safe around it. Our linemen did live safety demos showing how animals, pipes and other miscellaneous items such as kite strings can get tangled in the lines, produce huge arcs of electricity and cause power outages.

In May we participated for the first time in the Salmon Summit hosted by the Conservation District. We had our Traveling Renewable Energy Kiosk, or as we call it, TREK, at Columbia Park teaching participants about the benefits of hydropower, wind, solar, and nuclear energy. Stay tuned as we've just put a new "wrap" on our Traveling Renewable Energy Kiosk - a teaching tool for schools.

Working for You

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Understanding Irrigation Demand Charges

To understand how electrical demand works, think of it like a grocery store parking lot. A large parking lot is required during the store's busiest time of day.

However, the parking lot is empty at midnight, after the store closes. The demand is zero at midnight, but the grocery store must still construct and maintain a parking lot with enough capacity, or "demand", for the busiest time of the week, even if no one uses it at certain times.

Electrical systems are built similarly. Capacity, or demand, is required to power large equipment but may not be used all of the time. Regardless of how much electricity flows through the power lines, the cost to install and maintain them remains the same.

To recover costs and maintain fair and equitable rates for all of our customers, Franklin PUD requires a demand charge for irrigation services.

We are currently looking at some changes to irrigation demand charges that will be effective in 2017. Stay tuned for more information on this subject.

Community Solar Ribbon Cutting



Franklin PUD held a dedication ceremony and ribbon cutting on May 25th, showcasing our new solar "carport". Senator Mark Schoesler, Representative Terry Nealey from the 9th and 16th Districts, as well as customer participants spoke in support of the "dual purpose" project. For more info, visit our website.

Commissioner's Corner

Initiative 732 - on the ballot this fall



Roger Wright
2016 President

On Tuesday, May 24th, your Board of Commissioners passed a resolution opposing Initiative 732 (I-732) that imposes an escalating tax on carbon emissions from electricity generated by fossil fuels. While this may sound good at first, if passed, the details of the proposal will negatively impact our ratepayers with no real benefit.

A citizens' group called "Carbon Washington" (CarbonWA) has gathered sufficient signatures in 2016 to place I-732, also known as the Carbon Pollution Tax Act, before the Washington State legislature. The Initiative is intended to encourage cleaner energy solutions by taxing, per ton, carbon dioxide (CO2) pollution from fossil fuels. The problem with that is most of the PUD's in Washington State use clean hydropower, wind and nuclear power. However, we are forced to report the Washington State Fuel Mix report as compiled by the Department of Commerce. According to the Initiative, the percentage of Franklin PUD's fuel mix that comes from

an "unspecified resource" will be considered coal, regardless of its source – even though it is actually likely from hydro, wind, solar, or nuclear power.

Franklin PUD customers would incur additional costs from I-732 mandates estimated to be between \$1,880,000 and \$3,164,000 annually when fully implemented. The cost is projected to vary depending on how much hydropower is available and the need for market purchases. This is taking place while Franklin PUD already provides over 90% of our electricity to customers that is carbon free - thanks to hydro, wind, and nuclear power.

This tax will be imposed on our customers, and remitted to the State's general fund with no clear path that guarantees a reduction in carbon emissions. The only two coal power plants in Washington and Oregon are already scheduled to close in the next few years. This new proposed tax does nothing to actually help reduce CO2.

Franklin PUD will continue to work with other utilities on carbon reduction solutions that really have an effect on CO2 reduction. But remember, it's up to each and every one of us to cast our votes when it comes to initiatives that can and will impact your pocket book.

Know what's below
Call 811 before you dig



Every digging job requires a call – even small projects like planting trees or shrubs. If you hit an underground utility line while digging, you can harm yourself or those around you, disrupt service to an entire neighborhood and potentially be responsible for fines and repair costs.



New Customer Portal Coming in 2017

Next year Franklin PUD will be launching a new SmartHub portal from our vendor NISC. This will be a tool for our customers to see their power usage, pay their electric bill, report an outage and all sorts of other pertinent things relative to your account. We are working hard to make it easier for our customers to pay their bills and engage with us. By moving to this new software, it will help streamline processes to be able to better communicate internally, while providing our customers with a platform that is more efficient and mobile friendly.

Stay tuned as we provide you more information over the last half of 2016 so there are no surprises and our customers are fully informed as to the changes that will be taking place, we hope in the first half of 2017.

Electric Vehicle Infrastructure Transportation Alliance Formed

The Electric Vehicle Infrastructure Transportation Alliance (EVITA) was created in April 2016 as a unique local alliance sponsored by the Mid-Columbia Energy Initiative (MCEI), an industry collaboration effort coordinated through the Tri-City Development Council (TRIDEC).



Benton PUD, Franklin PUD, Richland Energy Services, and Energy Northwest are core members of EVITA. Other stakeholders will consist of both public and private entities. EVITA's mission will focus on the expansion of publicly available electric vehicle (EV) charging stations in the Tri Cities and surrounding area. Because of EV technology's unique position at the nexus of the transportation and utility sectors, EVITA's comprehensive goal is to advance the deployment of these technologies.

the diversification of Washington's electric vehicle transportation sector. This strategic partnership recognizes that now is the time for leadership, vision, creativity, and collaboration that will continue to keep Washington State's energy future clean and green.

EVITA was created to facilitate the public and private investments that will be essential to

As we deal with state regulations to reduce carbon emissions, the transportation sector has to be a key element of that equation.



Franklin PUD offers Generation Green, a "green power" program to give our customers an opportunity to purchase renewable energy generated from qualified alternative energy resources. This program, which provides a

voluntary option to customers, is mandated by the State of Washington through RCW 19.29A.090.

The amount you pay is above and beyond what you already pay for renewable energy already included in Franklin PUD rates.

For more information on this program, visit our website at www.franklinpud.com/conservation/generationgreen.

Fuel Mix Disclosure

A report of where your power comes from

Generation Type	% of Total Generation	
	WA State*	Actual
Coal	3%	
Hydro	82%	79%
Market Purchases		6%
Natural Gas	3%	2%
Nuclear	9%	9%
Wind	3%	3%
Other		1%
Total	100%	100%

Source: WA State Dept. of Commerce Utility Fuel Mix Report for 2014. Franklin PUD's actual generation is also shown for 2014.

