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## COWLITZ COUNTY PUD

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### Department of Energy Honors Cowlitz PUD and Klickitat PUD for Leadership in Wind Project Development



*Cowlitz PUD Commissioner Ned Piper (right) and Klickitat PUD General Manager Winston Low accept DOE's 2009 Wind Power Pioneer Award.*

Cowlitz PUD and Klickitat PUD are the co-winners of the 2009 Wind Power Pioneer Award by the U.S. Department of Energy Wind Powering America Program. The award was announced June 16 at the American Public Power Association annual conference in Salt Lake City.

The DOE award was started in 2003 and annually recognizes one public power wind pioneer and leader. For 2009 Cowlitz PUD and Klickitat PUD were cited for their leadership, innovation and commitment to the development of the 205 megawatt White Creek Wind Project — the largest public power initiated wind project in the country.

The utilities were selected over 15 other U.S. public power systems nominated by a panel of wind, utility, government, national laboratory and public power experts. “We are extremely honored to win a national award like this,” Cowlitz PUD Commissioner Ned Piper said. “When we made the decision in 2005 to build White Creek, we knew we were out in front of the pack. But we believed strongly that it was the right decision, and it has clearly turned out that way.

The White Creek Project covers 9,500 acres of ranchland leased from local farm families in Klickitat County, WA. Its 89 wind turbines produce enough electricity to power 38,000 homes. Cowlitz and Klickitat own the majority interest in the project, 46 percent and 26 percent respectively. Construction began in mid-2006 and it was completed and in commercial operation in November 2007. All the hardware associated with the wind turbines was shipped through the Port of Longview.

Cowlitz and Klickitat PUDs first joined with Lakeview Light and Power (Lakewood, WA) and Tanner Electric Cooperative (North Bend, WA) in 2001 with the goal of developing local wind resources. Since public utilities cannot capitalize on the Federal Production Tax Credits (PTCs) needed to reduce the power output cost, the four utility partners identified private investors who were compatible with their goal of maximizing local control and retaining a cost-based source of electricity, and able to utilize the PTCs.

In 2006, a private investment group including affiliates of Prudential Capital Group, Lehman Brothers, and Summit Power purchased the project. The utility partners all signed 20-year agreements to purchase power from the new owners, with an option to buy the project back in 10 years.

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“This is an innovative financing plan, the first of its kind that we know of. It is the key to the great success of White Creek,” Piper said.

Today Cowlitz PUD is selling its share of the White Creek power into the power market, and will until 2012 when it is needed to meet customer load demands and state renewable power standards. To date those sales have been strong. The net margin between the revenue realized from market sales and the PUD’s costs for White Creek power was \$5.4 million over the first 14 months of operation. Those funds have been placed in a rate stabilization fund.

“This project is benefiting our customers today and will continue to benefit them for at least 20 years with clean energy at a price much lower than wind projects being built in the future,” Piper said.

***The Wind Powering America Award*** was started in 2003, to recognize public power wind pioneers and leaders. Past winners include the consumer-owned utilities serving Waverly, Iowa; Fort Collins, Colorado; Hull, Massachusetts; Austin, Texas; Sacramento, California and Aspen, Colorado.

***Cowlitz PUD*** is a publicly-owned utility that serves 48,200 electric customers in Cowlitz County, Washington. It owns the 70 megawatt Swift No. 2 Project on the North Fork of the Lewis River in southwest Washington.

***Klickitat PUD*** is a publicly-owned utility that serves approximately 11,000 electricity customers in Klickitat County, Washington. KPUD also owns a 50% interest in a 10 MW hydro plant and a 10 MW landfill generation project.

***Lakeview Light & Power*** is a member-owned Cooperative (Mutual) serving 9,200 consumers, mostly in the City of Lakewood, WA.

***Tanner Electric Cooperative*** is a member-owned Cooperative serving 4,200 consumers in Pierce, Thurston and King Counties, Washington.

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