



Customer Newsletter Spring 2021 BentonPUD.org

Benton PUD Energizes Southridge Substation

Benton PUD takes great pride in and is committed to providing reliable electricity delivery systems for our customers. As the communities we serve grow and develop, forward thinking investments in our electric infrastructure is a must.

One of our accomplishments in 2020 was construction of the Southridge Substation originally envisioned in our 2014 planning studies. The Southridge area of Kennewick has been a hot bed for commercial and residential development for many years so construction of the new substation could not have come at a better time. Major Southridge Substation equipment was brought online in early 2021 and we expect to begin serving customers from the new facilities this spring.

"I am resting much easier knowing we have the capacity in place to serve the large number of new homes being built in the Southridge area, said Rick Dunn, Benton PUD's General Manager. "And that we are well positioned to meet the needs of commercial and light industrial development which can have high electrical demand and short development cycles."

Southridge Substation will also provide primary and backup service to existing commercial and residential customers along portions of the Highway 395 and West 27th Avenue corridors.

For more on Benton PUD's growth and developments and a look inside the new Southridge Substation, visit BentonPUD.org/Building-ForTheFuture.

Benton PUD Focuses on Infrastructure Development to Expand Distribution Capacity with Growing Community

Benton PUD celebrates our seventy-five-year anniversary this year. One of our strategic focuses will be to continue upgrading and improving our electricity and data systems to be sure we are ready to accommodate exciting economic development going on throughout our service territory and ensure we are striving to meet the "always on" expectation our customers have for their electric and broadband services.

We recently completed an upgrade to our automated metering system which will enable improved resolution of electricity consumption data available on our SmartHub app. Customer access to timely and easy to read information on their mobile devices provides convenient access to billing and payment options as well as help observing their usage patterns and finding ways to save money on their power bill.

Benton PUD continues to invest in capital projects to improve the redundancy and resiliency of our electricity delivery systems. Most notably, engineering efforts are underway, and construction is expected to begin in 2021 on a new transmission line to provide redundant regional power grid interconnections to the East Kennewick (Finley) area as well as irrigated agriculture and farm customers in southeast Benton County.

We are also planning to continue our investments in automation technologies to optimize the utilization of our electric system equipment and power lines through improved analysis, planning and operations strategies. By receiving widespread and timely data from the field, we can better understand the current state of our electric system and even implement predictive analytics techniques to detect problems before they result in customer outages or other service quality issues.

Finally, while investments in infrastructure and technology are a big part of Benton PUD achieving our mission, it is critically important that we maintain and grow our access to reliable, environmentally responsible and least-cost power resources. This means preserving contractual rights to hydro and nuclear energy which are the foundation of our over 90% clean power supply portfolio while also planning to acquire new resources for what we hope will continue to be a prosperous and livable Benton County and greater Tri-Cities region. Benton PUD is honored to be a trusted energy partner for our customers and neighboring communities.

We believe the best long-term, sustainable and environmentally responsible strategy to meet our state's 100% clean energy aspirations is to keep our clean hydro-electric power in place and to replace the relatively small amount of coal power in our region with cleaner burning natural gas. This will keep our power grid reliable in the near and mid-terms while setting the stage for a future transition from natural gas to nuclear power.



American Public Power Association

Benton PUD recently received the Diamond designation for the 3rd time for being a Reliable Public Power Provider (RP3).

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Support for Nuclear Power

Benton PUD General Manager Rick Dunn provided testimony in support of Washington State Senate Bill 5244, which encourages in-state production of advanced and small modular nuclear power reactors and related components. The bill was sponsored by state Senator Sharon Brown. While the bill did not move through the legislative process it opened a dialog regarding the important role nuclear power can play if deep global decarbonization of electricity production, transportation and other sectors of advanced and developing economies is the goal now and into the future.

The following key points were made in Dunn's testimony:

- Global CO2 emissions from electricity production continue to rise primarily as a result of developing countries accessing abundant and low-cost fossil fuels as a means of digging themselves out of poverty.
- China alone brought over 11 gigawatts of coal-power capacity online in the first six months of 2020. This represents 2 gigawatts more energy producing capability than all of the hydro and nuclear energy produced by the Federal Columbia River Power System in a typical water year. China has also approved permits for another 19 gigawatts of future coal projects.
- While total global emissions from electricity production continue to rise, emission reductions are the trend in advanced economies like the U.S. where fuel switching from coal to natural gas has been the primary driver of bending the curve downward since 2007. Increases in wind and solar power have augmented the decline but cannot provide the always on baseload electricity demanded by modern civilization.
- The reality is that fossil-fuels are the largest source of electricity production in the world today and it isn't even close.
- If Washington State wants to be a true global leader in clean energy, we need to come to terms with global emission levels and trends, the limits of variable and energy dilute technologies like wind and solar, as well as the competing interests of other human beings on the planet.
- There is no technology in existence today that is in the same league as commercially proven, non-emitting and energy-dense nuclear power when it comes to producing vast amounts of electricity on a small footprint and in close proximity to population centers.



Aerial view of Columbia Generating Station courtesy of Energy Northwest

Snake River Dams in the news again

U.S. Representative Mike Simpson (ID) recently released a "concept" plan with the goal of ending years of litigation and providing certainty, security and viability to the region related to our dams, energy production, irrigation, transportation and salmon recovery.

The Simpson Plan proposes \$33.5 billion in federal funding to create a Columbia Basin Fund, administered by the Department of Energy through the Pacific Northwest National Laboratory (PNNL) in Richland. At the core of the plan is a \$10 billion grant to attempt to replace the reliable, flexible, clean energy from the four Lower Snake River dams and begin breaching those dams as early as the summer of 2030.

For the Simpson Plan to gain traction in the legislative process it would require consensus support from the northwest congressional delegation, which has not occurred to date. Hydroelectric power is the foundation of Benton PUD's power supply portfolio and we take any discussion about dam breaching very seriously.

You can be assured Benton PUD is engaged in the dialogue and analysis related to the Simpson Plan through our memberships in multiple trade associations and through our long-standing strategic community and business relationships.



You can review the Simpson Plan at: Simpson.house.gov/salmon.

Benton PUD pays taxes too

Benton PUD paid \$2.73 million in "privilege taxes" to the State of Washington at the end of February. The annual tax was collected on 2020 revenue for the privilege of providing electricity in the state.

The privilege taxes collected by the state include:

- \$922,600 for the state school fund
- \$281,000 to the state general fund
- \$1.5 million was also divided between Benton County and the cities of Kennewick, Prosser, Benton City, and Richland. Overall Benton PUD incurred \$14.0 million in taxes in 2020.

In addition to the privilege tax, Benton PUD acquired the following taxes in 2020:

- \$5 million for the state public utility tax
- \$5.29 million for municipal utility tax to the City of Kennewick
- \$439,000 to the City of Prosser
- \$139,000 to the City of Benton City
- \$38,000 to the City of Richland
- \$85,000 in other excise taxes to the state



Benton PUD's power supply is over 90% clean

