



Skamania County PUD's

# News From the Wire

**June– July  
2013  
Edition**

Published Bi-Monthly

**PUD #1 of  
Skamania County**

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**Board of  
Commissioners**

**Meeting Schedule**

**9 a.m.**

Monday 06/17/13

Monday 07/01/13

Monday 07/15/13

Monday 08/05/13

Monday 08/19/13



At least one PUD customer has asked, “With all of the wind farms now operating in the region, why aren’t our power bills going down?” That is a fair question worthy of a thoughtful response.

**First some facts** about wind power in the region, the relation of wind power to the Bonneville Power Administration (BPA) and the PUD’s relation to BPA. BPA, at present, has approximately 5000 Megawatts (MW) of wind power generation capacity connected to its transmission system. To put that in perspective, the Bonneville Dam rated generation capacity is 1084 MW. Due to the variability of wind, on average only about 30% of the 5000 MW wind capacity is actually generated. BPA sells transmission capacity to the wind farms so they can move the wind power from the point of generation (the wind farm) to the utilities that purchase the wind power. It is important to understand that BPA does not own any wind farms. Compare BPA’s role with wind power to the railroad. The railroad does not produce or own the cargo; they simply move it from point of manufacture to point of distribution. BPA is simply a railroad for the regional wind power. BPA does however receive and market the power generated by the 31 hydroelectric projects in the Federal Columbia River Power System and one nuclear power plant, Columbia Generating Station (CGS). This illustrates BPA’s two major power related functions in the region: 1) to market power generated by the federal hydro projects and CGS and 2) to provide electrical transmission capacity to the region. The PUD is a full service customer of BPA. This means that the PUD purchases all of our electrical power from BPA and the PUD pays for use of the BPA transmission system to move that power to our local electrical distribution system.

**So then, how does regional wind power influence your power bill?** You can see from the “Fuel Mix Summary” contained in this newsletter that only 1% of the power the PUD purchases from BPA is generated by wind. From that perspective you could conclude that since the amount of wind power we purchase is relatively insignificant, wind power has an insignificant effect on your power bill. This is true if we only consider the direct effects of regional wind generation. But, what about the indirect affects? This is where the discussion starts to get complicated. You might think the law of supply and demand would bring a favorable result. Doesn’t more generation from wind equal more available supply of power that would drive power prices down? Unfortunately the answer is no, not in the case of our power supply from BPA. Here is the reason why. BPA sells power to its public utility customers at BPA’s cost to produce the power.

**Cont’d on next page...**

During the spring run-off, BPA has historically had surplus power to sell on the open market. When wholesale power prices are favorable during a good water year, BPA's sale of surplus power helps cover their costs and keeps rates down for BPA's public utility customers. When wholesale power prices are low, as they are now for a number of reasons, BPA costs are not supported by surplus power sales so the BPA ratepayers must cover the costs. The end result is BPA increases power rates to cover their costs. Wind power is not the only player in this complicated supply and demand scenario; the abundance of natural gas also drives wholesale electric power prices down.

There are other indirect factors driven by wind power that affect our power rates. For example, an issue called Over Supply is the hot wind related topic in the regional utility community right now. But to prevent you from feeling like you are in a high school economics lecture on a sunny May day, I'll save that exciting explanation for next time.

We at the PUD hope your summer is off to a great start!

Brent Bischoff, General Manager

### Annual Fuel Mix

In accordance with State law RCW. 19.29A.050, Washington State PUD's must disclose their annual resource fuel mix once per calendar year. Disclosure labels rely on historical data, the prior calendar year. So, for example, the 2013 label information lists your PUD's resource fuel mix for 2012. As Table 1 shows, through BPA, Skamania PUD receives power from five primary sources to ensure that you enjoy continued reliable electrical service.

Generation Type	Fuel Mix 2013
Large Hydro	85%
Nuclear	9%
Other	4%
Small Hydro	1%
Wind	1%

Table 1

### Water Conservation Tips

Saving water is easy and it starts with you! When you use water efficiently, you save money on your water, gas, and energy bills too.

- Never pour water down the drain when there may be another use for it. Use runoff water to water your indoor plants and garden.
- Make sure your home is leak-free. When you are certain that no water is being used, read the water meter. Wait 30 minutes and then read the meter again. If the meter readings change, you have a leak!
- Know where your master water shut-off valve is located. This could save water and prevent damage to your home in the event of a water leak.
- The average bathroom faucet flows at a rate of two gallons per minute. Turning off the tap while brushing your teeth in the morning and at bedtime can save up to 8 gallons of water per day, which equals 240 gallons a month!

#### News From the Wire

is an informational newsletter published by Skamania County PUD for our customers. Reader comments are welcome.

#### PUD Commissioners:

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