

RESOLUTION NO. 2729

July 14, 2026

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY REGARDING APPROVING THE 2026 RESOURCE PLAN

WHEREAS, Revised Code of Washington (RCW) 19.280 requires utilities to prepare resource plans that explain the mix of generation and demand-side resources they plan to use to meet their customers' electricity needs in both the short term and the long term; AND

WHEREAS, the requirements of RCW 19.280.030 are dependent on which resource plan type is applicable to the utility:

- 1) *Integrated Resource Plan* – Required by utilities with more than 25,000 customers that are not Full Requirements Customers.
- 2) *Resource Plan* – Required by all other utilities, unless voluntarily electing to develop a full Integrated Resource Plan; AND

WHEREAS, effective October 1, 2023, the District became a Full Requirements Customer, as defined by RCW 19.280.020; AND

WHEREAS, the District elects to develop a Resource Plan, which must be produced, at a minimum, every two years; AND

WHEREAS, the District has developed a Resource Plan that complies with the requirements specified in RCW 19.280.030(5); AND

WHEREAS, RCW 19.280.050 requires the governing body of a consumer-owned utility to encourage participation of its consumers in development of the Resource Plan and to approve the Resource Plan after it has provided public notice and hearing; AND

WHEREAS, at May 12, 2026, public hearing, the District provided an introductory presentation of the 2026 Resource Plan; AND

WHEREAS, at June 9, 2026, public hearing, the District reviewed a draft of the 2026 Resource Plan and public comments; AND

WHEREAS, a public hearing was held on July 14, 2026, to review the final draft and to allow additional public comment prior to the commission considering final approval and adoption; AND

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Commission of Public Utility District No. 1 of Benton County, that the 2026 Resource Plan be approved, effective July 14, 2026; AND

APPROVED AND ADOPTED By the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting given as required by law, this 14th day of July, 2026.



Jeffery D. Hall, President

ATTEST:



Michael D. Massey, Secretary



2026 Resource Plan for 2027-2036

Contents

1. Executive Summary	3
2. Resource Plan Overview	4
Washington State Law	4
Resource Plan Types	4
Requirements	4
3. Load	5
Load Forecast	5
Conservation	5
Demand Response	6
Electrification	6
4. Existing Resources	8
Non-BPA Resources	8
BPA Power Sales Agreement	8
BPA Transmission	9
5. Resource Strategy	10
Resource Adequacy	10
Resource Plan	12
BPA Provider of Choice Contract	13
6. Energy Independence Act	15
Energy Conservation	15
Renewable Portfolio Standard	15
7. Clean Energy Transformation Act	17
GHG Neutral Standard	17
100% Clean Standard	17
Clean Energy Implementation Plan	18
Appendix A – Resource Plan Requirements	19
Appendix B – Commerce Cover Sheet	20
Appendix C – Public Comment	21
Appendix D – Resolution No. 2523	29
Appendix E – Load Following Request Letter	34
Appendix F – Clean Energy Forecast	37

1. Executive Summary

The District prepares a Resource Plan every two years in accordance with Revised Code of Washington 19.280, as discussed within **Section 2 – Resource Plan Overview**. This Resource Plan incorporates the District’s most recent load forecast and Conservation Potential Assessment, as discussed within **Section 3 - Load**. The Resource Plan considers the District’s existing resources, listed within **Section 4 – Existing Resources**, and then describes, within **Section 5 – Resource Strategy**, the District’s 10-year strategy for meeting its future power supply needs.

The District’s 10-year resource plan is enumerated below and visualized in **Figure 1-1**.

1. Continue pursuing cost-effective, reliable, and feasible conservation, consistent with applicable requirements of the Energy Independence Act and the Clean Energy Transformation Act.
2. Continue with Packwood hydroelectric as a dedicated resource, per the BPA contractual commitment.
3. Through September 30, 2028—the remainder of the District’s BPA Regional Dialogue contract—the District is contractually committed to BPA’s load following contract, including serving its above High Water Mark load with BPA’s Tier 2 power.
4. For October 1, 2028, through 2036—including the first 8 years of BPA’s 16-year Provider of Choice contract—the District’s strategy assumes, for this Resource Plan and subject to change, continuing with BPA’s load following contract and with serving all above High Water Mark load with BPA’s long-term Tier 2 power.

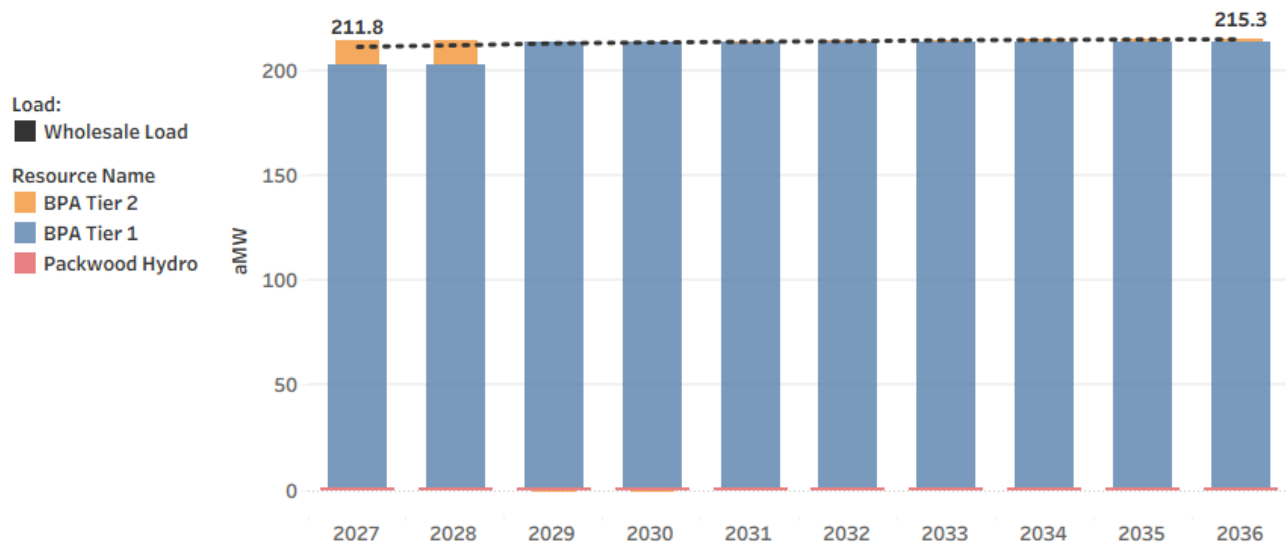


Figure 1-1 – 10-Year Resource Plan by BPA Fiscal Year

This Resource Plan also describes the District’s strategy for complying with Washington State energy policies, as discussed in the following sections:

- **Section 6 –Energy Independence Act** describes District’s commitment to energy conservation as a resource and the District’s strategy to purchase unbundled Renewable Energy Credits (RECs) to comply with the 15% Renewable Portfolio Standard (RPS) through calendar year 2029.
- **Section 7 – Clean Energy Transformation Act** describes the District’s current ~95% clean energy position and the plan to meet the 2030 greenhouse gas neutral standard by using unbundled RECs to cover its 5% need, while also satisfying its RPS requirement.

2. Resource Plan Overview

Washington State Law

The District prepares a resource plan every two years in accordance with Revised Code of Washington (RCW) 19.280. As described within RCW 19.280.010, *“It is the intent of the legislature to encourage the development of new safe, clean, and reliable energy resources to meet demand in Washington for affordable and reliable electricity. To achieve this end, the legislature finds it essential that electric utilities in Washington develop comprehensive resource plans that explain the mix of generation and demand-side resources they plan to use to meet their customers' electricity needs in both the short term and the long term.”*

Resource Plan Types

There are two types of resource plans defined by RCW 19.280.020, as described below:

1. **Integrated Resource Plan** means an analysis describing the mix of generating resources, conservation, methods, technologies, and resources to integrate renewable resources and, where applicable, address overgeneration events, and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers and that complies with the requirements specified in RCW 19.280.030(1).
 - Required by utilities with more than 25,000 customers that are not Full Requirements Customers.
 - An updated Integrated Resource Plan must be developed at least every four years and progress reports reflecting changing conditions and the progress of the Integrated Resource Plan must be produced, at a minimum, every two years.
2. **Resource Plan** means an assessment that estimates electricity loads and resources over a defined period of time and complies with the requirements specified in RCW 19.280.030(5).
 - Required by all other utilities, unless voluntarily electing to develop a full Integrated Resource Plan.
 - Resource Plans must be updated, at a minimum, on intervals of two years.

Effective October 1, 2023, the District became a Full Requirements Customer, as defined by RCW 19.280.020—*meaning an electric utility that relies on BPA for all power needed to supply its total load requirement other than that served by non-dispatchable generating resources totaling no more than six megawatts or renewable resources.* As a Full Requirements Customer, the District has elected to prepare a Resource Plan. Copies of previous resource plans and other supporting documents are available on the District’s “Resource Plan” webpage.¹

Requirements

Resource Plans must comply with the requirements specified in RCW 19.280.030(5)—per the Resource Plan definition. Refer to **Appendix A – Resource Plan Requirements** for the list of applicable requirements and the sections of this Resource Plan that address each requirement. The Department of Commerce² requires utilities to submit a common resource plan cover sheet by September 1, as attached in **Appendix B – Commerce Cover Sheet**.

¹ https://www.bentonpud.org/about-benton-pud/planning-performance/resource-planning?tab=Resource_Plan

² Commerce resource plans - <https://www.commerce.wa.gov/energy-policy/electricity-policy/utility-resource-plans/>

3. Load

Load Forecast

The District's wholesale load forecast,³ reported as annual average demand (aMW) and annual peak demand (MW), is shown below in **Figure 3-1**. The load forecast's 10-year annual average demand growth from 2026 to 2036 is only 0.21%. This is the same forecast as described by the 2026 Load Forecast approved in May 2026.⁴

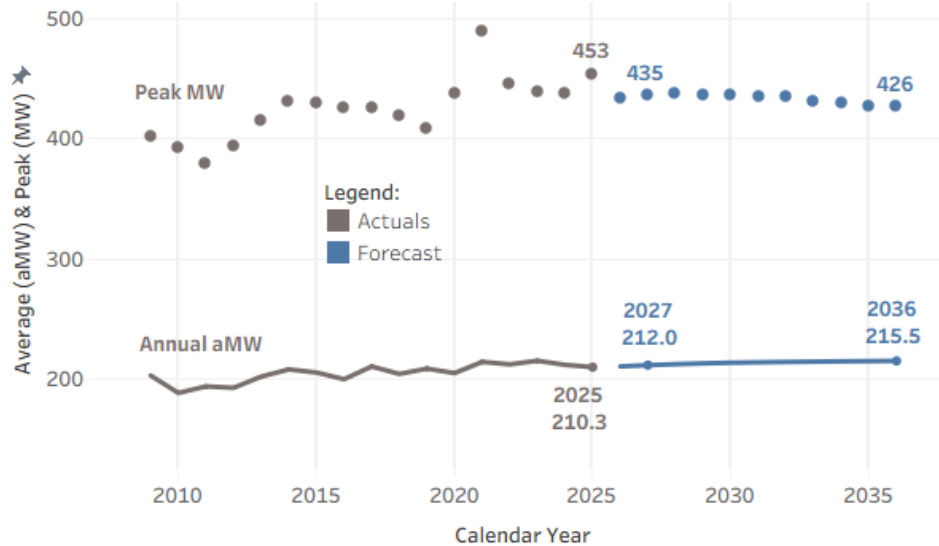


Figure 3-1 – Forecast of annual wholesale load

Conservation

The load forecast includes 11.0 aMW of cumulative conservation over the forecast period, as shown below in **Figure 3-2**, in context of retail load.² The conservation is comprised of 5.8 aMW of residential and 5.2 aMW of non-residential conservation, consistent with the District's most recent Conservation Potential Assessment, as referenced within the **Energy Conservation** subsection of **Section 6 -Energy Independence Act**.

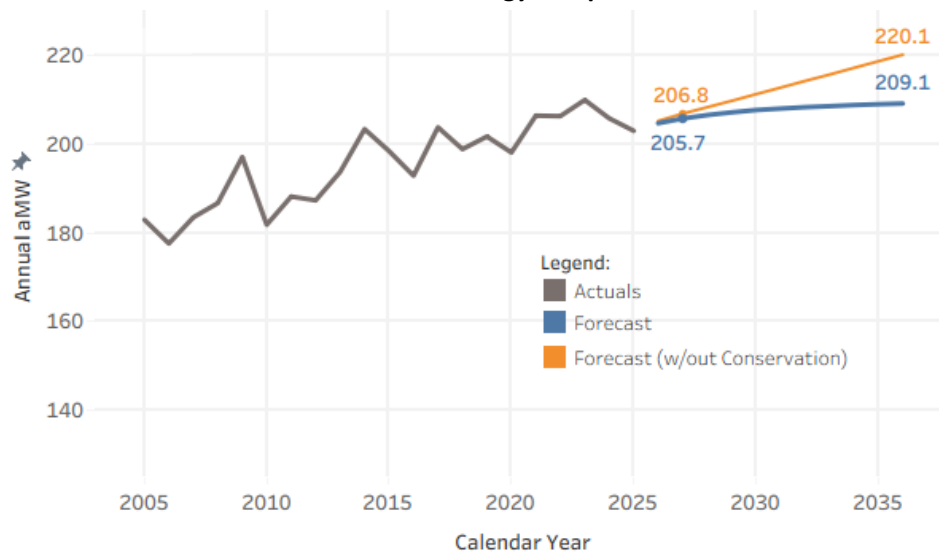


Figure 3-2 – Forecast of annual retail load

³ "Wholesale" load refers to the total power supply need, including District system losses. "Retail" load excludes losses.

⁴ [2026 Load Forecast](#) – Resolution No. 2726, 5/26/2026

Demand Response

The District prepares a Demand Response Potential Assessment (DRPA) every two years to support the Clean Energy Transformation Act (CETA) requirement to assess the amount of demand response resources that are cost-effective, reliable, and feasible for meeting the CETA standards. Copies of previous DRPA's and other supporting documents are available on the District's "Demand Response" webpage.⁵ Currently, Benton PUD has not found demand response to be cost-effective, reliable, and feasible. The District's Clean Energy Implementation Plan (CEIP) for 2026-2029⁶ specified a target of 0 MW, same as the 2022-2025 CEIP, which remains sufficient for the District's obligation in meeting the CETA standards.

On October 11, 2022, at a Commission strategic planning session, District staff presented the status of demand response program development and recommended that the District evaluate new drivers of demand response after its conversion to BPA's load following contract and to wait for BPA's Post-2028 rate design before developing its demand response strategy.⁷ As also recommended, the District has implemented rate-based demand charges, including time-of-day demand for residential customers, and voltage optimization for energy efficiency.

In 2026, the District added a Strategic Plan action item to develop a demand response program pilot to further explore if demand response may be cost-effective, reliable, and feasible. Developing a pilot is in response to concerns about regional resource adequacy and the increasing risk of an energy or transmission emergency as well as the expectation of increasing BPA demand and capacity charges that will go into effect on October 1, 2028, for the Provider of Choice contract, per BPA's published Public Rate Design Methodology (PRDM).⁸

Electrification

Per RCW 19.280.030(5)(e), Resource Plans need to account for:

- i) modeled load forecast scenarios of zero emissions vehicles,
- ii) relevant information in electrification of transportation plans, and
- iii) assumed use case forecasts and the associated energy impacts.

The RCW allows, but does require, utilities to use the forecasts generated by the Department of Transportation's mapping and forecasting tool created in RCW 47.01.520. The District is not currently utilizing the tool.

Load forecast scenarios and use cases related to electric vehicle growth and natural gas to electric conversions were analyzed in the 2022 Load Forecast⁹ and remain representative for consideration by this Resource Plan. The 2022 analysis included low/high growth scenarios for both electric vehicles and natural gas to electric conversions. The resulting cumulative load addition by calendar year 2036 is summarized below in **Table 3-1**.

⁵ https://www.bentonpud.org/about-benton-pud/planning-performance/resource-planning?tab=Demand_Response

⁶ [2026-2029 CEIP](#) – Resolution No. 2710, 10/28/2025 (PDF Page 7, Demand Response)

⁷ [2022 Commission Strategic Session](#) - Demand Response Presentation, 10/11/2022

⁸ <https://www.bpa.gov/energy-and-services/rate-and-tariff-proceedings/public-rate-design-methodology-2029>

⁹ [2022 Load Forecast](#) - Resolution No. 2600, 4/26/2022

Table 3-1 – 2022 Load Forecast electrification scenarios

Load Growth Type	Added by Calendar Year 2036	
	Lower Scenario	Higher Scenario
Benton County electric vehicle count	6,866	22,031
Electric vehicle load (aMW)	2.4	8.1
Natural gas to electric load (aMW)	5.6	9.9
Total (aMW)	8.0	18.0

The 2026 Load Forecast considered the District’s adopted Electrification of Transportation Plan.¹⁰ The adopted plan allows the District to offer incentives/rebates, advertise, and promote the adoption of electric vehicles. After adoption, the District began offering a \$250 rebate to customers who purchase or lease a new electric vehicle. Since adoption, the District has provided a total of 102 rebates through 2025.

This Resource Plan accounts for electrification by acknowledging that under all load growth scenarios, the District’s resource strategy remains the same—to serve the incremental load growth using BPA’s load following contract combined with BPA’s long-term Tier 2 power, as described in **Section 5 – Resource Strategy**.

¹⁰ Electrification of Transportation Plan – Resolution No. 2521, 11/12/2019 (pdf pages 165-184)

4. Existing Resources

Non-BPA Resources

The District has long term power contracts with three non-BPA generating resources as listed below in **Table 4-1**. Effective October 1, 2023, only Packwood is dedicated to serving load and the wind power is being re-sold, however, the wind Renewable Energy Credits are being retained by the District to meet its Washington renewable target.

Table 4-1 – Existing non-BPA Resource Contracts

Resource	Contract #	Capacity (MW)	Annual Energy (aMW)	Contract End Date
Packwood Hydroelectric	11-51-14	3.7	0.919 ¹¹	Ongoing
Nine Canyon Wind - Phase I	01-51-13	3	1	7/1/2030
Nine Canyon Wind - Phase III	01-51-13	6	2	7/1/2030
White Creek Wind - LL&P	07-45-04	3	1	11/21/2027
White Creek Wind - WCWI	08-51-19	6	2	11/21/2027

BPA Power Sales Agreement

Most of the District’s power supply continues to be supplied through a long-term Regional Dialogue Power Sales Agreement with BPA (Contract #11-51-01). Effective October 1, 2023, with BPA’s consent, the District switched its block/slice agreement to a load following product for the remainder of its contract term (through September 30, 2028). Additional details regarding the switch to load following are discussed below in the **Resource Adequacy** subsection of **Section 5 – Resource Strategy**.

Under all BPA contract types, the amount of power that BPA’s preference customers may purchase under BPA’s lowest cost rate is limited to an amount equal to the generating output of the current Federal System, with some limited amounts of augmentation (“Tier 1” power). Any incremental purchases by preference customers from BPA above this base amount of power are sold at a higher rate reflecting the incremental cost to BPA of obtaining additional power (“Tier 2” power). BPA has established for each preference customer a contractually defined level of access to power available at BPA’s lowest cost preference rate (“Tier 1” rates). BPA refers to a customer’s Tier 1 amount as their Contract High-Water Mark (CHWM) or Rate Period High-Water Mark (RHWM). This Tier 1 amount is based on the customer’s net requirement load for the 12-month period ending September 30, 2010, with adjustments possible each rate period, typically due to Federal System changes or from utility annexation (e.g. City of Richland annexation of District load).

Beginning October 1, 2023, the District has elected to serve its net requirement above its Tier 1 allocation (a.k.a. Above-CHWM load) with Tier 2 through the remainder of the contract. The District’s Tier 1 RHWM is currently set at 202.081 aMW for fiscal years 2026-2028.

¹¹ Packwood is 0.919 aMW under critical water (per Exhibit A of BPA contract). Assume 1.26 aMW under median water.

BPA Transmission

BPA requires that transmission services be purchased separately. BPA's Open Access Transmission Tariff (OATT) delineates the terms and conditions of providing and taking transmission service. The District has executed BPA's Network Integration Transmission Service (NITS) Agreement (Contract #22-51-02) for long-term firm transmission service from October 1, 2023, through September 30, 2031. The District previously had a Point-to-Point (PTP) Transmission Agreement that began in May 1997, but it was converted to NITS service effective October 1, 2023, in conjunction with the switch to load following.¹²

¹² The District retains a 1 MW PTP contract (#02-51-22) for transmission service that was not eligible for conversion to NT.

5. Resource Strategy

Resource Adequacy

Resource adequacy is the term used to describe an electricity system’s ability to meet demand under a broad range of conditions including times of peak energy demand during the hottest and coldest days in any given year. The District remains concerned about deteriorating regional resource adequacy, resulting in part from Washington and other western state energy policies. This concern was well described in **Appendix D – Resolution No. 2523**, *“In Support of Actions to Ensure Electric Sector Resource Adequacy in the Pacific Northwest”*, passed in November 2019. Similar concerns were emphasized in the District’s November 2021 letter to BPA, **Appendix E – Load Following Request Letter**, requesting the option to convert from slice/block to load following. As the District considers its future resource choices, resource adequacy will continue to be a key driver of the District’s strategy.

The District’s October 1, 2023, conversion from slice/block to load following has been successful at cost-effectively ensuring the District has access to dispatchable energy and capacity to responsibly cover its seasonal energy and capacity deficits. Under the load following contract, BPA is obligated to meet the District’s net requirement load. The change has eliminated the District’s direct participation in power markets as a buyer and seller and is expected to reduce power supply price risk and the risk of not having adequate physical generation to meet demand.

The conversion to load following has mitigated the District’s near-term resource adequacy risk, however, it has also transferred additional risk to BPA, which means the District must remain committed to tracking BPA’s resource adequacy and regional issues that may impact BPA. The District’s resource adequacy monitoring includes, but is not limited to, tracking the studies listed below in **Table 5-1**.

Table 5-1 – Regional resource adequacy studies

#	Entity	Study Name / Website Link	Frequency	Study Vintage
1	Bonneville Power Administration	Resource Program	Every 2 years	Feb. 2025
2	Northwest electric utilities	Integrated Resource Plans	Every 2 years	Varies
3	Western Electricity Coordinating Council	Western Assessment of Resource Adequacy	Annual	Jan. 2026
4	Northwest Power and Conservation Council	Pacific Northwest Power Supply Adequacy Assessment	Annual	Aug. 2024
5	Northwest Power and Conservation Council	Northwest Power Plan	Every 5 Years	Mar. 2022 (2021 Plan)
6	Pacific Northwest Utilities Conference Committee	Northwest Regional Forecast	Annual	Apr. 2026
7	Energy + Environmental Economics	Resource Adequacy and the Energy Transition in the Pacific Northwest	Adhoc	Apr. 2026

The District’s current assessment of these studies is that there continues to be concern about regional resource adequacy. Being a load following customer of BPA, the District is fortunate to have its resource adequacy needs met entirely by BPA, however, the District is closely following how BPA may rely on market purchases until procuring additional resources, if needed, to meet its long-term obligations under the Provider of Choice contracts.

Traditionally, BPA completes the Resource Program on a two-year cycle. BPA published the 2024 Resource Program in February 2025. BPA has extended the timeline for the next Resource Program, with delivery expected in December 2027. That timeline ensures the Resource Program's needs assessment reflects forecasted firm load obligations by sequencing it after customers' Provider of Choice contract long-term above-CHWM service elections, which are expected to be finalized this summer. BPA's final needs assessment will not be available until February 2027, however, as of April 2026, BPA is indicating it will prepare a preliminary needs assessment following the customer above-CHWM elections and may consider commercial acquisition shortly thereafter, if triggered by a demonstrated need.¹³

The District is also monitoring the emergence of regional resource adequacy programs and power markets:

- On December 16, 2022, BPA issued its final decision letter to continue participation in the Western Power Pool's Western Resource Adequacy Program (WRAP) and electing Winter 2027-2028 as its first binding season.¹⁴ As a participant in the WRAP, BPA would take on the role of Load Responsible Entity for all load following customers and would be contractually bound to meet its firm power contractual obligations regardless of any obligations under WRAP. WRAP would provide BPA with a last backstop for the capacity to serve its firm power contractual obligations if BPA were to be deficit and could find no other bilateral counterparties. Additional information about WRAP is available on the Western Power Pool's website¹⁵, including an Energy GPS, LLC *Special Report: Western Resource Adequacy Program Primer*.¹⁶
- On May 9, 2025, BPA issued its Day-Ahead Market Policy, which established BPA's intent to pursue participation in Southwest Power Pool's Markets+ day-ahead market. On March 12, 2026, BPA announced it was moving forward with implementation and proposing joining Markets+ in October 2028.¹⁷

¹³ [BPA Provider of Choice Presentation - 4/20/2026](#)

¹⁴ <https://www.bpa.gov/learn-and-participate/projects/western-resource-adequacy-program>

¹⁵ <https://www.westernpowerpool.org/about/programs/western-resource-adequacy-program>

¹⁶ <https://www.westernpowerpool.org/news/energy-gps-issues-special-report-on-wrap>

¹⁷ <https://www.bpa.gov/learn-and-participate/projects/day-ahead-market>

Resource Plan

This Resource Plan is consistent with the following strategic goal in the District’s published Strategic Plan¹⁸:

- **ENSURE A RELIABLE, ENVIRONMENTALLY RESPONSIBLE & LEAST-COST POWER SUPPLY**
Balance environmental and economic tradeoffs and risks to achieve a power supply portfolio which helps ensure the health, safety and well-being of our customers.

The District’s 10-year resource plan is enumerated below and visualized in **Figure 5-1**.

1. Continue pursuing cost-effective, reliable, and feasible conservation, consistent with applicable requirements of the Energy Independence Act and the Clean Energy Transformation Act.
2. Continue with Packwood hydroelectric as a dedicated resource, per the BPA contractual commitment.
3. Through September 30, 2028—the remainder of the District’s BPA Regional Dialogue contract—the District is contractually committed to BPA’s load following contract, including serving its above High Water Mark load with BPA’s Tier 2 power.
4. For October 1, 2028, through 2036—including the first 8 years of BPA’s 16-year Provider of Choice contract—the District’s strategy assumes, for this Resource Plan and subject to change, continuing with BPA’s load following contract and with serving all above High Water Mark load with BPA’s long-term Tier 2 power. Additional details about BPA Provider of Choice contract assumptions are provided in the next section.

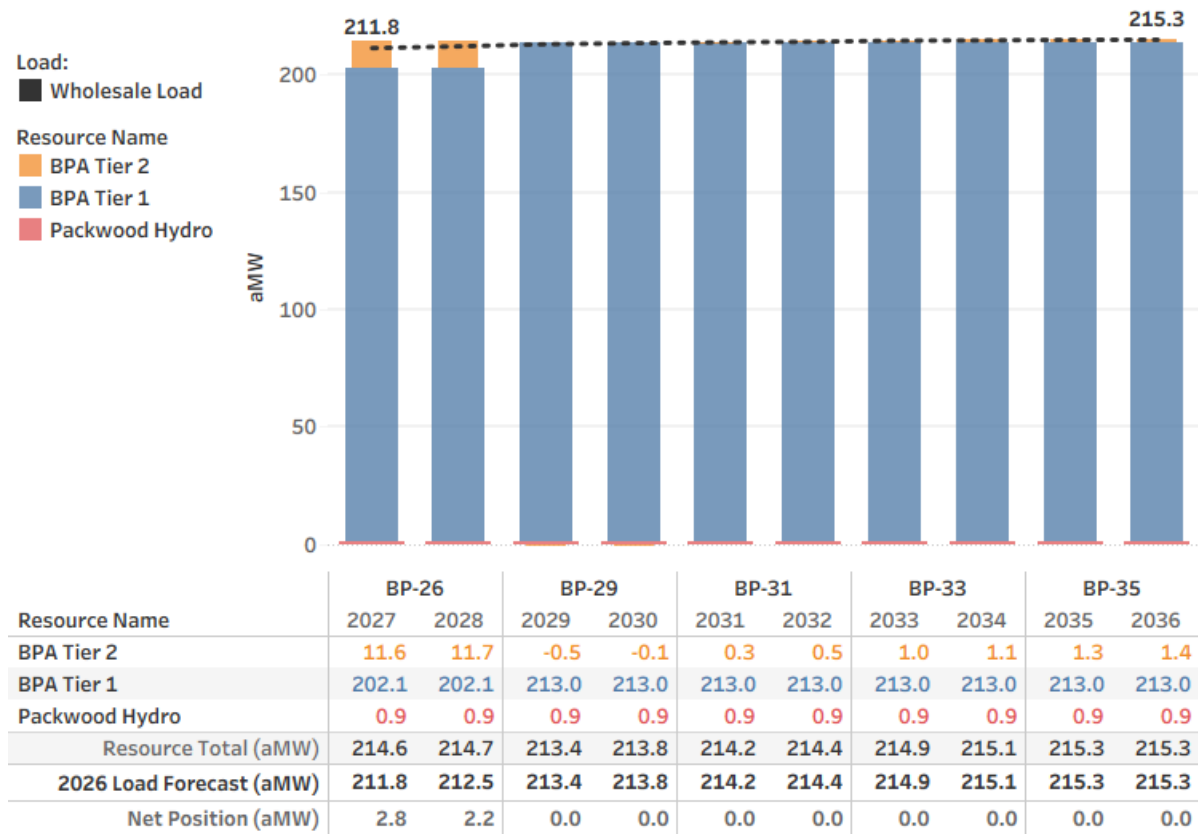


Figure 5-1 – 10-Year Resource Plan by BPA Rate Case and Fiscal Year

¹⁸ <https://www.bentonpud.org/about-benton-pud/planning-performance/strategic-planning>

BPA Provider of Choice Contract

BPA's Provider of Choice process refers to the development of BPA's Post-2028 contracts, committing to 16-years of service from October 1, 2028, through September 30, 2044. On October 14, 2025, the Commission adopted Resolution No. 2709, authorizing the General Manager to execute the Provider of Choice, Load Following Power Sales Agreement (Contract #25-51-02) with BPA.¹⁹ Furthermore, Resolution No. 2709 authorized the General Manager and/or his designees to take any and all actions necessary or appropriate to implement the Agreement.

This Resource Plan makes certain assumptions—enumerated below—about the District's Post-2028 contract, however, these assumptions are subject to change. The District will continue evaluating its Post-2028 contract options as additional contract and rate information becomes available.

1. This Resource Plan reflects the District's choice of the load following product.
 - a. The District will have a one-time product switch option during the contract. A minimum of three years notice would apply, with the product switch being effective at the start of the next rate period.
2. This Resource Plan uses a CHWM of 213.007 aMW.
 - a. BPA published the final Contract High Water Mark (CHWM) model on May 28, 2026.
 - b. The District's CHWM increased from its Regional Dialogue contract because the model includes a positive proportional share adjustment due to BPA's system size increasing to a fixed amount of 7,250 aMW and positive adjustments for customer load growth and conservation achievements through 2023, both of which are favorable for the District.
 - c. The District's CHWM amount will be fixed for the contract life, unlike the current contract where the amount is subject to change every rate period.
3. This Resource Plan assumes election of the long-term Tier 2 path to serve above CHWM load.
 - a. Within 60 days of the final CHWMs being published—by July 27, 2026—customers must elect an option for serving their above CHWM load.
 - b. The above CHWM load service options are either electing, 1) BPA's long-term Tier 2 path, 2) the "flexible" above CHWM path, or 3) a combination of the two paths. The "flexible path" is where the customer is responsible for serving their above CHWM load with a combination of the customer's non-federal resources, BPA's short-term Tier 2, or BPA's Tier 2 Vintage rate.
 - c. For customers that initially elect any amount of BPA long-term Tier 2, BPA is proposing a one-time option to change (cap, or reduce) their long-term Tier 2 election amount, subject to a change fee and change charge. A minimum of three years notice would apply with the change to be effective at the start of the next rate period.
 - d. On March 24, 2026, Staff presented to Commission regarding the above CHWM load service election and recommended electing the long-term Tier 2 path to serve all above CHWM load.^{20,21}

¹⁹ [Resolution No. 2709](#), 10/14/2025 Commission Packet (pdf pages 94-229)

²⁰ [Above Contract High Water Mark Load Election](#), 3/24/2026 Commission Packet (pdf pages 120-128)

²¹ [Above Contract High Water Mark Load Election](#), 3/24/2026 Commission Presentation

- e. On June 23, 2026, Staff presented further details to Commission regarding the above CHWM load service election and continued to recommend electing the long-term Tier 2 path to serve all above CHWM load.^{22,23}

²² [Above Contract High Water Mark Load Election](#), 6/23/2026 Commission Packet (pdf pages 59-62)

²³ [Above Contract High Water Mark Load Election](#), 6/23/2026 Commission Presentation

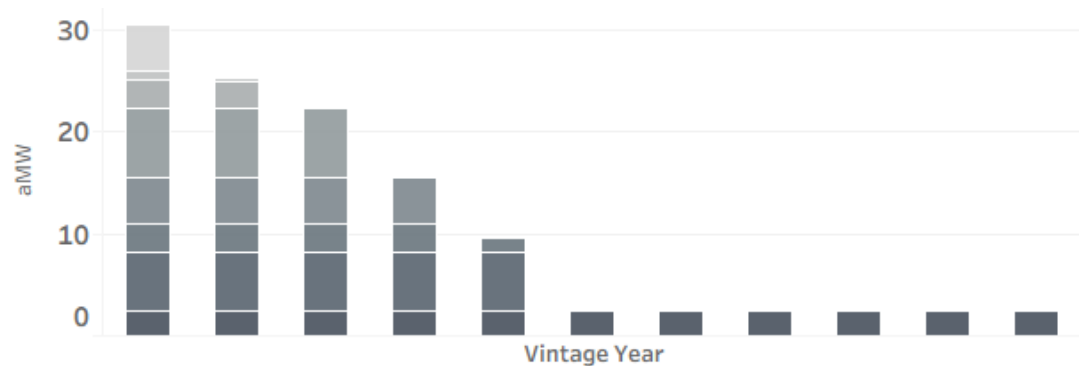
6. Energy Independence Act

Energy Conservation

Washington’s Energy Independence Act (EIA or I-937), RCW 19.285, requires the District to pursue all cost-effective, reliable, and feasible conservation resources and to meet conservation targets set using a utility-specific conservation potential assessment methodology. The District’s most recent CPA²⁴ was an input to the 2026 Load Forecast.

Renewable Portfolio Standard

The District is required to comply with EIA’s 15% Renewable Portfolio Standard (RPS) requirement.²⁵ Historically, the District has annually retired Renewable Energy Credits (RECs) associated with its long-term power supply contracts for the White Creek and Nine Canyon wind projects, BPA wind and incremental hydro allocations, other qualifying REC contracts, and additional quantities from REC market purchases when needed. The District plans to continue using REC purchases to meet its 15% RPS requirement. The District’s existing REC contracts and their forecasted REC amounts are shown below in **Table 6-1**.



REC Contract Name	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Caely 2026	4.6										
BPA Wind	0.9	0.5									
White Creek	2.7	2.5									
3Degrees	6.8	6.8	6.8								
RPS Associates	4.6	4.6	4.6	4.6							
Nine Canyon	2.7	2.7	2.7	2.7	1.3						
3Degrees 2026-2030	5.7	5.7	5.7	5.7	5.7						
BPA Incremental Hydro	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
REC Contract Total aMW	30.5	25.3	22.3	15.5	9.6	2.5	2.5	2.5	2.5	2.5	2.5

Figure 6-1 – Existing REC Contracts by Vintage Year

²⁴ [2025 Conservation Potential Assessment](#) – Resolution No. 2700, 8/12/2025

²⁵ 15% of the average of the previous two years annual retail load.

While the table above shows the REC contracts and the total amount of RECs forecasted by their vintage year, it does not represent the actual number of RECs that are available for retirement in any given compliance year. This is because EIA allows RECs that are retired for a given compliance year to originate from vintage years that are the same year as the compliance year, or the previous year, or the next year.

The District's plan for acquiring and retiring, across multiple years, the unbundled RECs necessary to meet is 15% RPS requirement is further complicated—for the better—by the Clean Energy Transformation Act (CETA), which will result in a step-change reduction in the District's RPS target (from 15% to about 5%), starting January 1, 2030, whereas the District is able to satisfy its EIA RPS requirement by complying with the CETA GHG neutral standard, as further described below in **Section 7 - Clean Energy Transformation Act**.

Figure 6-1 below represents the District's REC target, REC contract amounts, and the REC net position by compliance year—after factoring in the REC vintage year retirement options and the CETA changes. The graph highlights the District's need to acquire additional RECs starting in compliance year 2030. The actual REC procurement strategy (number of contracts, contract amount, contract length, etc.) is outside the scope of this resource plan. Preliminarily, the District should consider a new REC contract for about 75,000 RECs starting in 2030. These recommendations are subject to change after further analysis.

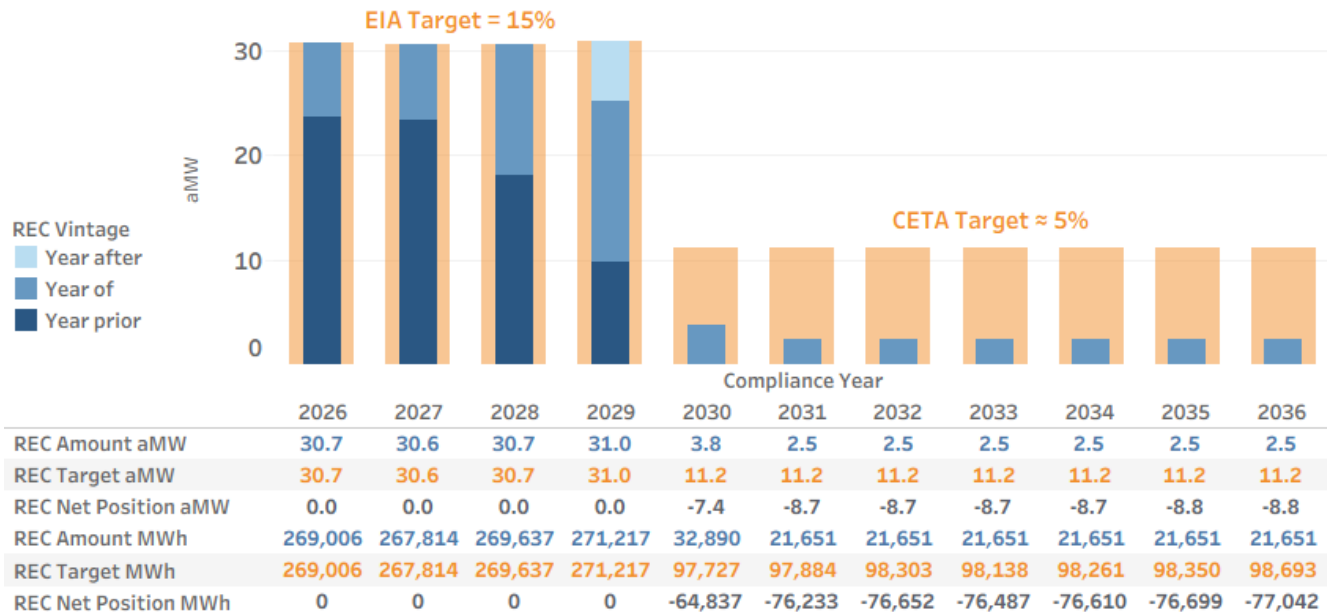


Figure 6-1 – REC Net Position by Compliance Year and Vintage

7. Clean Energy Transformation Act

Washington’s resource planning RCW 19.280.030(5)(d) requires the District to identify *“how the utility plans over a 10-year period to implement RCW 19.405.040 and 19.405.050”*. The District’s implementation plan for these two CETA requirements are described below:

GHG Neutral Standard

The GHG neutral standard (RCW 19.405.040) says, *“(1) It is the policy of the state that all retail sales of electricity to Washington retail electric customers be greenhouse gas neutral by January 1, 2030...”*.

1. The District’s existing and proposed resource strategy of conservation, Packwood hydroelectric and BPA’s load following contract results in the District’s power supply already being about 95% clean.
 - a. Given nearly all the District’s power supply is from BPA, the District’s percentage of clean resources is about the same as BPA’s, which has historically been about 95% clean (83% hydro, 11% nuclear, 1% wind, 5% non-clean), based on BPA’s 14-year average fuel mix data for 2012-2025.²⁶
 - b. The District assumes BPA’s clean energy mix will remain near 95% through the 10-year period of this plan (through 2036), including through the remainder its existing BPA contract and into BPA’s Post-2028 contract that begins October 1, 2028.
2. For the remaining 5% of non-clean energy, the District plans to procure unbundled RECs, which is an allowable alternative compliance option (up to a maximum of 20%) to meet the GHG neutral standard.
 - a. From present through 2029, the District expects to easily exceed the GHG neutral standard given the District’s 15% EIA RPS target versus a need of only 5% for the GHG neutral standard.
 - b. Beginning January 1, 2030, and for each multiyear compliance period thereafter, through December 31, 2044, the District intends to continue using unbundled renewable energy credits to meet its approximately 5% non-clean energy need, thereby meeting both the compliance obligations of the GHG neutral standard and the EIA RPS.
3. See **Appendix F – Clean Energy Forecast** for the supporting data of the GHG neutral standard REC target.

100% Clean Standard

The 100% clean standard (RCW 19.405.050) says, *“(1) It is the policy of the state that nonemitting electric generation and electricity from renewable resources supply one hundred percent of all sales of electricity to Washington retail electric customers by January 1, 2045...”*.

Currently the 100% clean standard, beginning in 2045, is 19 years into the future and is 9-years beyond the time horizon of this 10-year resource plan, ending in 2036. The District is well positioned currently; however, it is also recognized that the upper limit of the District’s percentage clean energy is limited to BPA’s progress at improving its fuel mix—absent replacing BPA with other resources. The District will be monitoring the changes in BPA’s fuel mix over the next several years, including how their mix changes because of participation in emerging western markets.

²⁶ <https://www.bpa.gov/energy-and-services/power/hydropower-impact>

The District will continue to advocate for the benefits of non-emitting nuclear energy and the need for BPA and other utilities to consider nuclear in their resource planning for its long-term benefits for emissions reduction, energy security, transmission availability, reliability, and economic development.

Clean Energy Implementation Plan

Washington Administrative Code 194-40-050 says the following about developing a Clean Energy Implementation Plan (CEIP), *“Each utility must submit by January 1, 2022, and every four years thereafter, a CEIP for resources to be acquired and other actions to be undertaken during the next interim performance period or GHG neutral compliance period to comply with the **GHG neutral standard** and the **100% electricity clean standard**...”*.

CETA requires the District to prepare a 4-year CEIP that is consistent with its Resource Plan. The 2024 Resource Plan was referenced by the District’s most recent CEIP, approved in October 2025, for the period 2026-2029.²⁷

²⁷ [2026-2029 CEIP](#) — Resolution No. 2710, October 28, 2025

Appendix A – Resource Plan Requirements

Requirements of RCW 19.280.030(5)	District Comments:
<i>(5) All other utilities may elect to develop a full integrated resource plan as set forth in subsection (1) of this section or, at a minimum, shall develop a resource plan that:</i>	The District shall develop a Resource Plan that meets the requirements of RCW 19.280.030(5), as described below:
<i>(a) Estimates loads for the next five and 10 years;</i>	See Section 3 – Load .
<i>(b) Enumerates the resources that will be maintained and/or acquired to serve those loads;</i>	See Section 4 – Existing Resources , and Section 5 - Resource Strategy .
<i>(c) Explains why the resources in (b) of this subsection were chosen and, if the resources chosen are not: (i) Renewable resources; (ii) methods, commercially available technologies, or facilities for integrating renewable resources, including addressing any overgeneration event; or (iii) conservation and efficiency resources, why such a decision was made;</i>	
<i>(d) By December 31, 2020, and in every resource plan thereafter, identifies how the utility plans over a 10-year period to implement RCW 19.405.040 and 19.405.050; and</i>	See Section 7 – Clean Energy Transformation Act .
<i>(e) Accounts for:</i> <i>(i) Modeled load forecast scenarios that consider the anticipated levels of zero emissions vehicle use in a utility's service area, including anticipated levels of zero emissions vehicle use in the utility's service area provided in RCW 47.01.520, if feasible;</i>	See the Electrification subsection of Section 3 – Load .
<i>(ii) Analysis, research, findings, recommendations, actions, and any other relevant information found in the electrification of transportation plans submitted under RCW 35.92.450, 54.16.430, and 80.28.365; and</i>	
<i>(iii) Assumed use case forecasts and the associated energy impacts. Electric utilities may, but are not required to, use the forecasts generated by the mapping and forecasting tool created in RCW 47.01.520. This subsection (5)(e)(iii) applies only to plans due to be filed after September 1, 2023.</i>	
Requirements of RCW 19.280.050(1)	District Comments:
<i>The governing body of a consumer-owned utility that develops a plan under this chapter shall encourage participation of its consumers in development of the plans and progress reports and approve the plans and progress reports after it has provided public notice and hearing.</i>	The District held three public hearings and also accepted public input via its Resource Plan development webpage. ²⁸ See Appendix C – Public Comment for a list of comments received.

²⁸ Resource Plan development webpage: <https://www.bentonpud.org/resource-plan>

Appendix B – Commerce Cover Sheet

	A	B	C	D
5	Utility Information			
6	Report Year	2026		
7	Utility	Benton County PUD No. 1		
8	Prepared by	Blake Scherer		
9	Email	schererb@bentonpud.org		
10	Date of Board/Commission Approval	7/14/2026		
11	Notes: Explain resource choices other than conservation/use of renewable energy credits	Refer to Cover Sheet Notes and Benton PUD's 2026 Resource Plan, Resolution No. 2729, July 14, 2026.		
12				
13	Washington State Utility Resource Plan Year 2026			
14	Estimate Interval	Base Year	5-year Forecast	10-year Forecast
15	Estimate Period	2025	2030	2035
16	Season	Annual	Annual	Annual
17	Units	aMW	aMW	aMW
18	Loads	212.907	217.271	224.900
19	Exports			
20	Resources:			
21	Energy Conservation Measures		3.426	9.626
22	BTM Solar			
23	Demand Response			
24	BPA Tier 1 or Base	202.081	213.007	213.007
25	BPA Tier 2	11.464	-0.081	1.348
26	Cogeneration			
27	Hydro	1.147	0.919	0.919
28	Wind			
29	Utility-scale Solar			
30	FTM Distributed Solar			
31	Biomass			
32	Biogas			
33	Landfill Gas			
34	Geothermal			
35	Nuclear			
36	Other Distributed Renewables			
37	Thermal Natural Gas			
38	Thermal Coal			
39	Market Purchases			
40	Other			
41	Imports			
42	Undecided			
43	Total Resources	214.69	217.27	224.90
44	Load Resource Balance	1.78	0.00	0.00
45	Benton PUD Cover Sheet Notes:			
46	Line 15 "Estimate Period" - Periods are BPA Fiscal Years (FY), from Oct-Sep;			
47	Line 18 "Loads" - Base Year load is FY2025 actual, not weather normalized;			
48	Line 21 "Energy Conservation Measures" - Increased by 3.04% to include system losses;			
49	Line 27 "Hydro" - Packwood hydro is dedicated resource in Exhibit A of BPA contract;			

Appendix C – Public Comment

Public Comments by Topic

Category	Topic	
Concern	data centers	2 3 9 13 17 20 21 27 29 30 31 32 33 36 37 40 41 42 43 44 45 21
	cost	6 7 8 13 17 24 28 45 8
	wind farms	4 13 15 32 35 38 6
	with BPUD	22 23 24 25 44 45 6
	environment	8 41 2
Interest/ support	nuclear	1 5 10 15 19 26 32 35 8
	solar	4 12 14 16 22 36 37 44 8
	hydro	5 10 13 15 32 35 6
	conservation	18 44 2
	for BPUD	11 39 2
	natural gas	10 1

Count derived from **45 unique comments** (by ID#) through 6/26/2026, some addressing multiple topics.

See Appendix C – Public Comment Log

Public Comment Log

ID #	Method	Date	City of Residence	Name	Public input/comment:
1	Webpage	05/13/2026	Kennewick	Dennis Fife	Is there any plans to include a new nuclear plant or several SMRs?
2	Webpage	05/13/2026	Kennewick	Michael Rundhaug	I DO NOT want to pay higher bills because of data centers. I didn't vote for them. I don't live in them. I don't get paid by them. Please do whatever you can to prevent this. Thank you
3	Webpage	05/13/2026	Kennewick	PT Arnold	We are currently in our 4th consecutive season of drought and fire extreme. Data centers should NOT be consideration in Benton and Franklin counties as they consume both our utilities and water resources abundantly. We can not afford to lose these and must protect our beautiful eastern Wa. No amount of money is worth the sell out of our environment that makes Tri-Cities Awesome.
4	Webpage	05/13/2026	Kennewick	Jack W	I don't want to see more windmills in our area. I think we should be incentivizing personal solar installations and so we need to get plug and play solar on the books as an inexpensive option for people like other states have been doing.
5	Webpage	05/13/2026	Kennewick	JEREMY Strohmeyer	Highest priority should be maintaining electricity generation from dams. Increasing electricity demand should be met with increased nuclear power generation.
6	Webpage	05/13/2026	Kennewick	Margaret Wade	Keep costs down is the most important thing for me and the people I talk with.
7	Webpage	05/13/2026	Kennewick	Cate B	Discount for long time city residents and those 65 yrs. and older on fixed income.
8	Webpage	05/13/2026	Kennewick	Bailey Hargroves	A sustainable renewable energy plan to keep energy cost low and the environmental impact to a minimum
9	Webpage	05/13/2026	Kennewick	Robin Callow	Please provide information on how the agency intends on dealing with the data centers that are being proposed nearby and what impacts that may have on current residents.

ID #	Method	Date	City of Residence	Name	Public input/comment:
10	Webpage	05/13/2026	Kennewick	Gene Luczynski	Electric and Natural Gas need to work together as there's no way WA will be able to reach green energy goals per the WA CCA. Wind and solar cannot supply the replacement needs of NW or WA. Hydropower must remain and Small Modular Reactors (SMR's) should be a new player in future energy needs.
11	Webpage	05/13/2026	Kennewick	Santiago, Alfaro	Fue excelente <i>[Was excellent]</i>
12	Webpage	05/13/2026	Kennewick	Frances Leavell	Please consider working with KID to use solar panels over the canals, which would not only serve in energy production but preserve water loss
13	Webpage	05/14/2026	Kennewick	Jessie Riggle	I would fight for our dams any way possible. Our dams are our most reliable and affordable source of energy. I would dismiss and not go towards and movements to increase wind energy as it is a very small factor and has huge environmental impacts with animals and also they can't be recycled. I would hope that PUD has the communities best interest at heart and will work to make power more affordable as our cost for power have already increased this year. I would also like if the PUD fought any desires to build a data center here as they also cause huge environmental issues and health issues in people and animals and use up our valuable resources.
14	Webpage	05/14/2026	Kennewick	Basalat Raja	Part of the power is lost as Benton PUD transmits electricity to get the homes. Solar panels are cheaper than ever and windmill improvement research and improvement is continually on-going. PUD should consider the possibility of reverse-bids - in our area, homeowners own massive, unused land. Let them offer to rent this land for PUD to put panels on it to power their and their neighbors' homes. The installations should be fully owned by PUD, just placed on rented land that is selected on the basis of lowest rent and most efficient placement. PUD will save a lot of money by reducing wasted transmission.
15	Webpage	05/14/2026	Kennewick	Linda Parish	Please focus on clean, renewable energy sources; i.e. hydro and nuclear. I'm not a fan of wind turbines (bird killers and eye pollution) and profit only the landowner where the turbine is sited. Thank you.
16	Webpage	05/14/2026	Kennewick	Deanna Richardson	I want more projects leaning towards solar energy. Many people can't get solar do to cost as well as living in apartments, what is PUD doing to encourage and help this?

ID #	Method	Date	City of Residence	Name	Public input/comment:
17	Webpage	05/14/2026	Kennewick	Sydney Schmitt	My only concern is the price doubling in the next few years with everything else going up but my main concern is if our electricity is ever supplied to a data center, please do not force the cost onto current and future residential customers. It is extremely unethical and just flat out not okay. My family has lived in Kennewick for generations and I don't want to see electricity become unaffordable. Thank you.
18	Webpage	05/15/2026	Kennewick	Leanne M Selix	Since families with children are the PUDs largest users, I believe a greater effort on educating the young on energy conservation would benefit parents and our environment !
19	Webpage	05/15/2026	Kennewick	LEONARD HARVILLE	Please consider adding SMR's (Small Modular Reactors) at the Energy Northwest sight in Richland, WA.
20	Webpage	05/16/2026	Kennewick	David Weber	Two data centers are planned to be built in Benton County and one near Walla Walla. Trammell Crow Lewis & Clark Ranch Data Center, Atlas Agro Data Center Campus, and AWS Wallula Gap Data Center Campus. I expect full, detailed reports on how each of these will use utilities, specifically the amount of gigawatts they will consume and how much will be provided by Benton Pub. Further, I expect a detailed report on whether and how the cost of developing infrastructure may be passed on to residents that use Benton Pub to keep our lights on.
21	Webpage	05/20/2026	Kennewick	Diane Gerig	The ONE thing that will destroy this community it a data center. DO NOT E EN ALLOW one meeting with buying tech. DATA centers have proven to destroy communitues
21B					Received duplicate message of #21
22	Webpage	05/25/2026	Kennewick	Jon Fager	I am disappointed that the public hearing meetings are at 9 a.m. when most employed people with an interest in attending need to be at work. I have attended the evening presentations that Benton PUD hosts annually. I appreciate the preparation and presentations. Over the past couple of years, the primary presenter has painted a very negative picture of wind and solar power. I would like to see Benton PUD find ways to increase its use of solar and wind power as part of a wide ranging portfolio of energy sources. I would like to see us improve our already strong commitment to clean energy by embracing these technologies rather than denigrating them.

ID #	Method	Date	City of Residence	Name	Public input/comment:
23	Webpage	05/31/2026	Kennewick	Lisa Peppard	I care about fiscal responsibility of the PUD, keeping costs as low as possible to the consumer; environmental stewardship and responsibility; reliability; and keeping partisan politics out of the utility district.
24	Webpage	06/03/2026	Kennewick	Shirley Widener	Well hopefully it would lower our rates 😞 but just noticed that you increased the overage kilowatt that used to be a dollar but now it's. \$1.54, now PUD will say that's not a rate increase but when it's more money out of our pocket it's a roundabout rate increase, just a horse of a different color. Why are your current customers being charged for new apartments and homes being built when PUD will be collecting for new construction, even what PUD is now collecting the kilowatt increase billing. we were 5 kilowatts over and I suspect most residence the same, that's a huge rate increase for PUD already. Then the restriction hours are ridiculous and set up to complement PUD. Your resource plan flyer looks so innocent but just a wolf in sheep's clothing.
25	Webpage	06/05/2026	Prosser	Sheri Wilkins	Please change the grid system so you're not constantly shutting down the grid and we are without electricity. I noticed that Benton REA never does that but PUD does it on a regular basis
26	Webpage	06/05/2026	Kennewick	Leonard Harville	Consider construction of a SMR (Small Modular Reactor) next to Energy Northwest reactor to add to generation capacity.
27	Webpage	06/05/2026	Kennewick	Diane Gerig	Absolutely NO DATA CENTERS!!
28	Webpage	06/05/2026	Richland	James Kelly	Reliability is my top priority followed by cost. Adding major new industrial users should be at their expense for required new power and distribution lines
29	Webpage	06/05/2026	Kennewick	Terry Farnsworth	Customers over Data Centers. We should be your first priority; costs shouldn't rise because of a Data Center-they should solve their own power problems. Benton County is growing quickly, it's going to be a challenge to meet the needs of our current customer growth, that needs to take priority.
30	Webpage	06/05/2026	Kennewick	Angry Citizen	NO DATA CENTERS IN OUR HOME, I WILL NOT PAY EXTRA MONEY AND GIVE MY KIDS DIRTY WATER FOR THE SAKE OF SOME RICH GUYS THAT DON'T EVEN LIVE HERE. YOU BUILD THAT DATA CENTER AND IM BRINGING EVERY DROP OF DIRTY WATER TO THE PUD EVERY SINGLE DAY UNTIL IT'S GONE. YOU CAN'T TAKE OUR WATER AND OUR POWER, WE WON'T LET YOU.

ID #	Method	Date	City of Residence	Name	Public input/comment:
31	Webpage	06/05/2026	Kennewick	Katelynne Kline	If data centers are put in make them pay for there power usage not the people. If its possible even saying no to data centers
32	Webpage	06/06/2026	Kennewick	Sara Nelson	I'd prefer to not have data centers in our area. They've shown that there are higher incidence of stillbirths and cancer near data centers. Protect our dams. Stop adding windmills. Small scale nuclear makes sense.
33	Webpage	06/06/2026	Pasco	Jeanette Fiore	No data centers. Suck all of our resources, pollute water, increase costs, enrich some who get kickbacks from projects, big brother tactics in place, government controls easier, and sneaky of you all to get this in place and I will protest.
34	Webpage	06/06/2026	Bentoncity	Gordon Downey	West Kiona Hights
35	Webpage	06/06/2026	Benton city	Teresa Anderson	No windmills or any other fake climate crisis green woke energy sources. Nuclear is the top choice for me. Hydro as well.
36	Webpage	06/06/2026	Benton city	Josh Richert	Would love to see some more solar power plans as they would be greatly effective during hot sunny days when everyone is using AC. Do not want to see any extra transmission lines or grid prep for data centers. These atrocities do nothing for our community but makes noise, suck power and water, and drive down property values all while destroying the environment.
37	Webpage	06/06/2026	Benton City	Laura Carpino	I support continued expansion of solar energy to support the energy needs of our community. I do NOT support data centers which will increase energy costs to our community, drain water reserves which will decrease property values, cause noise pollution in our quiet community, and will fail to provide lasting high-paying jobs.
38	Webpage	06/07/2026	Kennewick	Richard Monlux	No more wind power. When the wind blows not all the towers are running and sometimes towers don't work when the wind is blowing this makes the wind towers unreliable for a power source.

ID #	Method	Date	City of Residence	Name	Public input/comment:
39	Webpage	06/07/2026	Kennewick	Steven Gourley	Improve and expand the grid as quickly as possible. Produce power for the grid the cheapest way possible to attract more businesses which will allow more grow.
40	Webpage	06/07/2026	Kennewick	Tammy Williams	Households should come before big corporations. Do not allow data centers to come in and raise rates and destroy our natural resources, health, community and our children's futures!
41	Webpage	06/07/2026	Kennewick	Tweeter Pinkham	We should ban the development of any data centers. They are bad for the environment. I also support removal of the dams to restore the rivers and all living things that thrive without them.
42	Webpage	06/08/2026	Benton county	Tammy Slack	After decades of being advised to turn my thermostat down by at least a few degrees to conserve electricity (put a sweater on in your house) and now have a non-transparent push to have your local base of customers pay for a giant AI data center company to wreak economic and environmental destruction to our homes and pocketbooks is beyond reason and should be denied without hesitation. AI data centers should be required to build their own power sources without any effect on the surrounding area. A small nuclear reactor seems to be the only choice since I've read they drain enough electricity to power large cities. Then of course is the environment contamination they are causing. The water they demand, contamination of that water and release back into the surrounding environment. All on the locals dime. Just say no.
43	Webpage	06/09/2026	West Richland	Molly Brose	My biggest concern is the massive possible implementation of data centers in our area. Washington state has a plan for clean energy and no carbon footprint yet this proposed multiple MASSIVE data centers proposed for the area is the complete opposite. With more comments and concerns coming from other communities about energy and electricity become sucked from them to go to data centers is not a plan for the people and community.

ID #	Method	Date	City of Residence	Name	Public input/comment:
44	Webpage	06/09/2026	Richland	Tri Citizen	Conservation, conservation, conservation- FIRST! You must stop assuming water will always flow at the rates it has. If the oligarchs manage to steal our democracy don't assume that Canada will kowtow to our bullying. Do not engage with data centers. Build some microgrids with local solar and batteries so if mismanagement of the entire grid happens you can power medical facilities. You could partner with businesses and the city/KSD to install acres of solar parking shades across the Southridge area making it more comfortable for students, park users, hospital workers and patients to return to their cars in summer. Same in Col Ctr/Canal, Vista Field, convention area- rooftop too! Stop making ignorant RACIST and shameful statements against tribes re LSRD breach. It's embarrassing and grotesque. Salmon, the nourishment they provide to >140 forest species, and cultural survival are more important than cheap power. Especially when so much is wasted at night, creating light pollution.
45	Webpage	06/14/2026	Prosser	Brian Hammer	Affordable power is a huge benefit of living here. Please keep it that way. Data centers are terrible, please do anything to avoid it. If any are coming please give us information to attend meetings against it. And outages seem more common than our last area. Consistently would be great. Those would be my top concerns.

Appendix D – Resolution No. 2523

RESOLUTION NO. 2523

November 12, 2019

A RESOLUTION OF PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON IN SUPPORT OF ACTIONS TO ENSURE ELECTRIC SECTOR RESOURCE ADEQUACY IN THE PACIFIC NORTHWEST

WHEREAS, policy makers in Washington and other key western states have enacted policies or legislation to significantly reduce or remove fossil fuel generation (coal and natural gas) from the electric system in favor of incorporating a significant amount of renewable energy generation (wind and solar); AND

WHEREAS, recent legislation in the State of Washington calls for the elimination of coal by 2025 and all carbon emitting generation by 2045, including natural gas; AND

WHEREAS, while wind and solar can be substitutes for the energy that coal resources have traditionally provided, they cannot easily replace the capacity that is needed for resource adequacy due to the lack of economically viable and operationally proven long-term grid-scale energy storage and the variable nature of wind and solar "fuel" sources which are largely dependent on the weather and time of day; AND

WHEREAS, Resource Adequacy is the term most often used to describe an electricity system's ability to meet demand under a broad range of conditions including times of peak energy demand during the hottest and coldest days in any given year; AND

WHEREAS, failure to ensure Resource Adequacy may result in capacity shortages which refers to any situation in which the energy supply capability of an electric utility is not sufficient to meet its customers' energy requirements and this shortage would affect the utility's ability to adequately supply electric services to its customers; AND

WHEREAS, under the sponsorship of three investor-owned utilities and ten public utilities, Energy & Environmental Economics (E3) published an extensive study in March 2019 titled *Resource Adequacy in the Pacific Northwest* (Resource Adequacy Study) which found that 5,000 MW of new firm capacity is needed by 2030 to maintain reliability for load growth. With planned coal retirements of 3,000 MW by 2030, 8,000 MW of new capacity would be needed. If all coal is retired in the region, then 16,000 MW of new firm capacity would be required; AND

WHEREAS, the Resource Adequacy Study found that within the greater Pacific Northwest, including Washington, Oregon, Idaho, Utah, and major portions of Montana and Wyoming, coal and natural gas accounted for over 48% of the effective capacity of electric resources in 2018; AND

Resolution No. 2523
November 12, 2019

Page 1 of 5

WHEREAS, the Resource Adequacy Study concluded that it would be extremely costly and impractical to replace this magnitude of firm generating capacity with solar, wind and storage due to the significant renewable overbuild and required transmission-line construction needed to maintain adequacy; AND

WHEREAS, the Resource Adequacy Study concluded that renewables such as wind and solar generation require much greater land area to generate equivalent energy compared to generation sources such as natural gas and nuclear. Under deep decarbonization scenarios, significant land area is required for wind and solar project development. In the 100% greenhouse gas reduction scenario analyzed in the Study, estimates of total land use vary from 3 million acres to 14 million acres which is equivalent to 20 to 100 times the land area of Portland and Seattle combined; AND

WHEREAS, the Resource Adequacy Study identified a very low capacity contribution from existing wind and solar in the greater Pacific Northwest with Effective Load Carrying Capability (ELCC) values of 7% and 12% based on 2018 load and resource balance. ELCC is a generation resource's firm contribution to system peak load; AND

WHEREAS, the Resource Adequacy Study concluded the incremental capacity contribution of new wind and solar in the greater Pacific Northwest declines as a function of penetration. ELCC for wind and solar in 2050 under a 100% greenhouse gas reduction scenario only increase to 22% and 16% respectively (assuming significant contributions from Montana and Wyoming wind projects); AND

WHEREAS, while the capacity contributions from wind and solar power are relatively small when compared to other generation resources, the land-use impacts of overbuilding wind and solar could be significantly impactful to citizens of Benton County and adjacent counties in eastern Washington; AND

WHEREAS, wind and solar power project development should be evaluated and prioritized for construction based on informed and complete evaluations of all costs and benefits, including economic, environmental, ecological and operational factors; AND

WHEREAS, electric utilities must balance environmental concerns with costs and very high customer expectations for grid reliability; AND

WHEREAS, the Resource Adequacy Study used an Annual Loss of Load Expectation (LOLE) of no more than 2.4 hours per year as the standard for assessing the adequacy of the greater Pacific Northwest power grid. The LOLE was derived from a 1-in-10 standard of no more than 24 hours of lost load in 10 years which is a common standard used across the electric utility industry; AND

WHEREAS, the LOLE standard does not specifically characterize the magnitude of lost load or the duration, it is a metric for determining the risk of power grid blackouts which depending on the location and weather conditions can represent a serious risk to the safety, health, and well-being of electric utility customers; AND

WHEREAS, the Resource Adequacy Study concluded the greater Pacific Northwest power grid based on 2018 data does not currently meet an LOLE standard of 2.4 hours per year and will not meet this standard through 2030 under assumed load growth and planned coal-fired power plant retirements; AND

WHEREAS, the Resource Adequacy Study also identified the lack of a mandatory or voluntary national standard for Resource Adequacy; AND

WHEREAS, the real-time balancing of demand and supply in the Western Interconnection of the United States and Canadian power grids is accomplished by thirty-eight Balancing Authorities, thirteen of which operate in the greater Pacific Northwest; AND

WHEREAS, Balancing Authorities typically have specific generation plants and loads assigned to them that together with interconnections to other Balancing Authorities allows for regional interchange of electricity as a means of maintaining precise balance of demand and supply across large geographical areas; AND

WHEREAS, the North American Electric Reliability Council (NERC) and Western Electric Coordinating Council (WECC) publish information about Resource Adequacy but have no formal governing role; AND

WHEREAS, each Balancing Authority establishes its own Resource Adequacy standard subject to oversight by state commissions or locally-elected boards; AND

WHEREAS, Balancing Authority utilities and many other utilities, including Benton PUD, have historically relied on market purchases of unspecified generation resources contracted on a day-ahead and real-time basis to ensure demand and supply are balanced; AND

WHEREAS, the announced retirements of dependable and dispatchable coal-fired power plants in the greater Pacific Northwest coupled with various state policies is anticipated to significantly diminish the pool of available market resources that are critical to meeting electricity demand on the hottest and coldest days of the year; AND

WHEREAS, utilities in the greater Pacific Northwest are concerned that preferences for wind and solar power, coupled with battery storage technology which today is uneconomic and operationally unproven for durations required for Northwest weather events, may risk underinvestment in dependable capacity that is needed during low hydro generation periods

and prolonged periods of low wind and solar generation that often occur during extreme weather and temperature events; AND

WHEREAS, the Northwest Power Pool, an organization comprised of major generating utilities serving the greater Pacific Northwest, British Columbia and Alberta, issued a summary paper highlighting major studies and reports issued by leading utility industry groups that the Northwest's transition away from coal and towards cleaner generating resources is leading to an urgent and immediate challenge to the ability of the Northwest's electric system to provide reliable electric service; AND

WHEREAS, the Northwest Power Pool's white paper noted two conclusions of particular concern: 1) the region may begin to experience capacity shortages as soon as next year; and 2) by the mid-2020s, the region may face a capacity deficit of thousands of megawatts; AND

WHEREAS, acting through the Northwest Power Pool, a broad coalition of electric utilities across the Pacific Northwest agreed that a voluntary Resource Adequacy program be designed in 2020 and implemented as soon as 2021; AND

WHEREAS, Benton PUD's 2018 electricity resource mix was approximately 95% carbon-free, primarily attributed to hydro and nuclear power which provide reliable baseload generation obtained via contracts with the Bonneville Power Administration (BPA); AND

WHEREAS, Benton PUD's peak loads are in excess of its allocation of hydro, nuclear and wind power resources; AND

WHEREAS, Benton PUD's approach to managing capacity deficits experienced during peak summer and winter loading periods has been primarily to use financial instruments to hedge its position and to make unspecified market purchases for energy and capacity deficits in day-ahead and real-time markets; AND

WHEREAS, Benton PUD's 2018 Integrated Resource Plan recommended considering longer term physical capacity purchases in periods when the Northwest Power and Conservation Council (Council) is projecting a Loss of Load probability (LOLP) greater than 5%; AND

WHEREAS, the Council has established the loss-of load probability (LOLP) metric to assess the adequacy of the Northwest's power supply. The power supply is deemed adequate if its LOLP, five years into the future, is 5 percent or less for each of the years being evaluated. This means that the likelihood of at least one shortfall in generation resources during any of the years in the five-year study must be 5 percent or less; AND

WHEREAS, the Council's 2024 Resource Adequacy Assessment indicates an LOLP of 7.5% in 2021, increasing to 8.2% or possibly 12.8% in 2024 given the October 2019 announcement by PacifiCorp of a possible early retirement of their 530-megawatt Jim Bridger 1 coal-fired power plant; AND

WHEREAS, Benton PUD's recently completed capacity analysis identified average projected heavy load hour (HLH) capacity deficits beginning after the expiration of the Frederickson power purchase agreement in September 2022 of approximately 100 megawatts in summer months (July and August) and 45 megawatts in winter months (December, January and February); AND

WHEREAS, the rapid elimination of the electric capacity provided by coal as well as the anticipated reduction of available natural-gas capacity expected to occur if new plants are not constructed may lead to capacity shortages during peak winter and summer demand periods directly impacting Benton PUD along with utility customers throughout the region; AND

WHEREAS, the creation of a greater Pacific Northwest, voluntary but enforceable Resource Adequacy standard has the potential to provide a common and consistent measure by which regulating bodies can objectively evaluate utility recommendations to acquire or construct new generation capacity for their individual and/or collective benefit.

NOW THEREFORE BE IT RESOLVED that the Commission hereby declares its support to the Northwest Power Pool's efforts to develop a voluntary Resource Adequacy Program.

BE IT FURTHER RESOLVED that the Commission and Staff will undertake an effort to heighten the awareness of customers and policy makers as to Resource Adequacy concerns, environmental and land use impacts associated with high wind and solar project development scenarios, as well as decisions that may significantly harm electric system Resource Adequacy, such as the breaching or removal of the four Lower Snake River Dams as outlined in Resolution No. 2505.

ADOPTED at an open meeting as required by law this 12th day of November 2019.


Jeffrey B. Hall, President

ATTEST:


Barry A. Bush, Secretary

Resolution No. 2523
November 12, 2019

Page 5 of 5

Appendix E – Load Following Request Letter



November 12, 2021

William Rimmer
Account Executive, Eastern Power Services
Bonneville Power Administration

Re: Request for Option to Change Purchase Obligation - Contract No. 09PB-13005

Dear William:

We are requesting BPA consider providing Benton PUD with the option to exercise our one-time right to change purchase obligation as referenced in Section 11 of Contract No. 09PB-13005 (Contract) and that under our selection of this option our BPA product would be converted from Slice to Load Following effective as early as October 1, 2023.

While acknowledging Section 11.1.1 of the Contract identifies a deadline of May 31, 2016 for written notice to BPA of a requested change in purchase obligation, we believe BPA's past practice and stated policy position included in the October 31, 2008 Long-Term Regional Dialogue Contract Policy Record of Decision (ROD) provide an opportunity for our request to be evaluated and approved.

As we deliberated on making the subject request, it was encouraging to read Section 2.2.3 of the ROD which states: "BPA will remain open to additional product switching on a case-by-case basis as long as it does not shift costs or risks to BPA and its other customers." We found additional encouragement in reading BPA's August 22, 2013 decision to approve an early change in purchase obligation for Pend Oreille PUD and August 25, 2016 decision to do the same for Seattle City Light and Klickitat PUD.

Background

Benton PUD's decision not to exercise our one-time right to change our purchase obligation prior to the May 31, 2016 deadline was fundamentally based on our desire to retain the flexibility and self-determination afforded by the Slice contract together with our demonstrated success in managing power supply costs through well-established policies and procedures; including sound risk management principles and established utility practices whereby physical and financial products are used to mitigate cost and supply risks associated with energy surpluses and deficits inherent in the Slice product.

2721 West 10th Avenue • P.O. Box 6270 • Kennewick, WA 99336-0270 • (509) 582-2175 Tel

Prior to May 31, 2016 Benton PUD's power supply management strategy was working well as we and many other utilities covered forecasted capacity and energy deficits through unspecified market purchases hedged by financial products strategically purchased to gain price certainty. While price risk was historically our biggest concern, we have always been mindful of our obligation to ensure load and resource balance and the risk of physical electricity shortfalls. So, even though in 2016 we were aware of planned northwest coal-fired power plant retirements and believed additional retirements were imminent, we also believed existing hydro and natural gas generation resources together with development of new gas plants would provide adequate market depth to allow us to continue implementing our proven strategy. To support this belief, Benton PUD closely monitored the Northwest Power and Conservation Council's loss-of-load-probability (LOLP) analysis, PNUCC's Northwest Regional Forecast and power market price volatility as primary indicators of the risk of physical shortfalls.

Fast forward to the passage of Washington State's Clean Energy Transformation Act (CETA) in 2019. While CETA does not outright prohibit the development of new natural gas plants, it has effectively eliminated planned investments through social-cost-of-carbon planning penalties along with punitive administrative penalties for using carbon emitting resources beginning in 2030. When you consider CETA along with Oregon's recent passage of clean energy legislation prohibiting the siting of new natural gas plants within state borders, it is easy to understand why most utilities do not believe significant new natural gas plant capacity will be built any time soon. This situation has been and continues to be very concerning to Benton PUD which is why we issued two requests for proposals (one in October 2019 and another in September 2020) to see if we could secure physical generation and begin to close a portion of the gap in our expected future capacity deficits. While we made some headway by signing one contract, we only received a total of four responses to our two RFPs and the term of the contract we did sign is only for three years beginning in late 2022 and ending in 2025.

As you know, Benton PUD is a uniquely summer peaking utility with heavy air conditioning load combining with large, irrigated agriculture pumping operations to drive our maximum customer demand. During the recent heat dome event in June of this year, irrigated agriculture represented 35% of our new maximum hourly demand of 490 megawatts. As a point of reference, Benton PUD's annual average total power supply requirements is about 210 average megawatts. And while our Slice and Block allocations provided under our existing Contract often result in a surplus annual energy position and are shaped based on a summer peaking load profile, the timing and magnitude of our allocation of BPA supply often results in significant summer season energy deficits; sometimes requiring daily market purchases like we experienced this past July. Adding to the challenge of significant and persistent summer deficits is hydro variability compounded by the uncertainty of northwest grid regional resource adequacy.

Clearly, what Benton PUD has counted on for many years and what we need going forward is access to dispatchable capacity and energy. And while Washington and Oregon clean energy policies promote

2721 West 10th Avenue • P.O. Box 6270 • Kennewick, WA 99336-0270 • (509) 582-2175 Tel

overbuilding of wind and solar power inside and outside the northwest to replace fossil-fueled resources, these low-capacity and weather dependent technologies are not feasible or cost-effective solutions to our power supply challenges. Only hydro and natural gas can provide the dispatchability and necessary load following capabilities to responsibly cover our seasonal energy and capacity deficits.

As part of our power supply planning due diligence and desire to constructively contribute to a critically important regional effort, Benton PUD has joined the non-binding phase of the Northwest Power Pool's Western Resource Adequacy Program (WRAP) with The Energy Authority (TEA) representing our and six other utilities' interests. We are committed to doing our part to help ensure adequate physical generating resources are available and that we are not contributing to future grid emergencies and unacceptable increases in the risk of blackouts. With that said, our options are limited, and we feel compelled to reach out to BPA prior to making another attempt to secure additional capacity through competitive solicitations informed by results from WRAP analysis and program requirements.

While we are proud to be a part of the WRAP efforts and have great confidence in the design and implementation teams, we are concerned the summer season forward showing requirements could result in disproportionately high costs to Benton PUD given the large difference between our irrigation driven summer peak demand and our actual loads that begin to fall off rapidly in the period between mid-August and the end of September (corresponding to a shift from maximum water pumping to harvesting of crops).

Benton PUD plans to issue a progress report to our 2020 Integrated Resource Plan in September of 2022 and will be working with the WRAP team on participant data submittals for their first summer showing (June thru September 2023) with a deadline of October 31, 2022. With these dates in mind, it would be helpful if BPA could complete the analysis and required public processes necessary to respond to the subject request by June 30, 2022 if possible. We greatly appreciate your consideration of this request and look forward to future discussions and to working with BPA on possible next steps.

Sincerely,



Rick Dunn
General Manager

Cc: Suzanne Cooper/BPA
Kim Thompson/BPA
Nancy Schimmels/BPA
Kevin White/Benton PUD

2721 West 10th Avenue • P.O. Box 6270 • Kennewick, WA 99336-0270 • (509) 582-2175 Tel

Appendix F – Clean Energy Forecast

	Calendar Year										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
BPUD Retail MWh	1,792,937	1,802,220	1,814,009	1,814,423	1,818,987	1,821,890	1,829,654	1,826,591	1,828,865	1,830,514	1,836,865
BPUD Retail Prior 2-Year Avg. MWh	1,793,372	1,785,429	1,797,579	1,808,115	1,814,216	1,816,705	1,820,438	1,825,772	1,828,123	1,827,728	1,829,690
REC Target MWh	269,006	267,814	269,637	271,217	97,727	97,884	98,303	98,138	98,261	98,350	98,693
REC Target EIA %	15.000%	15.000%	15.000%	15.000%							
REC Target CETA %					5.373%	5.373%	5.373%	5.373%	5.373%	5.373%	5.373%
BPUD Retail Non-Clean %	5.372%	5.372%	5.373%	5.373%	5.373%	5.373%	5.373%	5.373%	5.373%	5.373%	5.373%
BPUD Retail Clean %	94.628%	94.628%	94.627%	94.627%	94.627%	94.627%	94.627%	94.627%	94.627%	94.627%	94.627%
BPUD Retail Renewable %	84.094%	84.094%	84.093%	84.093%	84.093%	84.093%	84.092%	84.093%	84.092%	84.092%	84.092%
BPUD Retail Non-emitting %	10.534%	10.534%	10.534%	10.534%	10.534%	10.535%	10.535%	10.535%	10.535%	10.535%	10.535%
BPUD Retail Non-Clean MWh	96,319	96,821	97,458	97,480	97,727	97,884	98,303	98,138	98,261	98,350	98,693
BPUD Retail Clean MWh	1,696,618	1,705,400	1,716,551	1,716,943	1,721,260	1,724,006	1,731,351	1,728,454	1,730,604	1,732,164	1,738,172
BPUD Retail Renewable MWh	1,507,758	1,515,556	1,525,458	1,525,806	1,529,640	1,532,078	1,538,600	1,536,028	1,537,937	1,539,323	1,544,657
BPUD Retail Non-emitting MWh	188,860	189,843	191,093	191,137	191,620	191,928	192,751	192,426	192,667	192,842	193,515
BPUD Retail Unspecified MWh	96,319	96,821	97,458	97,480	97,727	97,884	98,303	98,138	98,261	98,350	98,693
BPUD Retail Hydro MWh	1,496,613	1,504,353	1,514,182	1,514,527	1,518,332	1,520,752	1,527,226	1,524,672	1,526,568	1,527,943	1,533,237
BPUD Retail Wind MWh	11,145	11,203	11,277	11,279	11,308	11,326	11,375	11,356	11,370	11,380	11,420
BPUD Retail Nuclear MWh	188,860	189,843	191,093	191,137	191,620	191,928	192,751	192,426	192,667	192,842	193,515
BPUD Wholesale Total MWh	1,847,442	1,857,008	1,869,155	1,869,581	1,874,284	1,877,275	1,885,276	1,882,120	1,884,463	1,886,162	1,892,705
BPUD Wholesale BPA MWh	1,836,377	1,845,943	1,858,090	1,858,516	1,863,219	1,866,210	1,874,211	1,871,055	1,873,398	1,875,097	1,881,640
BPUD Wholesale Packwood MWh	11,065	11,065	11,065	11,065	11,065	11,065	11,065	11,065	11,065	11,065	11,065
BPUD Wholesale BPA %	99.401%	99.404%	99.408%	99.408%	99.410%	99.411%	99.413%	99.412%	99.413%	99.413%	99.415%
BPUD Wholesale Packwood %	0.599%	0.596%	0.592%	0.592%	0.590%	0.589%	0.587%	0.588%	0.587%	0.587%	0.585%
BPA Non-Clean %	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%
BPA Clean %	94.595%	94.595%	94.595%	94.595%	94.595%	94.595%	94.595%	94.595%	94.595%	94.595%	94.595%
BPA Unspecified %	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%	5.405%
BPA Hydro %	83.373%	83.373%	83.373%	83.373%	83.373%	83.373%	83.373%	83.373%	83.373%	83.373%	83.373%
BPA Wind %	0.625%	0.625%	0.625%	0.625%	0.625%	0.625%	0.625%	0.625%	0.625%	0.625%	0.625%
BPA Nuclear %	10.597%	10.597%	10.597%	10.597%	10.597%	10.597%	10.597%	10.597%	10.597%	10.597%	10.597%