



Ambassador Update

The news from the Capitol is not cheery. With a budget shortfall that continues to grow as financial reports come in, legislators could be looking at having to close a gap between revenues and expenditures of up to \$7 billion this year.



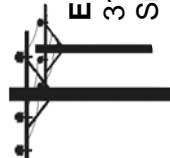
The economy is the prime concern in the Legislature, which means many legislators are responding with caution and hesitancy when considering bills that could negatively impact Washington's economy.

Inside are a few bills that the Electric Ambassador program and the Washington Rural Electric Cooperative Association (WRECA) are following closely.

THANK YOU! THANK YOU! The Electric Ambassador Program recently released an Action Alert asking members to contact their federal representatives to thank them for supporting an increase to the Bonneville Power Administration's borrowing authority from the U.S. Treasury.

Within minutes of sending the alert out, many Ambassadors who receive information via e-mail responded immediately, sending off appreciative notes to their U.S. Senators and Representatives in Washington, DC. Thank you for your continued support!

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**AMBASSADOR
UPDATE**



Live From Olympia

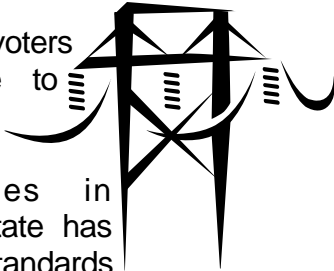
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What's happening at the state capitol?

Revising the RPS

In 2006 Washington voters passed an initiative to create a Renewable Portfolio Standard (RPS) for utilities in Washington. The state has implemented those standards



into law and electric cooperatives (co-ops) that are subject to the RPS, like Peninsula Light Company in Gig Harbor, are already implementing changes to meet the defined renewable resources (federal hydropower is excluded) requirements. The RPS has increased the cost of doing business for them.

An effort by some legislators to further increase the standards or accelerate the timeline for implementation are in **House Bill (HB) 1133**. HB 1133 would require large utilities to increase their resources of new renewable energy resources from fifteen to twenty percent by 2025.

WRECA is seeking amendments to the RPS that are technical fixes to the law that would make it more cost-effective to meet the standards. An example would be the requirement that power purchased from renewable resources outside the region must be delivered in "real time." Real time is not defined, but it's technically impossible to transmit power instantaneously, and is even more problematic for an intermittent resource such as wind.

Climate Change Bill Is Foggier

Governor Gregoire introduced her office's Climate Change Action Plan in December of 2008. On January 29, 2009, the Governor's office presented the plan in bill form to the Legislature.



The plan, which was vague on how the Cap and Trade auctions for greenhouse gas "credits" would be set-up, is even more vague in bill format. The bills (**Senate Bill (SB) 5735/HB1819**) would instruct the state to set-up an auction for credits, but give no direction on how that would be achieved. It leaves it to the discretion of the Department of Ecology. Without the details in the bill about how the cap and trade system will be implemented it is impossible to know the costs and impacts to utility ratepayers and businesses in Washington State.

Furthermore, given the economic climate, WRECA cannot support any measure that would put a burden on ratepayers or that would put Washington State businesses and its economy at a competitive disadvantage.



Climate change is a global concern and should be addressed at the federal level to keep cap and trade programs consistent among the states.

Recent indications from Washington, DC are that Congress will be moving a national cap and trade program ahead this year.

Feed-In Tariffs

Distributed generation is when electricity is produced on-site or very near to where it is used. Many distributed generation sites have net-metering agreements with their local utility to sell back excess power generated at an agreed upon rate.

HB 1086 would require certain utilities to purchase electricity from eligible distributed generators and would set the rates for those purchases.

WRECA is opposed to this bill on the basis that it erodes an elected utility board's local control to enter into mutually negotiated contracts and does not allow the market to dictate rates.

Co-ops Visit Olympia

Over the 4 month-long session, hundreds of representatives from electric co-ops in Washington state—managers, staff and board members—will travel to Olympia to meet face-to-face with their legislators. During these meetings, in-depth discussion on these issues presented and others will take place. The top goal is always to keep power reliable and rates affordable. Stay tuned for updates on these visits in *Live From Olympia!*

