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Energy Independence Act (EIA) Renewable Energy Report 2017

Utility	Snohomish County PUD
Report Date	May 31, 2017
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Loads and Resources	
2015 Annual Load (MWh)	6,474,983
2016 Annual Load (MWh)	6,285,744
Average of 2015 & 2016 Annual Loads (MWh)	6,380,364
2017 Renewable Target (% of load)	9%
2017 Eligible Renewable Energy Target (MWh)	574,233
2017 Eligible Renewable Resources and RECs	1,051,344

2017 Compliance Method:

- RPS Target [RCW 19.285.040(2)(a)]
- Resource Cost [RCW 19.285.050]
- No Load Growth [RCW 19.285.040(2)(d)]

Expenditures on Renewable Resources and RECs - 2017	
Amount invested in incremental cost of eligible renewable resources and the cost of RECs	\$32,998,844
Total annual retail revenue requirement - 2017	\$619,876,000
Investment in renewables and RECs as a percent of retail revenue requirement	5.3%

	Water	Wind	Solar	Geothermal	Landfill Gas	Wave, Ocean, Tidal	Gas from Sewage Treatment	Biodiesel	Biomass	Qualified Biomass	Apprentice Labor Credit	Distributed Generation Credit
Eligible Renewable Resources (MWh)	1,233	457,360	-	-	-	-	-	-	-	-	-	-
Renewable Energy Credits	-	503,127	5,500	-	-	-	-	-	39,312	-	-	44,812
Total Renewables (MWh+RECs)	1,233	960,487	5,500	-	-	-	-	-	39,312	-	-	44,812

2017 Reporting Year:

This renewable energy report summarizes the eligible renewables resources and renewable energy credits (RECs) that the utility has acquired by January 1, 2017 for the purpose of meeting its Energy Independence Act (EIA) renewables target for 2017. The actual resources and RECs used to comply with the 2017 EIA target may vary from those reported here. Utilities will report in June of 2019 on the actual results for 2017.

Compliance Methods:

The EIA provides three compliance methods for utilities:

- Meet the renewable energy target using any combination of renewable resources and RECs. The target for 2017 is 9% of the utility's load
- Invest at least 4% of the utility's annual revenue requirement in the incremental cost of renewable resources and RECs.
- Invest at least 1% of its annual revenue requirement in renewable resources and RECs. This option is available only to certain utilities that are not growing.

All utilities must report the renewable resources and RECs acquired for the 2017 target year. Utilities that elect to use a compliance method based on renewable investments must provide additional information demonstrating compliance with that method. Refer to WAC 194-37-110(2) and (3) for specific requirements.

NOTE: This is a general explanation of the renewable energy requirements of the Energy Independence Act, intended to help members of the public understand the information reported by the utility. Consult Chapter 19.285 RCW and Chapter 194-37 WAC for details.

Renewable Energy Credits

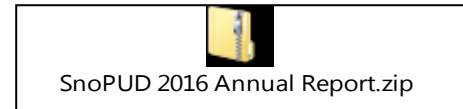
Utility **Snohomish County PUD**
 Compliance Year **2017**

WREGIS ID	Facility Name	REC Vintage (Year)	Resource Type	Apprentice Labor Eligibility	Distributed Generation Eligibility	Quantity RECs	Apprentice Labor Amount MWh equiv.	Distributed Generation Amount MWh equiv.	Explanatory Notes (as needed)
W2794	Darrington - Darrington	2016	Biomass	No	Yes	18,869	-	18,869	
W360	White Creek Wind 1 - White Creek	2016	Wind	No	No	47,531	-	-	Some 2016 vintage White Creek RECs (6,741) are earmarked for retirement for 2016 compliance
W978	Hay Canyon - Hay Canyon	2016	Wind	No	No	206,458	-	-	
W806	Wheat Field - Wheat Field	2016	Wind	No	No	201,365	-	-	
				No	No		-	-	
W2794	Darrington - Darrington	2017	Biomass	No	Yes	17,429	-	17,429	Based on Q1-2017 actual production and forecast balance of the year production
W3954	Qualco - Qualco	2017	Biomass	No	Yes	3,014	-	3,014	Based on Q1-2017 actual production and forecast balance of the year production
Various	Solar Express	2017	Solar	No	Yes	5,500	-	5,500	Forecast based on PV system installations through 2016 and actual 2016 production
	BPA Tier 1			No	No		-	-	
W774	Condon Wind Power Project - Condon Wind Power Project	2017	Wind	No	No	4,843	-	-	Forecast based on 2016 actual production
W833	Condon Wind Power Project - Condon Phase II	2017	Wind	No	No	4,958	-	-	Forecast based on 2016 actual production
W238	Klondike I - Klondike Wind Power LLC	2017	Wind	No	No	4,968	-	-	Forecast based on 2016 actual production
W237	Klondike III - Klondike Wind Power III LLC	2017	Wind	No	No	12,797	-	-	Forecast based on 2016 actual production
W248	Stateline (WA) - FPL Energy Vansycle LLC	2017	Wind	No	No	20,207	-	-	Forecast based on 2016 actual production

Utility	Snohomish County PUD
Compliance Year	2017

Other notes and explanations:

- A) "Annual Loads"** are from Snohomish County PUD's 2016 Annual Report (p. 58): http://www.snopud.com/AboutUs/finance_ir/fin-disclosure.ashx?p=2524 (see attached zip file below)
Annual Loads are computed as Total Megawatt-Hours Billed less Wholesale power sales.
- B) "Woods Creek Hydroelectric Project"** reflects the incremental electricity produced by the 0.65 megawatt (MW) Woods Creek Hydroelectric Project located in Snohomish County, WA.
- C) "Renewable Energy Credits"** with 2017 vintage includes: 1) forecast EIA-eligible BPA Tier 1 System RECs and 2) forecast RECs from: Hampton Lumber Mill - Darrington, Snohomish PUD's Solar Express Program, and the Qualco biodigester, including their **Distributed Generation equivalents**. 2016 vintage RECs are carried over from the Hampton Lumber Mill - Darrington, White Creek, Wheat Field and Hay Canyon wind projects.
- D) "Hampton Lumber Mill - Darrington"** refers to the 4.5 MW biomass generating unit located in Darrington, WA. Snohomish PUD contracts for 100% of the energy and RECs through a long-term Power Purchase Agreement (PPA) renewed in December 2016 for the contract term 2017-2021. **This project qualifies for the 2x distributed generation multiplier.**
- E) "White Creek Wind"** is located in Klickitat County, WA. Snohomish PUD contracts for 10% or 20 MW capacity share of the 204 MW project that includes both energy and RECs through a long-term PPA executed on 5/10/07.
- F) "Hay Canyon Wind"** refers to a wind facility in Sherman County, OR. Snohomish PUD contracts for 100% of the energy and RECs through two long-term PPAs executed on 2/2/09.
- G) "Wheat Field Wind"** is located in Gilliam County, OR. Snohomish PUD contracts for 100% of the energy and RECs through a long-term PPA executed on 8/26/08.
- H) "BPA Tier 1"** refers to EIA-eligible allocated RECs from the Bonneville Power Administration's Tier 1 System in accordance with Snohomish PUD's BPA Regional Dialogue Purchase and Sales Agreement executed in 2008. The 2017 estimated is based on 2016 actual RECs transferred to Snohomish PUD's WREGIS account from BPA.
- I) "Qualco Energy Corporation"** refers to the 0.45 MW biodigester generating unit located in Monroe, WA. Snohomish PUD contracts for 100% of the energy and RECs through a long-term PPA executed on 12/26/2013 for the contract term 2014-2018. **This project qualifies for the 2x distributed generation multiplier.**
- J) "Snohomish PUD Solar Express Projects"** refer to customer-owned solar photovoltaic (PV) projects that have been incentivized through Snohomish PUD's Solar Express Program. Customers with solar PV systems enrolled in the Solar Express Program agree, as a condition for receiving a program incentive, that Snohomish PUD owns all RECs. **These RECs qualify for the 2x distributed generation multiplier.**



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Energy Independence Act (EIA) Incremental Cost and REC Cost Report 2017

Incremental Cost of Renewable Resources

Utility	Snohomish County PUD
Compliance Year	2017

Facility Name	WREGIS ID	MWh	Renewable Resource Annual Cost in 2017	Renewable Resource Cost per MWh	Description of Substitute Resource	Substitute Resource Annual Cost in 2017	Substitute Resource Cost per MWh	Incremental Cost of Renewable Resource in 2017
White Creek Wind 1 - White Creek	W360	51,692	\$4,904,506	95	Surplus Portfolio/BPA	\$2,175,117	42	\$2,729,389
Hay Canyon - Hay Canyon	W978	208,575	\$25,808,129	124	Surplus Portfolio/BPA	\$10,203,554	49	\$15,604,575
Wheat Field - Wheat Field	W806	197,093	\$24,460,366	124	Surplus Portfolio/BPA	\$9,893,586	50	\$14,566,780
Totals		457,360	\$55,173,000			\$22,272,257		\$32,900,744

Cost of Renewable Energy Credits

Utility	Snohomish County PUD
Compliance Year	2017

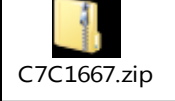
Facility Name	WREGIS ID	REC Vintage (Year)	Number of RECs	Annual Cost of Renewable Energy Credits	Cost per REC
Darrington - Darrington	W2794	2016	18,869		0
White Creek Wind 1 - White Creek	W360	2016	47,531		0
Hay Canyon - Hay Canyon	W978	2016	206,458		0
Wheat Field - Wheat Field	W806	2016	201,365		0
	0	0	-		
Darrington - Darrington	W2794	2017	17,429	\$52,287	3
Qualco - Qualco	W3954	2017	3,014	\$45,813	15
Solar Express	Various	2017	5,500		0
BPA Tier 1					
Condon Wind Power Project - Condon Wind Power Project	W774	2017	4,843		0
Condon Wind Power Project - Condon Phase II	W833	2017	4,958		0
Klondike I - Klondike Wind Power LLC	W238	2017	4,968		0
Klondike III - Klondike Wind Power III LLC	W237	2017	12,797		0
Stateline (WA) - FPL Energy Vansycle LLC	W248	2017	20,207		0
Total				\$98,100	

Documentation of the calculation and inputs for percentage of revenue requirement invested in renewables:

Attachment A contains Snohomish PUD No. 1's Electric System 2017 Adopted Budget for Energy/Water Retail Sales, approved by Board of Commissioners Resolution No. 5796, dated Dec. 20, 2016.

Attachment B contains the annual incremental cost calculation for Snohomish PUD's acquired and available resources.

Attachment C contains the BLS data used to calculate the annual inflation rate.



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