

PUDs Tackle Public Power Challenges

By George Caan

Elections remind us of our responsibility to take charge of our future to create a better quality of life for ourselves and our families. Public power is an expression of this democratic tradition. In the early 20th century, private power companies in Washington state were slow in providing electricity to farms and rural communities, and when electric service was available it was often expensive and unreliable.

In 1930, the voters approved Initiative No. 1, giving them the authority to create their own nonprofit, locally regulated public utility district (PUD) to “conserve the water and power resources of the State of Washington for the benefit of the people thereof, and to supply public utility service, including water and electricity for all uses.”

Today, there are 28 PUDs across the state, serving more than 2 million people. Twenty-three PUDs provide electricity to more than 900,000 households, or nearly one-third of all residents. Nineteen PUDs provide water, or water and sewer services, to more than 118,000 households. A growing number of PUDs also provide their communities with wholesale access to high-speed telecommunications.

PUDs are community owned and locally regulated. They are run by an elected, nonpartisan board of commissioners who are directly accountable to the voters. Commissioners meet at least once a month in open meetings where members of the public can observe and participate in decision-making.

Several PUDs also own and operate their own hydroelectric facilities. In addition, PUDs have been statewide leaders in the development of other renewable sources of electricity, including wind, solar and landfill gas. Collectively, Washington PUDs are the Bonneville Power Administration’s largest purchaser of wholesale electricity.

Challenges

The challenges before our public utility districts and other community-owned utilities have not changed significantly because of the election. We continue to communicate the importance and value of low cost,

clean, renewable hydropower. Developing our water and power resources needs to be viewed as key to the economic development of our communities.

The value of our power marketing administrations is threatened by national policies that may not be in the economic interests of consumers. Federal mandates and over-regulation are threats to local control of our systems. These regulations must always be viewed with an eye to the impact on our consumers.

Other issues we continue to face will be access to tax-exempt financing, the cost of centralized energy markets, integration of variable energy resources, cyber-security mandates and the integration of electricity and gas markets.

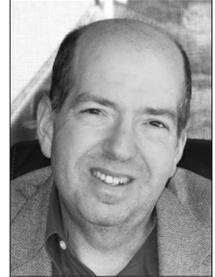
We continue to seek ways to support the development of water and power resources in economical and efficient ways. The success and evolution of the public power business model will be evaluated based on our continued diligence in pursuing our interests in these and other areas.

Opportunities

The opportunities are endless. Energy efficiency is key to our energy future. Reducing the need to purchase additional power resources at higher cost and, at the same time, saving our consumers money is a winning solution for all. In the Northwest, we pride ourselves on our continuing successful commitment to energy efficiency and conservation.

We must continue to educate policymakers and consumers as to the need for baseload generation to support our economy, while supporting the development and deployment of cost-effective renewable resources. We must continue to be a leader in evaluating and deploying new technologies to benefit the consumers we serve. Public power must continue its commitment to be an advocate for our consumers to ensure the essential public services we provide continue to be affordable and reliable.

These are great times to be an advocate for WPUDA’s member PUDs and public power in general. The challenges and opportunities not only push us to succeed in providing service to our consumers, but also to thrive and prosper. It is the firm belief in the value we provide to our communities that makes us proud to be part of this noble pursuit. ■



George Caan is executive director of the Washington PUD Association, based in Olympia. WPUDA represents 27 PUDs and Energy Northwest, a joint operating agency that provides electricity, at cost, to public power utilities and municipalities.