



*Dave Kobus*

**UTILITY WIND INTEREST  
GROUP CONFERENCE**

**October 23, 2003**

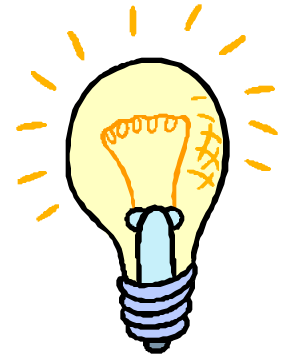
# AGENDA

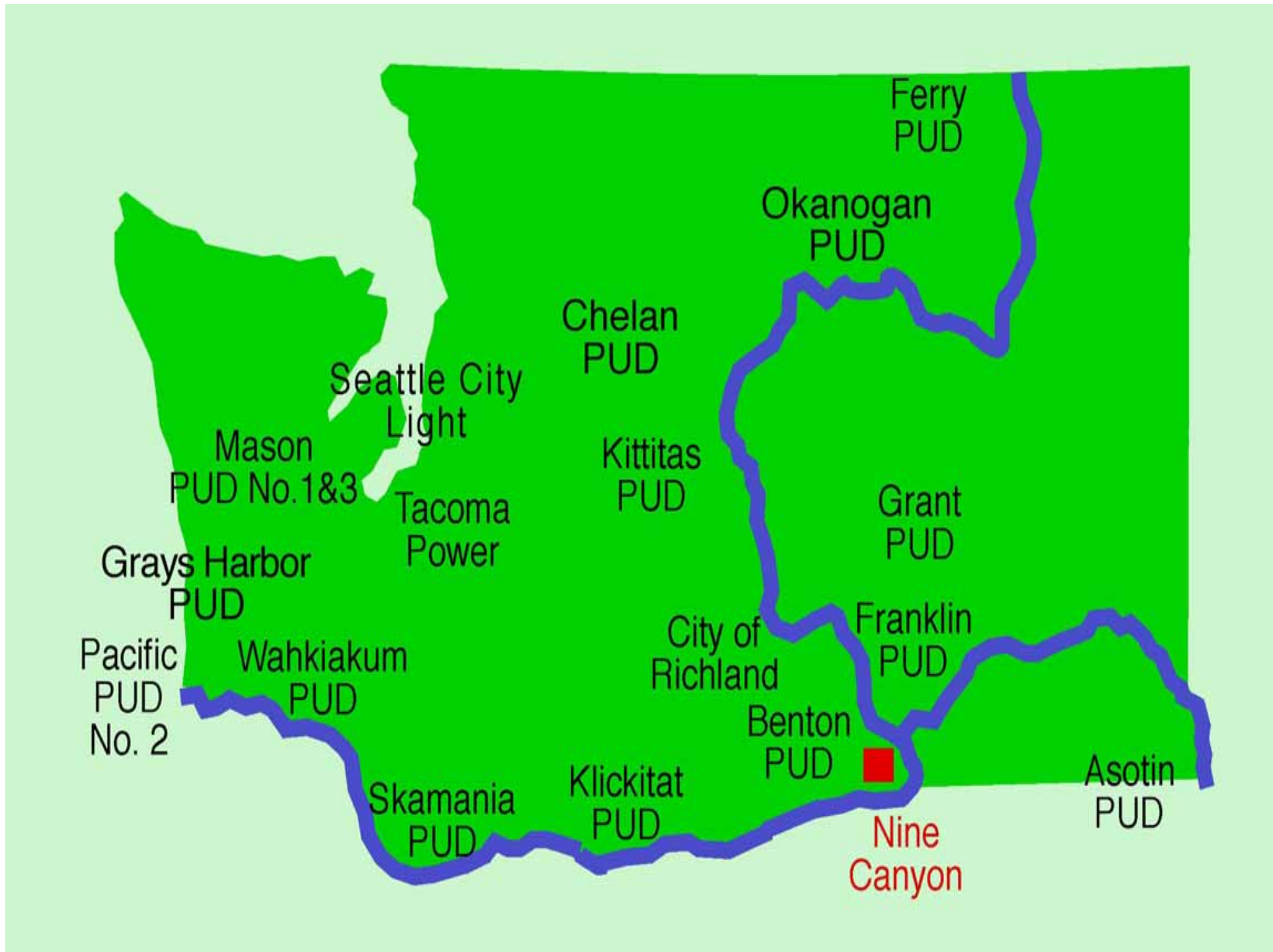
1. WHO ARE WE?
2. RENEWABLE ENERGY PROGRAM
3. NINE CANYON WIND PROJECT
4. PURCHASERS VIEWPOINT



# WHO ARE WE?

- **PUBLIC POWER JOINT OPERATING AGENCY**
- **FOUNDED IN 1957**
- **MEMBERSHIP - 18 WASHINGTON PUBLIC UTILITY DISTRICTS AND MUNICIPALITIES**
- **VISION: *THE REGIONS PREFERRED SOURCE FOR ENERGY SOLUTIONS***





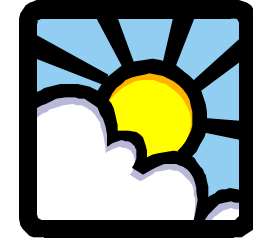
# **CORPORATE FOCUS**

- **CREATE ADDITIONAL VALUE FOR OUR MEMBERS**
- **PROVIDE OPPORTUNITIES FOR PROJECT OWNERSHIP TO PUBLIC POWER**
- **PROVIDE SOLUTIONS THROUGH AGGREGATION FOR THE BENEFIT OF PUBLIC POWER**
- **SEEK OPPORTUNITIES TO ACQUIRE AND DEVELOP ELECTRICAL GENERATING FACILITIES**
- **MAXIMIZE THE VALUE OF GENERATING RESOURCES**

# **RENEWABLE ENERGY PROGRAM**

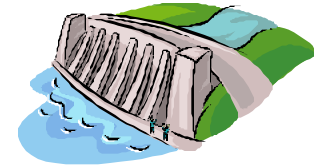
## **– WHITE BLUFFS SOLAR STATION**

- 38.7 KW, PHOTO-VOLTAIC, OPERATING



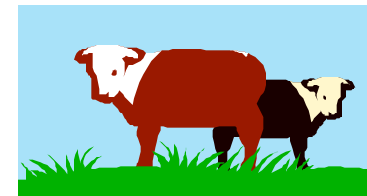
## **– SMALL HYDRO**

- 27 MW PACKWOOD LAKE PROJECT, OPERATING
- VARIOUS SIZES AND LOCATIONS, INVESTIGATING



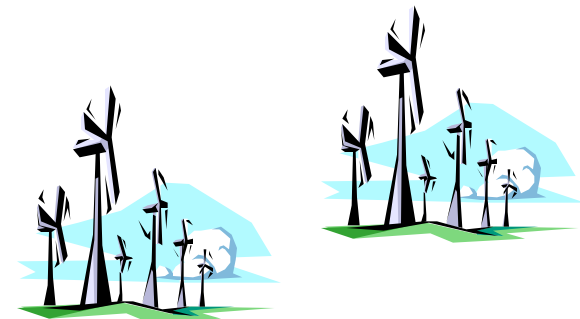
## **– BIOMASS**

- DAIRY PROJECTS, VARIOUS SITES
- INITIAL PILOT PROJECT DEVELOPMENT



# **RENEWABLE ENERGY PROGRAM**

- **WIND**
  - **STRATEGIC GOAL - 350 MW BY FY07**
  - **NEW WIND ENERGY PROJECTS**
    - **NINE CANYON WIND PROJECT**
      - **PHASE I - 48 MW, IN COMMERCIAL OPERATION**
      - **PHASE II – 16 MW, CONSTRUCTION COMPLETE BY 12/03**
    - **DEVELOPMENT PIPELINE**





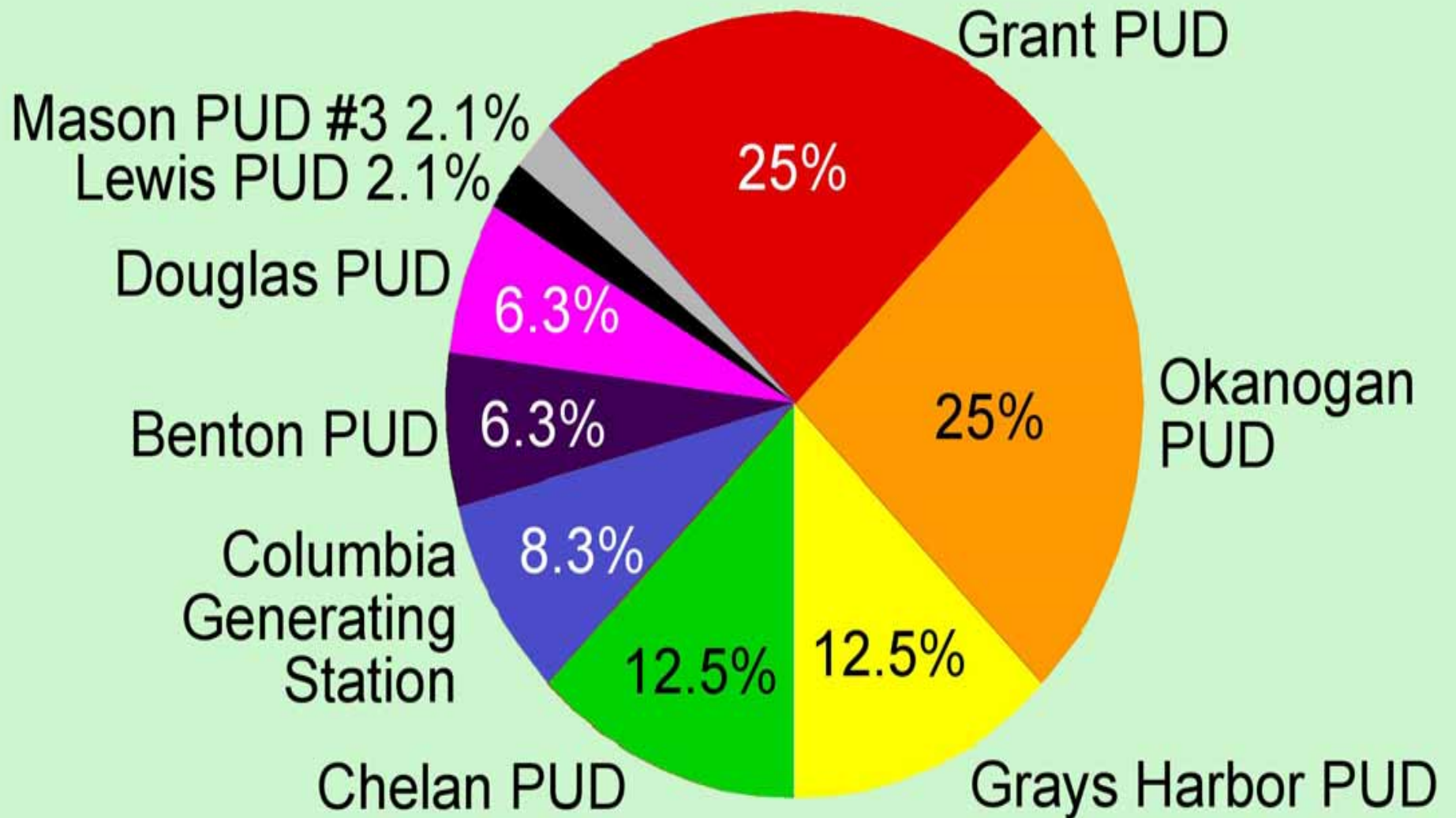




# **NINE CANYON WIND PROJECT**

- **FINANCED BY MUNICIPAL BONDS**
- **POWER SALES**
  - **POWER PRESOLD**
  - **POWER PURCHASERS:**
    - **EIGHT WASHINGTON PUDS**
      - **MIX OF MEMBERS, NON-MEMBERS**
    - **ENERGY NORTHWEST**
      - **COLUMBIA GENERATING STATION**





*Purchasers Shares*

# **NINE CANYON WIND PROJECT**

- **PROJECT STRUCTURE**
  - CLASSICAL “PUBLIC POWER” JOINT OPERATING AGENCY PROJECT
  - AT-COST POWER
  - PURCHASER GOVERNANCE
- **POWER PURCHASE AGREEMENTS**
  - 22 YEAR TAKE-OR-PAY POWER CONTRACT
  - PURCHASERS GUARANTEE DEBT
  - PURCHASERS SHARE ACTUAL COST OF OPERATIONS
  - PURCHASERS TAKE WIND RISK, BENEFIT



# **NINE CANYON WIND PROJECT**

- **FEDERAL SUBSIDIES**
  - “RENEWABLE ENERGY PRODUCTION INCENTIVE” (REPI)
  - SUBJECT TO ANNUAL APPROPRIATION
  - DOE FUNDING BUDGET SHORTFALL
- **PURCHASERS TAKE REPI RISK IN EXCHANGE FOR AT-COST POWER**



# **PURCHASERS VIEWPOINT**

- **CHUCK WAGERS**
  - **POWER SUPPLY MANAGER, DOUGLAS PUD**
- **LARRY FELTON**
  - **POWER SUPPLY MANAGER, OKANOGAN PUD**



# QUESTIONS?

