A work session of the Board of Commissioners of Public Utility District No. 1 of Clallam County was held at the Port Angeles Office, 2431 East Highway 101, on the above date commencing at 1:30 p.m.

Commissioners present: Hugh Haffner, President; Hugh E. Simpson, Jr., Vice President; W.E. Purser, Secretary

Staff present: Doug Nass, General Manager; David Papandrew, Treasurer Controller; Michael Howe, Communications & Government Relations Manager; Fred Mitchell, Power Supply & Utility Services Manager; Christopher Casey, Power Analyst II

Others Present: N/A

Staff reviewed the District’s power supply status including the District’s load and forecasted load growth, BPA power and transmission rates, and The Energy Independence Act’s conservation and renewable energy requirements.

The District’s weather adjusted load grew 1.4% per year over the last 10 years although it has slowed to 0.6% per year more recently. Staff reviewed the factors contributing to load growth projections and the related impact on tier 2 power purchases. Staff and the Board discussed the impacts of conservation activities and distributed generation penetration.

Staff reviewed activities related to BPA power rates including comments made by the District to BPA regarding the necessity and importance of rate stability. Positions taken by the District and other utilities helped persuade BPA to continue allocating transmission costs as they have historically thereby avoiding the potential for significant transmission cost increases to the District.

Staff and the Board discussed the requirements of the Energy Independence Act and the implications of aggressively pursuing conservation and distributed generation as a strategy to avoid tier 2 power purchases and limit the cost exposure for renewable portfolio standards by eliminating load growth.

The work session adjourned at 3:45 p.m.