



Your Northwest renewables utility

**U.S. House of Representatives
House Committee on Natural Resources
Subcommittee on Water and Power
The Honorable Tom McClintock, Chairman**

Oversight Hearing: *"The Power Marketing Administrations: A Ratepayer Perspective"*

**Testimony of
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Thank you Mr. Chairman, Ranking Member Napolitano, and Members of the Subcommittee for the opportunity to speak on this important topic. My name is Craig Collar; I am Assistant General Manager for the Snohomish County Public Utility District. Snohomish PUD is located in Washington State just north of Seattle and serves approximately 325,000 electric customers. Our service territory covers over 2,200 square miles and encompasses one of the fastest growing regions of our state. Boeing and Naval Station Everett are among our largest customers.

We are also the twelfth largest publically owned utility in the nation, and of particular relevance to this hearing we are the Bonneville Power Administration's single largest energy customer. As such, we routinely engage with Bonneville at all organizational levels and across a broad range of initiatives. While Bonneville is clearly an immensely important institution in the Northwest energy landscape, I would like to share our view of where utilities, like Snohomish, are best positioned to ensure our region can effectively meet its energy challenges, and where we believe Bonneville can best apply its resources towards that same goal. By statute, Bonneville's core mission is to deliver to the region's nonprofit, consumer-owned electric utilities the clean, renewable hydropower that is generated at federal dams. Additionally, BPA maintains reliability of the electric grid, both in terms of infrastructure and operations,

and protects regional fish and wildlife resources. In Snohomish's view these areas should represent the bulk of Bonneville's efforts, and must be accomplished with the highest possible degrees of effectiveness and efficiency. While Bonneville also helps advance deployment of energy efficiency and renewable generation, it is significant to note that in many cases these efforts are better led by utilities like Snohomish who have both the scale and technical expertise to accomplish these goals, and of particular importance are much closer to the ultimate consumers of these services, the utility ratepayer. I will provide several examples of Snohomish's leadership along these lines to help illustrate this fact.

Snohomish's Board of Commissioners has established the goal of meeting load growth first with all cost effective conservation, and next with a diverse portfolio of renewable energy resources and no fossil fuels. Snohomish in fact has the largest percentage of wind in our portfolio of any public utility in the northwest, and just last week received the U.S. Department of Energy's Member System award, in part for our participation in the Wind Integration Forum—a joint initiative led by the Northwest Power and Conservation Council and the Bonneville Power Administration. This effort addressed the growth of wind energy along with existing hydroelectric generation in the region and the integration of these resources into the grid. As part of the forum, Snohomish is one of two regional utilities to participate in a Bonneville program piloting the intra-hour scheduling of wind transmission. This enables the northwest electrical system to better adjust to wind fluctuations adding greater flexibility to the grid, and represents a good example of effective collaboration between utilities and PMAs. Bonneville has already integrated well over 4,500 MW of new wind in just the last several years, more than any other utility in the country -- a notable achievement reflecting the remarkable growth of this resource in our region.

In addition to the acquisition of wind, Snohomish has been exceptionally active in terms of renewable energy deployment, conservation, and grid modernization. Examples from just the past few years include:

- Constructed and commissioned the first new hydroelectric facility in the state in over 20 years – The 7.5 MW Young’s Creek Project went online in October of 2011 and received multiple national awards.
- Drilled and evaluated the deepest geothermal exploration well ever conducted in the state.
- Launched an aggressive program to facilitate deployment of distributed solar generation within our service territory.
- Successfully competed for over \$30 million in ARRA funding for grid modernization activities including substation automation, distribution system management and automation, cyber security upgrades, and fiber optic communications infrastructure.
- Currently planning deployment of the nation’s first grid-connected tidal energy array, with substantial grant funding from the U.S. Department of Energy.
- Conducting a robust and highly effective conservation program which has cumulatively surpassed 100 average megawatts annually – or enough energy to serve 75,000 homes.

Snohomish is also currently seeking to partner with Bonneville in the deployment of battery-based energy storage project which aims to transform the energy storage market through system architecture and standardization. This Modular Energy Storage Architecture initiative is being led by Snohomish in partnership with 1Energy Systems, Alstom Grid, the University of Washington, Parker Hannifin, and two international battery manufacturers. Bonneville’s support and participation in the project would serve to both streamline the interconnection process and broaden the scope of the project’s impact, while furthering the facilitation of renewables integration and grid flexibility.

More broadly, in 2012 Bonneville coordinated the establishment of the Northwest Power Pool Member’s Market Assessment and Coordination Initiative to explore a range of alternatives to address growing operational and commercial challenges affecting the regional power system. These alternatives include enhancements to existing bilateral markets as well as assessment of an Energy Imbalance

Market (EIM). This effort represents an effective collaboration between Bonneville and regional utilities coming together to jointly address challenges in the region. Snohomish continues to be an active participant in this effort which serves as a good example of appropriate leadership by Bonneville in the region.

In summary, we believe it is essential that Bonneville focus squarely on the fundamentals of delivering on their statutory obligations (delivering preference power at cost, ensuring for grid reliability through both infrastructure and operations, and meeting fish and wildlife protection obligations), and to do so in the most equitable and cost effective ways possible. As the examples of Snohomish's activities indicate, much of the innovation and creativity required to meet the Northwest's energy challenges on the other hand are already being provided by regional utilities, and it is important that this continue. We believe it is essential to ensure that Bonneville is not directed in such a way that would duplicate, stifle, or conflict with those activities, or that would undermine BPA's ability to fully meet its existing statutory obligations.

Thank you again for the opportunity to testify today. I look forward to answering any questions.