



Providing quality water, power and service at a competitive price that our customers value

November 16, 2007

Mr. Howard Schwartz
Dept. of Community, Trade & Economic Development
PO Box 43173
906 Columbia Street S.W.
Olympia, WA 98504-3173

Dear Mr. Schwartz:

Snohomish County PUD No. 1 ("District") is pleased to submit comments on the WSR 07-20-126 Proposed Rules for Implementation of the "Energy Independence Act." The District is committed to supporting the development of cost-effective conservation and new renewable resources.

The District remains concerned about designation of the Western Renewable Energy Generation Information System (WREGIS) as the sole allowable renewable energy credit (REC) tracking system, granting significant market power to WREGIS and its software provider, APX, Inc. Several utilities and renewable energy generators on the West Coast are currently reviewing the WREGIS Terms of Use (TOU) agreement and are finding it problematic in terms of the potential risk due to extensive liability disclaimers (including all responsibility for infringement) and inadequate indemnity provisions. If WREGIS and/or APX do not resolve these issues, the requirement to participate in WREGIS imposed by Washington law could be forcing unlimited liability upon its utilities and generators and could, in fact, place public utilities in violation of the State constitution's prohibition against gifts of public funds. The District urges CTED to write into the rules flexibility surrounding the State's choice of REC tracking system.

Other than the WREGIS issue, District staff supports the I-937 rules as written. Our original desire was for rules that would support the intent of the initiative and at the same time recognize the unique challenges facing individual utilities in meeting the demands of their customers. We believe this goal has been accomplished and we appreciate CTED's staff efforts.

Mr. Schwartz, thank you for the amiable give-and-take through this rule making process. CTED's staff has been both professional and pleasant to work with throughout this important task.

Sincerely,

A handwritten signature in black ink, appearing to read "Dana Toulson", with the word "For" written below it.

Dana Toulson
Assistant General Manager
Power, Rates & Transmission Mgmt.