

**State of Washington Resource Plan Filing  
PUBLIC UTILITY DISTRICT NO. 1 OF LEWIS COUNTY**

The implementation of HB1010, RCW 19-280, requires that all utilities develop resource plans and submit them to the State of Washington department of Community, Trade and Economic Development (CTED) by September 1, 2008. BPA full requirements customers may submit short form resource plans rather than the more in depth integrated resource plan and CTED has developed a short form filing method represented by the attached form. As a BPA full requirements customer, the Public Utility District No. 1 of Lewis County (Lewis) is eligible to file short form resource plan rather than a more intensive full Integrated Resource Plan (IRP). Lewis believes the full IRP is premature given the uncertainty regarding future BPA contracts, slice, tiered rates, and other BPA issues. The CTED resource plan short form filing requires load and resource data through 2018. Lewis has prepared a forecast of loads and resources to be included in the resource plan filing and this information is submitted with the understanding that it is just that, a forecast, which is an estimate of future loads and resources.

The Lewis specific forecast and econometric model were developed to weather normalize historical 2007 total system kwhs. This model along with population forecasts by Washington State's Office of Financial Management (OFM) was utilized to develop growth rates for the period 2008 thru 2018.

The attached form for Lewis was developed to be consistent with I-937 (Renewable and Conservation Initiative) and the current understanding of BPA's proposed new contracts starting 2011. I-937 requires that all cost effective conservation be obtained that is consistent with the Northwest Power and Conservation Council's (Council) methodologies in 2010. The Council uses what is termed the "conservation calculator" to determine economic conservation amounts by utility. This methodology utilizes very general assumptions as to a utility's economic conservation potential. The Council "conservation calculator" estimates of economic conservation are not representative of recent conservation experience for Lewis. Over that past few years Lewis' actual annual conservation under BPA conservation programs has been in the 0.15 Mwa range as compared with 0.8 Mwa using the calculator. Lewis anticipates using the modified calculator approach to meet the I-937 conservation requirements as reflected in Lewis' resource plan filing. .

I-937 requirements for renewable resources are 3% of load in 2011 to 2014 and 9% for 2015 to 2018. The primary economically viable renewable resource available at this time to meet these requirements is wind. While certain utility specific non-wind resources may become viable by 2011, Lewis has focused its attention on wind resources to meet the I-937 renewable requirement. Lewis has acquired 6 Mw of the output of the Nine Canyon Wind project and 20.5 Mw of White Creek Wind project which represents approximately 7% of 2013 loads.

BPA's proposed new contracts and tiered rates methodology have set Tier 1 BPA resource levels at the utility's 2010 load. Lewis anticipates future renewable acquisitions and conservation to comply with I-937, BPA Tier 1 purchases, and possibly BPA tier 2 resources if required to meet load beyond renewables, conservation and BPA Tier 1.