

December 14, 2018

Hydro Technology Systems, Inc.
897 Greenwood Loop Road
P.O. Box 245
Kettle Falls, Washington 99141

Stephen King, Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, Washington 98504

RE: Public Utility Regulatory Policies Act, Obligations of the Utility to Qualifying Facilities, WAC 480-107,
Docket U-161024

Received
Records Management
12/14/18 09:05
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Dear Mr. King,

Thank you for the opportunity to comment in regards to the revisions being made to Chapter 480-107 WAC and a new Chapter 480-106 WAC which relate to PURPA and the economic impacts that these changes may cause to small businesses.

Hydro Technology Systems, Inc. has owned and operated the Meyers Falls Hydroelectric Project since 1998. This project was previously owned by the local utility. It has been contributing to the energy demands in this area since 1905. As such this project has provided a stable, reliable source of energy that has been used to supply the majority of the energy needs of the local community for many years.

We understand that there are many complex issues in the current energy market. This has been most evident to us as we have seen the cost of doing business escalate over the years while seeing the avoided cost rates remain stagnant and in the past few years significantly reduced. It is very concerning that the market has given preference and a financial advantage to certain “environmentally friendly” power producers while excluding others.

We are encouraged by some of the new rules pertaining to how PURPA should be addressed in Washington State. One positive element that we see in the new rulemaking is that it appears that there may be some parts that address benefits of reliable and predictable power generation over others.

It is concerning that there is not more specific language as to what contributing attributes would be deemed more valuable than others in regards to qualifying facilities. We feel that our power has a long history of providing value due to the constant, reliable clean supply of energy that is produced here. The local utility has been using this power, including the capacity, in its IRP calculations for many years. Because this and other small generation sources in the area have been used in their calculations they are long on capacity until approximately 2026. Due to this abundance of energy we will lose our capacity payment at the end of 2020. We would consider our operation a “Legacy Project” with a long history of generating a dependable and predictable supply of energy which should be taken into account. Without the capacity payment it will definitely put an economic hardship on our small business.

Thank you again for the opportunity to comment. Should you have any questions or concerns please feel free to contact me at 509-993-7629 or hydrotechnologysystems@gmail.com. Thank you for your time and consideration.

Respectfully,

Benjamin Hendrickson
President, Hydro Technology Systems, Inc.