



Mason PUD 1 crew on Mutual Aid. Photo courtesy of Jefferson PUD.

# THE CONNECTOR WINTER 2024

## HOW TO HELP PREVENT COLD LOAD



### Understanding 'Cold Load'

When we bring power back to large areas of our electrical lines during cold weather, we encounter a challenge known as 'cold loading.' Cold load refers to the electricity demand from customers as we restore power to sections of the line that have been off for an extended time.



### Why It Matters to You

Sometimes, the sudden demand for electricity is more than our system can handle all at once. In these situations, circuit breakers automatically trip to prevent overloading, causing the power to go out again. You may experience brief moments of power returning, only to have it go back out. Entire sections of our territory can also be affected if the power draw is too high. To manage this, our line crew heats up one section at a time, allowing it to stabilize before moving on. Tripping breakers can set us back hours, making the overall power restoration process longer.

## ISSUES DURING A POWER OUTAGE



### How You Can Help Next Time

The main issue arises when many electric heaters and furnaces start at the same time, creating a heavy load on the cold system. We ask customers to turn off the breakers to their furnaces when the power goes out. When power is restored, limit electricity usage for at least 20 minutes, allowing our system to stabilize. Then gradually bring up the temperature in your home. Turning off appliances and electronics during this time can also be helpful.



### What is the PUD Doing to Help?

We're making efforts to enhance our system. We've installed switches and regulators to distribute power efficiently and are planning a new substation in the Jorstad area, which will reduce the distance of the line between Hoodsport and Brinnon. This substation, expected around 2027-2030, will improve our ability to handle outages. We also regularly upgrade existing substations and equipment to better regulate voltage and manage demand. Our goal is to balance the load among the three phases of wires along HWY 101 to improve overall system stability.



Jeremiah Waugh, PE,  
Engineering Manager



# IMPORTANT ALERT

## FROM YOUR COMMISSIONER

You know that saying “you don’t know how good you got it until you don’t have it anymore”? Well, listen to this: the Federal Government has struck up an agreement that will take away the preference right you have for the low-cost power and exchange that for a much higher cost power, as well as reducing the reliability of getting that electricity to you. So, I apologize for the length of the article, but feel it necessary for you to see what’s happening behind closed doors.

In September 2020, the U.S. Government (USG) issued a final record of decision on the Federal Columbia River Power System’s (FCRPS) Environmental Impact Statement after years of legitimate and transparent public process in the Northwest that concluded dam breaching was not a viable option. However, parties to this USG agreement didn’t like the outcome, so they challenged that decision in court. Then, months later, these same parties worked with the USG in a carefully designed, closed-door process that ultimately walled off the people of the Northwest for the sake of a few.

On December 14, 2023, a settlement agreement was announced after months of secret negotiations between the USG and plaintiffs, which purposely excluded public power providers and a majority of the stakeholders that utilize the FCRPS for electricity, irrigation, and transportation, among other Pacific Northwest stakeholders. The USG’s “Commitments in Support of the Columbia Basin Restoration Initiative and in Partnership with the Six Sovereigns” and supporting documents were made public via a White House press conference. The Six Sovereigns include the State of Oregon, State of Washington, Nez Perce Tribe, Confederated Tribes and Bands of the Yakama Nation, Confederated Tribes of the Umatilla Indian Reservation, and the Confederated Tribes of the Warm Springs Reservation. Notably, many other Tribes, states and parties were not included in this agreement, opening the door to even more litigation and costs to come. Idaho issued a scathing letter to the Biden Administration basically stating that since it was not a party to these secret negotiations that it will not

be subject to the outcomes of them. This is just one of the many stakeholders that will likely bring new litigation and continue this decades old fight against dismantling the Columbia River hydroelectric system that not only powers our economy and our homes in the Pacific Northwest, but also funds billions of dollars in fish and wildlife programs that, ironically, have resulted in historic fish returns in recent years.

Scott Simms, CEO & Executive Director of the Public Power Council (PPC) stated, “the U.S. Government started this process with a gathering of certain interests that predominantly supported a dam breaching agenda and has now fully shown its cards – turning its back on the citizens, communities and the economy of the Northwest through this so-called agreement with six parties, but no one else.”

Mason PUD 1, and PPC’s other non-profit, community-run member utilities depend in whole or in part on clean, reliable hydro and nuclear power marketed by the federal Bonneville Power Administration (BPA). The customers of these public power utilities pay a majority of BPA’s costs. BPA’s own analysis of the effects of dam breaching puts cost exposure on power rates at \$415 to \$860 million annually. This is equivalent to a **21% to 43% rate increase**. BPA power rates make up about 50% of Mason PUD 1’s retail power rates. This translates to a **10.5% to 21.5% potential increase** in our local retail power rates, should these estimates be realized. The USG agreement goes well beyond creating a roadmap for breaching the lower Snake River dams, establishing a plan that could demolish the capabilities of the entire Federal Columbia River Power System.

Our energy sector is facing historic challenges of increasing extreme heat and cold weather events that place higher demands on the grid, as well as new energy demand from electric vehicles and an overall higher reliance on electricity as a basic human need. At a time when clean, dependable hydro is such a valuable commodity and a necessity to meeting our region’s clean energy goals to be

carbon free by 2045, why in the world would we take steps to demolish it and risk plunging ourselves into darkness or increasing our reliance on fossil fuels? With the simultaneous closing of coal and natural gas plants, will that carbon-emitting, yet baseload-capable energy even be there to rely on if they dismantle our clean hydropower system? What will happen to our region’s ports, farmers, river users, and barging operators?

The fight is unfortunately not over. This is the most alarming threat I have seen to public power providers in the Pacific Northwest in my many years as a PUD commissioner. While the Mason PUD 1 commission has publicly stated in the past that we would likely support a measured and reasonable plan to replace the baseload, carbon free energy resource that the dams provide, we stated that it must also look out for our ratepayers’ ability to afford their energy bills and address the ancillary benefits the dams provide such as irrigation for crops that feed our nation and transportation to get our products to port. We simply cannot support secretly negotiated side agreements such as this, that omit the largest stakeholders of the FCRPS, simply because some parties do not want to live with the science and the results of the U.S. Government’s own studies and environmental impact report. They are not looking out for the families that depend on these benefits- the families that we work for. They are not looking out for the region at large. They have only included a select few, like-minded collaborators to cater to.

For more information on this important topic that is too unwieldy to do justice to in a newsletter article, please visit the Northwest River Partners or the Public Power Council’s websites for additional details as well as the full copy of the published USG “Commitments”.



Jack Janda,  
Commissioner, District 3

# Both a **Rate Increase** and a **Bill Credit** Coming to Electric Accounts in 2024

The PUD 1 Board of Commissioners held a public hearing on electric rates on December 12th to review the proposed electric rate schedule for 2024-2026. A 4.75% increase was approved for April 1st of each year of the three-year rate schedule. In the rate hearing, staff presented the factors driving up the cost of the electric business which included: the loss of Bonneville Power Administration's (BPA) low density discount due to growth in our area over the last two years, which resulted in a 5.5% power cost increase; capital investment costs including line rebuilds, overhead to underground conversions, and new substations planned for the Union and Lilliwaup areas; inflation impacts on fleet, fuel, labor, materials and electrical equipment; as well as continuing to work toward meeting the PUD's financial policies to have 1% of revenue going toward paying off long term debt and also building up the District's cash-on-hand reserves to 90 days for storms and emergencies. The PUD is currently hovering around 50 days of unrestricted cash-on-hand, building onto that each year by a goal of five days.

Staff caveated the three-year rate proposal by stating that the PUD has been very successful with obtaining grant funds to offset capital expenditures. The PUD was recently notified of a \$3.6 million grant award from FEMA to rebuild portions of the power system, but to-date FEMA has been backlogged and not released a funding

contract to start that work. Should the contract be awarded and executed in 2024, this money will likely offset a portion of the rate increases scheduled for 2025 and 2026, since it will cover a large portion of the annual capital projects.

Other good news is that BPA announced another Reserves Distribution Clause (RDC) refund for 2024, similar to the one they did in 2023. Basically, BPA achieved their revenue requirements and financial targets and refunded the over collected amounts back to the utilities that buy their power from BPA. Just like in 2023, the Board of Commissioners has instructed staff to apply this refund as monthly bill credits to active electric accounts for each of the 10 months of January-October 2024. This amount can range from \$4.33 to \$5.98 per account, per month, according to BPA's estimate. Once the District receives the final amount, the PUD will apply these bill credits accordingly to each active electric account, which will offset a portion of the rate increases planned for 2024.

Some have asked why the PUD does not just use that RDC refund to offset the rate increases in the first place, and the answer to that is because this RDC refund is never guaranteed, the PUD does not account for it in the overall process for setting the budget and rates. Instead, the commission sets the rates for the actual revenue required to cover the annual expenses and then passes any

credits through directly to our customers as a refund. 2024's projected RDC credit could offset on average about one-third of 2024's rate increase for higher energy users and almost the entire increase for lower energy users, depending on the month.

A "Frequently Asked Questions" summary about power rates, cost drivers, and the new 2024 bill credits from BPA is posted to the PUD homepage at [www.mason-pud1.org](http://www.mason-pud1.org) for customers to learn more about what impacts power rates. Customer Service also has copies upon request. The summary also provides bill scenarios so customers can see what the estimated impact will be on their monthly power bills. I invite customers to call or email us with any additional questions they may have about the budget and rates. Please don't hesitate to reach out.



Katie Arnold,  
District Treasurer & Director  
of Business Services

## Congratulations

to Julie Gray on her 36 year  
career of public service at PUD 1.

We wish you a  
long and happy  
retirement!





**LOW INCOME  
COMMUNITY**

# SOLAR II PROGRAM

**IS OPEN FOR APPLICATIONS**

Community Solar II array at the PUD 1 campus.

PUD 1 is taking applications for the Community Solar Two Low-Income Program. If you qualify in our application process and are selected in the randomized drawing, you will receive the benefits of 50 units of the PUD's community solar project over the next four years via a credit on your power bill. Thanks to a grant from Bonneville Environmental Foundation, we can offer this low-income solar program at no cost to the qualified participants.

Qualified applicants must be able to demonstrate gross annual earnings in an amount equal to or less than 200% of the 2024 Federal Poverty Level. (We have

included 2023's Federal Poverty Guidelines for reference until 2024 data is released.)

Applicants must also have an electric account in good standing with Mason County PUD No. 1.

Applications are due by February 29, 2024. All low-income applicants will be prequalified and registered through an in-person appointment during the week of March 25, 2024. Applicants should call Lisa Cates at (360) 877-5249 x. 210 to schedule an appointment. For more information on this application process, please visit the PUD website at [www.mason-pud1.org](http://www.mason-pud1.org) or call Customer Service.

## 2023 Federal Poverty Guidelines (Coverage Year 2024)

People in Household	200% Federal Poverty Level
1	\$29,160
2	\$39,440
3	\$49,720
4	\$60,000
5	\$70,280
6	\$80,560
7	\$90,840
8	\$101,120

## WATER SYSTEMS PROJECTS

This year has been a busy one for us in the Water Department! The Lake Arrowhead Iron and Manganese Removal Treatment has been installed and is on-line.

Agate Beach Phase 1- the 50,000-gallon concrete reservoir and the building for the booster station have been constructed.



THE BOARD OF COMMISSIONERS regularly meet the 2nd and 4th Tuesday of each month at 1:00 p.m. Meetings are now held both in person and remotely. The call-in instructions for the public are posted on the PUD website along with the meeting packets. For more information on meetings, please visit [mason-pud1.org](http://mason-pud1.org) or call the PUD office.

## MASON COUNTY PUD 1 COMMISSIONERS:

### District 1

Mike Sheetz .....(360) 898-7934

### District 2

Ron Gold .....(360) 490-1560

### District 3

Jack Janda .....(360) 490-1800

### General Manager

Kristin Masteller.....(360) 877-5249



[www.mason-pud1.org](http://www.mason-pud1.org)

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