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Energy Northwest Pays Record Amount of Privilege Taxes Today

RICHLAND, Wash. – Energy Northwest paid approximately \$4.5 million in privilege taxes to the state of Washington today – setting a record year for the largest tax sum ever paid by the public power agency. The annual tax is levied on public power electricity producers for the privilege of generating electricity in the state.

The amount of the annual privilege tax is directly tied to the amount of electricity generated. The 2012 generation record by Columbia Generating Station nuclear energy facility of more than 9.33 billion kilowatt-hours significantly contributed to the record-breaking privilege tax payment by Energy Northwest.

The public power agency produces electricity at its four generating facilities: Columbia Generating Station, Nine Canyon Wind Project, Packwood Lake Hydroelectric Project and White Bluffs Solar Station. Generation at these four facilities totaled 9.7 billion kilowatt-hours of electricity during calendar year 2012.

Columbia produced approximately 96 percent of the total power generated by Energy Northwest, which is provided at the cost of production to the Bonneville Power Administration for resale to customers in the Western states. As the only nuclear energy facility in the Northwest, Columbia generates enough electricity to power more than one million homes 24/7.

The privilege tax is levied on organizations that enjoy the privilege of generating, distributing or selling electricity in Washington, and is authorized in the Revised Code of Washington sections 54.28.020 and 54.28.025.

“This year’s taxes reflect the increased reliability and record performance of Columbia,” said Energy Northwest CEO Mark Reddemann. “We’re very pleased the power we produce not only benefits Northwest ratepayers, but also through privilege taxes, helps maintain the quality of life and educational system in our state and local communities.”

Privilege taxes collected by the state on Columbia output will be distributed, as authorized by RCW 54.28.050, RCW 54.28.055 and RCW 54.28.025, to 38 separate jurisdictions and the state's general fund with 44.9 percent of the payment – \$1.98 million – going to the state school fund and 10.2 percent of the payment – \$454,164 – going to the general fund. The remaining 44.9 percent of the total taxes – another \$1.98 million – will go to jurisdictions within a 35-mile radius of the Benton County intersection of Stevens Drive and Horn Rapids Road, with distribution based upon the population in each area.

Jurisdictions receiving payments within the 35-mile radius of Columbia include Benton, Franklin, Grant, Walla Walla, and Yakima counties; and the cities of Richland, Kennewick, Pasco, Benton City, Prosser, West Richland, Connell, Mesa, Grandview, Sunnyside, Mabton. Twenty-two percent of the tax is distributed to counties (\$871,995), 23 percent to cities (\$911,631), three percent to fire districts (\$118,908) and two percent to library districts (\$79,272).

Energy Northwest has paid \$73.7 million in privilege taxes on its electricity production since Columbia Generating Station began operating in 1984, while its power has created virtually no greenhouse gas emissions.

In addition to the \$4.4 million in taxes on power generated by Columbia Generating Station, Energy Northwest also paid \$80,046 in privilege tax under RCW 54.28.020, for electricity produced at the agency's non-thermal electric power producing sites. Those include Packwood Lake Hydroelectric Project near Packwood, Wash.; Nine Canyon Wind Project, south of Kennewick, Wash.; and the White Bluffs Solar Station near Columbia Generating Station, north of Richland, Wash. Fifty-six percent of the taxes associated with non-thermal generation were distributed to local counties (Lewis - \$13,892.34 and Benton - \$30,921), 34 percent to the state school fund (\$27,003) and 10 percent to the general fund (\$8,229).

About Energy Northwest

Energy Northwest develops, owns and operates a diverse mix of electricity generating resources, including hydro, solar and wind projects – and the Northwest's only nuclear generating facility. These projects provide enough reliable, affordable and environmentally responsible energy to power more than a million homes each year, and that carbon-free electricity is provided at the cost of generation. As a Washington state, not-for-profit joint operating agency, Energy Northwest comprises 27 public power member utilities from across the state serving more than 1.5 million ratepayers. The agency continually explores new generation projects to meet its members' needs.

Energy Northwest – www.energy-northwest.com.



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