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Energy Northwest pays \$3.27 million in state, local taxes

RICHLAND, Wash. – Energy Northwest paid approximately \$3.27 million in “privilege taxes” to the state of Washington today. The annual tax is levied on public power electricity producers for the privilege of generating electricity in the state.

The public power agency generated 8.36 billion kilowatt-hours of electricity in 2007 at its four generating facilities; Columbia Generating Station (nuclear), Nine Canyon Wind Project, Packwood Lake Hydroelectric Project, and White Bluffs Solar Project.

Columbia Generating Station produced approximately 97 percent of that total, and provided it - at the cost of production - to the Bonneville Power Administration, who resold the power to customers in the Western states. The only nuclear power plant in the Northwest, Columbia generates enough electricity to power Seattle.

The tax is levied on organizations that enjoy the privilege of generating, distributing or selling electricity in Washington, and is authorized by state law under RCW 54.28.020 and RCW 54.28.025 for thermal generating facilities. Columbia’s portion of the total tax payment is \$3.22 million.

“Energy Northwest is committed to providing reliable, affordable and environmentally responsible power for Northwest homes, businesses and industry.

“As a public power agency all the power we produce is sold, at-cost, to the Bonneville Power Administration and Northwest utilities.

“As an internationally certified, environmentally responsible organization we are always seeking ways to minimize impacts while keeping power costs low. All our production facilities - nuclear, hydro, wind and solar - help keep our air clean and waters pure. Those environmental contributions, together with the taxes we pay, allow Energy Northwest the privilege of contributing to the quality of life in our region,” said Energy Northwest CEO Vic Parrish.

Energy Northwest pays taxes 2-2-2

Privilege taxes collected by the state on Columbia Generating Station output will be distributed by the state to 36 separate jurisdictions (five counties, 10 cities, four library districts and 17 fire districts) and the state's general fund with 50 percent of the payment – \$1.61 million – going to the state general fund for schools. The remaining 50 percent of the total taxes – another \$1.61 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 include Benton, Franklin, Grant, Walla Walla, and Yakima counties; and the cities of Richland, Kennewick, Pasco, Benton City, Prosser, West Richland, Connell, Mesa, Grandview and Sunnyside. The remaining 50 percent of the tax is distributed to counties (22 percent equaling \$354,000), cities (23 percent equaling \$370,000), fire districts (three percent equaling \$48,300) and library districts (two percent equaling \$32,200).

Since Columbia Generating Station began operating in 1984, Energy Northwest has paid \$56.4 million in privilege taxes on its electricity – while producing virtually no air pollution and without harming fish habitat.

In addition to the \$3.22 million in taxes on Columbia, Energy Northwest is also paying \$53,998 in privilege tax for electricity produced at the agency's non-thermal electric power producing sites under RCW 54.28.020. Those other sites 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. The taxes associated with non-thermal generation went to the State General Fund with 37.6 percent (\$20,303) earmarked for public schools.

Energy Northwest is a not-for-profit public power, state Joint Operating Agency headquartered in Richland, Washington. Chartered in 1957, the consortium has 22 public power members; 19 public utility districts and three municipalities. The agency's nuclear, hydroelectric, wind, and solar projects collectively deliver nearly 1,400 megawatts of reliable, affordable, environmentally responsible electricity to the Northwest power grid. Energy Northwest continually explores and develops new generation opportunities while offering a wide range of energy and business services.

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