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Energy Northwest pays \$3.56 million in state, local taxes

RICHLAND, Wash. – Energy Northwest paid approximately \$3.56 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 9.91 billion kilowatt-hours of electricity in 2008 at its four generating facilities: Columbia Generating Station (nuclear), Nine Canyon Wind Project, Packwood Lake Hydroelectric Project, and White Bluffs Solar Station.

Columbia Generating Station produced approximately 97 percent of the total power generated, 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 over a million Washington homes.

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 (RCW) sections 54.28.020 and RCW 54.28.025. Columbia’s portion of today’s tax payment was \$3.49 million.

“Energy Northwest has provided clean, affordable electric power for Northwest ratepayers for more than 50 years. We are proud of our contributions to the region’s economic vitality and overall excellent quality of life,” said Energy Northwest CEO Vic Parrish. “We will continue to seek new power generation opportunities so that future generations can enjoy the same reliable, affordable, environmentally responsible power we have come to expect here in the Pacific Northwest.”

Privilege taxes collected by the state on Columbia Generating Station output will be distributed, as authorized by RCW 54.28.050 and RCW 54.28, to 36 separate jurisdictions

and the state's general fund with 44.9 percent of the payment – \$1.564 million – going to the state school fund and 10.2 percent of the payment – \$358.5 thousand – going to the general fund. The remaining 44.9 percent of the total taxes – another \$1.564 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 tax is distributed 22 percent to counties (\$688,300), 23 percent to cities (\$719,600), three percent to fire districts (\$93,900) and two percent to library districts (\$62,600).

Energy Northwest has paid \$59.9 million in privilege taxes on its electricity production since Columbia Generating Station began operating in 1984; while creating virtually no greenhouse gas emissions and without harming fish habitat.

In addition to the \$3.49 million in taxes on power generated by Columbia Generating Station, Energy Northwest also paid \$73,539 in privilege tax for electricity produced at the agency's non-thermal electric power producing sites under RCW 54.28.020. 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. The taxes associated with non-thermal generation were distributed 56 percent to local counties (Lewis - \$10,500 and Benton - \$30,700), 34 percent to the State School Fund (\$24,800) and 10 percent to the General Fund (\$7,600).

About Energy Northwest:

Energy Northwest is a not-for-profit public power, state Joint Operating Agency headquartered in Richland, Washington. Chartered in 1957, Energy Northwest has 25 public power members; 21 public utility districts and four municipalities. The consortium's nuclear, hydro, wind, and solar projects deliver nearly 1,300 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. On the Net: www.energy-northwest.com.