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Energy Northwest pays \$3.03 million in state, local taxes

RICHLAND, Wash. – Energy Northwest paid approximately \$3.03 million in “privilege taxes” to the state of Washington yesterday. The annual tax is levied on public power electricity producers for the privilege of generating electricity in the state.

The public power agency produces electricity at its four generating facilities: Columbia Generating Station (nuclear), Nine Canyon Wind Project, Packwood Lake Hydroelectric Project, and White Bluffs Solar Station. Generation at these facilities totaled 6.96 billion kilowatt-hours of electricity for calendar year 2009.

Columbia Generating Station produced approximately 95.3 percent of the total power generated by Energy Northwest, and provided it – at the cost of production – to the Bonneville Power Administration for resale to customers in the Western states. As the only nuclear power plant in the Northwest, Columbia generates enough electricity to power more than 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 \$2.96 million.

“The privilege tax is simply the price of doing business, and in the end it benefits our community,” said Vic Parrish, Energy Northwest CEO. “Delivering clean, affordable power to the region is our mission. That process also results in this contribution that helps maintain economic vitality, quality of life and educational standards in our part of the state.”

Privilege taxes collected by the state on Columbia Generating Station output will be distributed, as authorized by RCW 54.28.050 and RCW 54.28.025, to 38 separate jurisdictions and the state’s general fund with 44.9 percent of the payment – \$1.328 million – going to the state school fund and 10.3 percent of the payment – \$304,000 – going to the general fund. The remaining 44.9 percent of the total taxes – another \$1.328 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, Mabton and Sunnyside. The tax is distributed 22 percent to counties (\$584,400), 23 percent to cities (\$611,000), three percent to fire districts (\$79,700) and two percent to library districts (\$53,100).

Energy Northwest has paid \$62.9 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 \$2.96 million in taxes on power generated by Columbia Generating Station, Energy Northwest also paid \$69,763 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 - \$11,100 and Benton - \$28,000), 34 percent to the State School Fund (\$23,500) and 10 percent to the General Fund (\$7,200).

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 power plant. 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 joint operating agency, Energy Northwest comprises 28 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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