

## **Chelan County PUD Joins Chicago Climate Exchange; Hydropower Approved for Offsets**

WENATCHEE, Wash., Dec. 17 /PRNewswire-USNewswire/ -- The Chicago Climate Exchange (CCX) has approved a portion of the hydropower generated at Chelan County Public Utility District's Rocky Reach Dam to be traded to offset greenhouse gas emissions from other sources.

Approximately 1.75 million additional megawatt hours generated at the dam as a result of operational and equipment efficiency improvements since 2003 are eligible to be traded as carbon offset credits, estimated to be worth from \$1.5 million to \$3 million at recent prices (up to about \$1.7 million for Chelan PUD).

PUD commissioners Monday approved having the PUD join CCX as a participating member and registering the offsets with CCX. Initial fees for the first five years of participation by the PUD (2003-2007) are about \$30,000.

"This project is an example of leadership that achieves simultaneous optimal outcomes for energy generators and the environment," said Richard Sandor, chairman and CEO of CCX. "This project is the first of its kind to achieve no net impact on fish while producing more energy and is a win-win increasing energy output and improving environmental quality."

"This is unique," said PUD General Manager Rich Riazzi. "It affirms hydropower as emissions-free and renewable and supports the country's economic, energy-independence and clean-air goals. We hope this makes it easier for other clean hydropower producers to participate as well."

Chelan PUD (<http://www.chelanpud.org/media-room.html>) has the capacity to produce 1,300 MW of clean, renewable hydropower at Rocky Reach Dam (<http://www.chelanpud.org/rocky-reach-hydro-project.html>), located on the Columbia River near the center of Washington state. As improvements have been made since 1999 for increased hydro unit efficiency, additional capacity has become available. Following CCX action Monday, emission displacement from these incremental megawatts of hydropower generated since 2003 are available for purchase as "offsets" by other CCX members. Chelan PUD has full flexibility to decide whether to market its offsets, which qualify to replace the equivalent of about 700,000 metric tons of CO<sub>2</sub>.

The Chicago Climate Exchange is the world's first and North America's only legally binding rules-based greenhouse gas reduction and trading system. It is the world's only global system for emissions trading based on all six greenhouse gases. Members commit to reduce their direct CO<sub>2</sub> emissions by 6 percent by 2010 by making internal reductions or by purchasing excess reductions made by members or offset projects.

CCX issues tradable Carbon Financial Instrument(R) (CFI(TM)) contracts as allowances or to owners or aggregators of eligible projects on the basis of sequestration, destruction or displacement of greenhouse gas emissions.

The price paid for such CFI contracts varies as the market rises and falls -- like other commodities. Any net funds received by Chelan PUD through the exchange market will be used to support and enhance the PUD's environmental, conservation and system efficiency improvement programs.

"Chelan PUD has made substantial investments in its operations over the past several years which greatly benefits salmon survival. I am pleased that their leadership and innovation are being rewarded by the Chicago Climate Exchange," said Senator Patty Murray, D-Wash.

"Chelan PUD has shown how we can make hydropower, one of our nation's cleanest energy sources, even greener," said Sen. Maria Cantwell, D-Wash. "We need to be doing all we can to mitigate climate change which is expected to negatively impact our region's historic water cycle threatening drinking and irrigation water supplies, salmon recovery efforts, and the availability of emissions free hydropower."

"Chelan PUD is demonstrating leadership on climate change, and I am pleased that they are managing hydropower in an environmentally responsible way," said Governor Chris Gregoire.

"I applaud the recognition this arrangement gives to hydropower dams as our nation's most abundant source of clean, renewable and low-cost energy," said Congressman Doc Hastings. "Chelan PUD has long been a national hydropower leader, and today's action underscores the vital role dams will play in our nation's energy future."

Further background on Chelan County PUD can be found at <http://www.chelanpud.org>