

<https://www.govtech.com/products/Washington-County-to-Vote-on-Cryptomining-Utility-Rate-Hike.html>

## Washington County to Vote on Cryptomining Utility Rate Hike

The proposal under consideration in Douglas County would remove the one-time 20% jump for cryptominers but keeps the 10% hikes for the next five years. A similar rate structure would apply to data centers.

BY REILLY KNEEDLER, THE WENATCHEE WORLD / JANUARY 16, 2020

SHUTTERSTOCK

(TNS) — The Douglas County PUD Commission is expected to vote Jan. 27 on proposed power rate increases targeting cryptocurrency miners and data centers.

The previous proposal called for cryptocurrency miners to see an immediate 20% power rate hike, followed by 10% hikes every six months for the next five years. The county's two large data centers, the Sabey Corporation and Actapio, would have seen an immediate 10% rate hike, followed by 5% jumps on the same schedule.

The new proposal removes the one-time 20% jump for crypto but keeps the 10% hikes for the next five years. The same goes for the two large data centers, which wouldn't see the one-time 10% jump but would see 5% jumps on the same schedule over the next five years.

The new rate tiers call for the increases to begin this July, instead of this month, as previously suggested. But it also extends them another six months — to the start of 2025, instead of mid-2024.

The proposed 3% annual increases for residential and other commercial customers remain the same in the new plan.

The changes were made to allow customers more time to prepare for the increases, PUD spokeswoman Meaghan Vibbert said in an email Wednesday.

If passed by the commission, the new rate policy would also end the moratorium on new power contracts with cryptocurrency miners and data centers, Vibbert said. The moratorium has been in effect since May 2019,.

The PUD proposed the rate hikes in part to pay for a \$500 million repair project at Wells Dam. The utility also said the higher rates would help them get ahold of significant growth in power usage in the two industries.

But even with the modification, some crypto miners said the rate changes will put them out of business.

"We have made a large investment in this county. We have worked hard to get here and all we want is to be treated fairly and to sustain our business," said Jon Koones, co-owner of Power Block Group, a cryptocurrency mining company in East Wenatchee.

The company has invested around \$1.8 million into buying property and building its operation in the county, Koones said.

He estimated the power rate increases would turn the company unprofitable within three years.

"At that point, what's the sense of being in business?" Koones said. "... It's a shame. This process has been less than forthright and the outcome — It doesn't need to be this way. There are other long-term solutions that would be more beneficial for everyone involved."

Both the Sabey Corporation and Actapio, two of the county's largest property tax contributors, have said the rate increases would force them to halt expansion plans.

The rate proposal — and the PUD's process of collecting public feedback — has also drawn criticism from other public officials, including the Chelan-Douglas Regional Port Authority and a Douglas County commissioner.

The PUD did seek comment from residential customers last summer on the moratorium itself and the PUD's decision to reexamine policies around the two industries.

But that outreach effort didn't ask for feedback on the specific rate hike proposal. The proposal was made public Friday, Dec. 6, which was three days before its public hearing on Dec. 9.

The Port held a meeting of stakeholders shortly after to discuss business owners' concerns.

Port CEO Jim Kuntz spoke at the PUD's Dec. 23 meeting about his concerns with the process, and outlined them in a letter to PUD General Manager Gary Ivory on Tuesday.

"As the lead economic development entity for the Chelan Douglas County region, the Port is concerned about how the PUD's proposed rate increases may adversely affect our economy, our current and prospective businesses, and our tax base," read part of the letter, which was provided to The Wenatchee World.

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