

AGENDA

UTILITY ADVISORY COMMITTEE

April 16, 2026

Hybrid Meeting In-person and via Zoom



<https://us02web.zoom.us/j/83931522564>

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**CITY OF ELLENSBURG
UTILITY ADVISORY COMMITTEE AGENDA
Council Conference Room
501 North Anderson Street
Ellensburg, WA 98926**

Or remotely via Zoom - <https://us02web.zoom.us/j/83931522564>

**Thursday, April 16, 2026
3:30 PM - Regular Meeting**

- 1. Call to Order and Roll Call**
- 2. Approval of Agenda (No Public Comment)**
- 3. Approval of Minutes**
 - 3.A Utility Advisory Committee Meeting 3-19-26 - Minutes
- 4. Correspondence and Citizen Comments on Non-Agenda Items**
- 5. Electric, Natural Gas, and Telecommunications Discussion Items**
 - 5.A 2026 Clean Energy Transformation Act (CETA) Energy Assistance Report
 - 5.B Letter of Commitment — CWU Collaboration – Geothermal Resource Characterization & Confirmation (DOE - NOFO)
- 6. Energy Services Updates**
 - 6.A Energy Services Updates
 - 6.B BPA Contract High Water Mark Review
- 7. Commission Representative Update**
- 8. Adjournment**



For more information on the Ellensburg Utility Advisory Committee, contact Finance Officer, Megan Bair, at 509-962-7124.



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Utility Advisory Committee, Regular Meeting

March 19, 2026

3:30 PM

Council Conference Room

501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

1. Call to Order and Roll Call

Chair Bousson called the meeting to order at 3:33 pm.

Members present in person: Nancy Lillquist, City Council; Delano Palmer, City Council; Fred Springsteen, Utility Customer.

Others present in person: Energy Services Director Stanavich, Energy Resources Manager Baker, Gas Engineer Yusi, Finance Officer Bair, Telecom Manager Hiede

Others present remotely via Zoom: Jeff Bousson, Chair/CWU, Rate Analyst Mooers, members of the public

2. Approval of Agenda

Committee member Palmer moved to approve the agenda as presented. **Motion approved.**

4-0

3. Approval of Minutes

3.A Utility Advisory Committee Meeting 02-19-2026 - Minutes

Committee member Palmer moved to approve the regular meeting minutes as presented. **Motion Approved 4-0**

4. Correspondence and Citizen Comments on Non-Agenda Items

4.A Public Comment

Meghan Anderson made a public comment.

Public comment was provided by the following (remote) attendees: Varg Vikernes, Dylan Roof.

5. Electric, Natural Gas, and Telecommunications Discussion Items

5.A HopeSource Low-Income Energy Conservation Program Update

Nichole Baker introduced guest Andrew Lyons representing Hope Source, who presented the Low-Income Energy Conservation Program. Committee member

Nancy Lilquist requested follow-up data on savings from the program, both monetary and energy values. Committee member Jeff Bousson asked Andrew Lyons on the number of residences that will be improved in the year 2026 and discussed the goals.

5.B Natural Gas System Plan

Darrin Yusi presented the upcoming 6-year natural gas system plan. Requesting a recommendation from the committee to take to council on April 6th. Committee member Nancy Lilquist requested a staff follow-up with data on the pros and cons of expanding gas utilization. Public comment from Meghan Anderson.

Committee member Palmer moved to forward a favorable recommendation to City Council to authorize the City Manager to execute the Agreement for Professional Services for the 2027-2032 Natural Gas System Plan with the consultant Kimley-Horn. **Motion approved. 4-0**

5.C NoaNet Interlocal Agreement Amendment 3

Kenneth Heide presented NoaNet Interlocal agreement amendment 3. Requested favorable motion of recommendation to on council April 6th.

Committee member Palmer moved to forward a favorable recommendation to City Council to authorize the City Manager to execute Amendment 3 to the Interlocal Agreement between the City Of Ellensburg and the Northwest Open Access Network (NoaNet). **Motion approved. 4-0**

5.D Electric Utility Rate Increases

Nichole Baker introduced FCS consultants to present the electric utility rate increase. Committee members Jeff Bousson and Nancy Lillquist ask for clarification on rate increases for annual and monthly frequencies for residents in the community. Committee member Jeff Bousson requested guidance from FCS on public education to support the rate increases. Energy Services Director Buddy Stanavich verbally committed to providing information and educational materials to the public to help explain the increase in rates. Requested favorable motion of recommendation to council on April 6th.

Committee member Bousson moved to forward a favorable recommendation to City Council to approve the Electric Utility Rate increase as presented. **Motion approved. 4-0**

6. Energy Services Updates

6.A New UTC Annual Report - Natural Gas

Gas Engineering Darrin Yusi shared information only item of New UTC Annual Report on leak emissions. Darrin Yusi shared metrics on gas leaks and gas loss in 2025.

6.B Energy Services Updates

7. Commission Representative Update

None

8. Adjournment

Meeting adjourned 5:29pm



Meeting Date: April 16, 2026
City of Ellensburg

Utility Advisory Committee Agenda Report

Agenda Subject: 2026 Clean Energy Transformation Act (CETA) Energy Assistance Report
Submitted by: Nichole Baker, Energy Resources Manager
Department: Energy Services

Suggested Motion/Action:

Forward a favorable recommendation to Council to designate up to \$150,000 annually of Bonneville Power Administration (BPA) Energy Conservation funding to support the City's compliance obligation for the Clean Energy Transformation Act (CETA) RCW 19.405.120, Section 120 Low-income programs.

Background/Summary:

On May 7, 2019, Governor Jay Inslee signed the Clean Energy Transformation Act (CETA) (SB 5116, 2019) into law, which commits Washington to an electricity supply free of greenhouse gas emissions by 2045. CETA reporting includes the Clean Energy Implementation Plan (CEIP) and the RCW 19.405.120 reporting. The CEIP is required every four years and Section 120 has a biennial reporting requirement due on May 1, 2026, for the years 2024-2025.

RCW 19.405.120 4(a)(iii) requires electric utilities to submit biennially to the Washington Department of Commerce “a cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet: (A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and (B) ninety percent of the current energy assistance need by 2050.”

Completing this assessment requires that each utility estimate its current annual energy assistance need for the reporting biennium. The report will provide an estimate of the 2024-25 energy assistance need to support the City of Ellensburg's next RCW 19.405.120 report.

Previous Council Action:

CETA reporting includes the Clean Energy Implementation Plan (CEIP) and the RCW 19.405.120, Section 120 reporting. The 2026 CEIP, which is required every four years, was approved by Council on November 17, 2025. No previous action for the 2026 CETA RCW 19.405.120, Section 120 Report.

Analysis:

Based on this analysis completed by the consultant Empower Dataworks, the assessment is that the City of Ellensburg's energy assistance need in the 2024-2025 biennium was approximately \$647,000/year across its service area. This sets the targets required to

complete the cumulative funding assessment at the following levels:

<u>Energy Assistance Need</u>	<u>Value</u>
Current Energy Assistance Need 2024-2025	\$647,000/year
2030 Target (60% of current energy assistance need)	\$388,000/year
2050 Target (90% of current energy assistance need)	\$582,000/year

The low-income program activity during 2026–2027 requirement is to demonstrate measurable progress toward the City’s 2030 and 2050 objectives.

The approximately \$582,000 annual target applies to customer-facing rebates, discounts, and grants. Current resources already include roughly \$300,000–\$400,000 per year in Low-Income Home Energy Assistance Program (LIHEAP) support and approximately \$100,000 per year through the Low-Income Discount Program. Expanding the City's existing Energy Conservation Program would close the remaining gap—an estimated \$100,000–\$150,000 annually—which would equate to roughly 10 projects per year by 2030, compared to the current pace of approximately 3–4 projects annually.

Section 120 biennial reporting requires utilities to annually make programs and funding available for energy assistance in compliance with RCW 19.405.120. Staff recommendation for the 2026–2027 Section 120 planning period to expand the existing Energy Conservation Program with the City's subcontractor when feasible.

The City currently has a \$75,000 professional services agreement to support low-income energy conservation projects; however, additional funding is needed to meet compliance requirements. To address remaining low-income conservation program needs, the City may use Bonneville Power Administration (BPA) funding, provided the projects comply with the BPA Energy Conservation Implementation Manual. The chart below shows the BPA implementation budget available for the 2026–2028 rate period.

City of Ellensburg	Amount in Dollars ¹
FY26 Implementation Budget Allocation	\$226,599.22
FY27 Implementation Budget Allocation	\$225,623.34
FY28 Implementation Budget Allocation	\$299,780.70
Initial Implementation Budget	\$752,003.26
Carryover Amount from 24-25 Rate Period	\$9,683.76
Budget Transfer Returns from 24-25 Rate Period	(\$10,000.00)
26-28 Available Implementation Budget	\$751,687.02
¹ Any amounts subtracted from the Implementation Budget are displayed in parentheses.	

Financial Impact:

Designate up to \$150,000 annually of Bonneville Power Administration (BPA) Energy Conservation funding to support the City's compliance obligation.

Budget Adjustment: No

Attachments:

None



Meeting Date: April 16, 2026

City of Ellensburg

Utility Advisory Committee Agenda Report

Agenda Subject: Letter of Commitment — CWU Collaboration – Geothermal Resource Characterization & Confirmation (DOE - NOFO)
Submitted by: Buddy Stanavich , Energy Services Director
Department: Energy Services

Suggested Motion/Action:

Move favorable recommendation to City Council authorizing the Mayor to sign the Letter of Commitment for the Department of Energy Notice of Funding Opportunity, Central Washington Collaboration – Geothermal Resource Characterization & Confirmation, in substantially similar form.

Background/Summary:

On February 25, 2026, the U.S. Department of Energy’s (DOE) Office of Geothermal (OG) announced up to \$171.5 million to support next-generation geothermal field tests, as well as characterization and confirmation drilling for next-generation and conventional hydrothermal resources.

These projects will target (1) next-generation, field-scale tests at depths and temperatures appropriate for full-scale project development and (2) exploration drilling activities to support characterization and potential confirmation of promising next-generation and hydrothermal prospects for electrical power production. The activities enabled by this NOFO will fill important gaps in technology, innovation, and geothermal exploration.

Under this Notice of Funding Opportunity (NOFO), OG anticipates making as many as 28 awards in the first round of applications. Individual awards may range between \$4 million and \$25 million. This NOFO may remain open for up to 72 months, with review cycles occurring approximately every 12 months, while funding lasts and subject to Congressional appropriations. Projects are part of OG’s research and development (R&D) on enhanced geothermal systems and hydrothermal resources. <https://www.energy.gov/hgeo/geothermal/funding-notice-next-generation-geothermal-field-tests-and-geothermal-resource> Subsurface exploration of resources characterization to support power production geothermal. CWU is planning to request roughly \$8M for this NOFO in collaboration with the City of Ellensburg and Kittitas PUD.

This proposed collaboration and submission on April 30th does require Letters of Commitment from the primary stakeholders and a declaration of what percentage each agency would provide as a required match of 20% of what is requested. CWU is acting as the lead agency for this NOFO and proposing a potential portion of their property at Airport and Helena as the match for “in-kind” commitment in lieu of actual funding.

Anticipated Timeline:

Letter of Intent submitted by CWU	March 27, 2026
Letter of Commitment by Collaboration Partners	April 30, 2026
Anticipated Selection Notification	July 30, 2026
Anticipated Award Date	September 30, 2026
Estimated Period of Performance	October 1, 2026 – September 30, 2031

Previous Council Action:

Analysis:

Central Washington University (CWU), City of Ellensburg (COE), and Kittitas Public Utility District (PUD) are seeking a collaborative opportunity to explore, test, and analyze the feasibility of geothermal power production in Kittitas County for energy resiliency, workforce development, and economic growth.

CWU is implementing its first and second shallow open-loop geothermal systems on the Ellensburg campus, with aspirations for full campus conversion. As CWU and the region continue to grow, rising energy demand may increase reliability and resiliency risks.

To help mitigate this, the proposed collaboration would explore subsurface resources viable for geothermal development. The lack of detailed analysis specific to geothermal exploration east of the Cascade mountain range is a strong motivation for the possibility of this rural development.

Kittitas county is part of the Columbian River Basin with subsurface formations such as the Columbia River Basalt (CRB) which is one of the most significant barriers of subsurface exploration and energy potential. This project would fulfill an important knowledge gap of resource characterization beyond the CRB.

The proposed collaboration intends to the determination of highest viability of potential while creating research and internship opportunities for current and future CWU graduates.

Financial Impact:

Budget Adjustment: No

Attachments:

1. 2026 DOE NOFO Geothermal - Letter of Intent Rev3
2. COE Letter of Commitment - Draft



March 27th, 2026

RE: [DE-FOA-0003472: Next-Generation Geothermal Field Tests and Geothermal Resource Characterization and Confirmation](#)

PROJECT TITLE: Central Washington Collaboration – Geothermal Resource Characterization & Confirmation

TOPIC AREA: #6 Drilling for Next-Generation and Hydrothermal Resource Exploration, Characterization, and Confirmation

LEAD ORGANIZATION: Central Washington University (CWU)

PERCENTAGE EFFORT: TBD

ORGANIZATION TYPE: Academic University

RECIPIENT TECHNICAL POINT OF CONTACT: Delano Palmer, Director of Capital Planning & Projects, CWU
Delano.Palmer@cwu.edu 509-963-2906

ABSTRACT:

Previous Application Submission: CWU has not previously submitted an application or letter of intent on this NOFO nor any other similar to this NOFO.

The Key members of the proposed team of this NOFO submission comprise of Central Washington University (CWU), the City of Ellensburg (COE), and Kittitas Public Utility District (PUD).

The members of CWU include the following title and role in the proposed project:

1. Delano Palmer, Director of Capital Planning , Project Technical Point of Contact
2. Joseph Chanes, Construction Project Coordinator, CWU Project Manager
3. Zoe Higheagle Strong, Associate Vice President, Tribal Relations
4. Jeff Bousson, Sustainability Director, Community Engagement

The members of COE include the following title and role in the proposed project:

1. Buddy Stanavich, Energy Services Director, Co- Organization Lead
2. Nichole Baker, Energy Resources Manager, Co-Organization Lead

The member of Kittitas PUD include the following title and role in the proposed project:

1. Matt Boast, General Manager, Co-Organization Lead.

CAPITAL PLANNING & PROJECTS

400 E University Way | Ellensburg WA 98926 | Office: 509-963-2906
| Email: Delano.palmer@cwu.edu | Web: CWU.edu/operations/capital

CWU is an EEO/AA/Title IX Institution. For accommodation email: DS@cwu.edu.

This is an electronic communication from Central Washington University.

PROPOSED SUBRECIPIENTS

The list of entities above are the proposed subrecipients of this NOFO application comprising of:

1. Central Washington University, 401 E University Way, Ellensburg, WA 98926
2. City of Ellensburg, 501 N. Anderson ST. Ellensburg, WA 98926
3. Kittitas PUD (Public Utilities District), 1400 Vantage Highway, Ellensburg, WA 98926

PROPOSED VENDORS OR SUBCONTRACTORS

To facilitate regional, and industry expertise in the execution of this project, CWU/COE/Kittitas PUD have assembled the following proposed vendors and subcontractors for this project.

1. **Washington State of DNR (Department of Natural Resources)** located at MS 47007, Olympia WA98504. Their role would be to provide historic data and information relating to the known and known geology of the area, thereby demonstrating a need for the proposed resource characterization at depths favorable for data collection of hydrothermal activity. www.drn.wa.gov/geology
2. **Willow Stick**, located at 165 E. 900 N. #754, Spanish Fork, UT. Their role would be to provide an analysis of the proposed plots and parcels for this project to identify the areas of the greatest favorability of drilling activities based on their Geophysicist expertise. www.willowstick.com
3. **Geosyntec Consultants** located at 23 S. Mission ST, Wenatchee, WA 98801. Their role is hydrogeologist evaluations for the proposed sites in assisting with the development of a drilling plan for data extraction as well as testing and monitoring services. www.geosyntec.com
4. **Pacific Northwest National Laboratory (PNNL)** located at 902 Battelle BLVD, Richland, WA 99354. Their role in the project would be to provide additional historic information and data related to earth science of the areas proposed for evaluation. www.pnnl.gov
5. **Capuano Engineering Company** located at 2777 Yulupa Ave, Santa Rosa, CA 95405. Their role is the experienced Drilling Program Manager with expertise across the country along with experience in assisting other universities in the execution of their NOFO for geothermal advancement. www.capuanoengineering.com
6. **Kenai** is located at 6430 Cat Canyon RD, Santa Maria, CA 93454. As one of the largest drilling companies in the United States, their role is to provide the mobilization and implementation of the developed work plan to obtain subsurface data. www.kenaidrilling.com
7. **Puget Sound Energy (PSE)**, located at 207 N Pearl, Ellensburg, WA 98926. As one of the large regional power suppliers, PSE provides expertise in community engagement and transmission knowledge associated with the long term intention of this project.

PROJECT DESCRIPTION

Central Washington University (CWU), City of Ellensburg (COE), and Kittitas Public Utility District (PUD) are seeking a collaborative opportunity to explore, test, and analyze the feasibility of geothermal power production in Kittitas County for energy resiliency, workforce development, and economic growth.

CWU is implementing its first and second shallow open-loop geothermal systems on the Ellensburg campus, with aspirations for full campus conversion. As CWU and the region continue to grow, rising energy demand may increase reliability and resiliency risks.

To help mitigate this, the proposed collaboration would explore subsurface resources viable for geothermal development. The lack of detailed analysis specific to geothermal exploration east of the Cascade mountain range is a strong motivation for the possibility of this rural development.

Kittitas county is part of the Columbian River Basin with subsurface formations such as the Columbia River Basalt (CRB) which is one of the most significant barriers of subsurface exploration and energy potential. This project would fulfill an important knowledge gap of resource characterization beyond the CRB.

The proposed collaboration intends to the determination of highest viability of potential while creating research and internship opportunities for current and future CWU graduates.

PRELIMINARY APPLICATION INTENT

Project Overview:

Background: Subsurface energy exploration has been an interest and aspiration of Central Washington University since 2021 when we discovered the favorability of geothermal at shallow depths for building heating and cooling on campus. This discovery resulted in the Washington State Legislature funding CWU for the implementation of two shallow depth open loop geothermal well systems for building heating and cooling. Long range plans include the implementation of several geothermal nodes around campus facilitating the heat and cooling exchange that will be distributed through the campus infrastructure as funding is identified. However, the ultimate aspiration is power generation in this rural agriculture community with a focus on potential workforce development of graduates from CWU promoting local economic development.

Project Goal: Due to the subsurface formations of the Columbian River Basin, many of the energy development potentials have yet to be identified or confirmed. In collaboration with COE and Kittitas PUD, CWU proposes the utilization and exploration of vacant land next key electrical transmission infrastructure for the resource and characterization of sub surface geology with the long-term aspiration of electrical power generation.

DOE Impact: We believe that the proposed project achieves several benefits for DOE in support of exploration in this region of the country.

1. The project addresses a critical data gap of resource exploration and characterization. The Columbian River Basin consists of several subsurface formations that are geological barriers to unknown or limited data. The Columbian River Basalt (CRB) is one of the largest and most dense formations in the region, which may or may not be followed by the Roslyn or Teanaway formations. As noted in the criteria of the NOFO of Topic 6. "Preference is to gather data in previously unexamined formations and locations to expand the geothermally relevant database of subsurface conditions in the United States." We believe this region is a primary candidate for exploration.

2. This project intends to expand on the geothermal development that is already in progress at CWU and demonstrate rural applications of expansion. Resiliency is a crucial sustainable factor of implementation for our geothermal system, which could be replicated in several communities such as ours. If the proposed resource exploration is implemented, characterized and proves to be favorable; then a collaborative development of electrical generation can begin with COE and Kittitas PUD that is mutually beneficial to all stakeholders involved.
3. Rural workforce and economic development are the primary beneficiaries of this proposed project. The proposed project would provide research and applied curriculum opportunities to students at CWU through internships for the duration of this project, and if favorable future power generation development. Student participation in the program would demonstrate a direct correlation between rural higher education of applied research transitioning to high demand career fields surrounding geothermal energy development.

CWU/COE/Kittitas PUD plan on partnering with regional resources of DNR and PNNL to understand the current data of the subsurface formations and formulate a work plan that implements several Go/or No Go decision points that will help mitigate risk and create manageable minor goals for success tracking.

Site Information:

As mentioned previously, DNR and PNNL will provide the historic characterization of the area to outline expectations of subsurface explorations. Willow stick will be implemented to conduct subsurface geophysicist evaluations of multiple locations on a given parcel to model the areas of highest permeability, fissure locations, density, and favorable drilling conditions.

The well formation will be a collaborative effort between DNR, PNNL, Willow Stick, and our Hydrologist (Geosyntec) and Drilling program manager (Capuano) on the best means and measures for explorations and general project activities. Due to the unknown thickness of the CRB in the lower portion of our valley we anticipate several unforeseen conditions that will need to be risk assessed for next course of action.

Sixteen thousand feet (5 Kilometers) would be an aspirational goal for final well depth; however we propose incremental goals based on the unknown depth and thickness of the anticipated formations as the more practical objective.

Throughout the development of the site analysis, Capuano Engineering and Kenai will provide experienced knowledge on recommended types of drilling, efficiency measures and achievable drilling rates. The availability of next-generation drilling methods will be determined based on individual site analysis.

Workplan:

The project work plan will rely heavily on the geophysical and historic information provided by DNR, PNNL and Willow stick.

Milestones and Go/No-go decision points will primarily focus on the identification and the success of penetrating the possible subsurface formations.

The first critical milestone is reaching the Columbian River Basalt (CRB), which maybe at depths of 1,500' to beyond 2,000'. This formation is anticipated to be the largest and possibly the thickest posing the most risk to the project. The project team will identify incremental depths within Basalt as a decision point of continued exploration and data collection. The Basalt formation is expected to be up to 4,000' feet thick on the minimal side with an undetermined maximum thickness.

Penetration beyond the CRB is a critical milestone to geology characterization and potential.

Beyond the CRB, we may encounter the Roslyn formation (consisting of coal), the Teanaway formation, or a heavy collection of sand and stone mix.

In the drilling industry this type of exploration is known as a "wildcat well" in which little if anything about the subsurface geology is known with certainty, especially pressure regime. It is why we have included Kenai and Capuano as part of this team for their expertise and risk mitigation tactics in the development of this well.

Conclusion:

CWU/COE/Kittitas PUD are excited at the prospect of this exploration and identifying the potential of future energy development in our region. We believe the data gap of the geology beyond 2,000', resiliency planning, and rural workforce & economic development are strong cases for supporting this project.

On behalf of the primary stakeholders of this collaboration, we thank you for your consideration.

Central Washington University
City of Ellensburg
Kittitas PUD



CITY OF ELLENSBURG
501 North Anderson Street
Ellensburg, WA 98926

April 20, 2026

U.S. Department of Energy
Office of Energy Efficiency and Renewable Energy
Geothermal Technologies Office

Re: Letter of Commitment for DE-FOA-0003472

Project Title: *Central Washington Collaboration – Geothermal Resource Characterization & Confirmation*

Topic Area: *#6 Drilling for Next-Generation and Hydrothermal Resource Exploration, Characterization, and Confirmation*

To Whom It May Concern:

On behalf of the City of Ellensburg, I am pleased to provide this Letter of Commitment in support of the proposed project, Central Washington Collaboration – Geothermal Resource Characterization & Confirmation, led by Central Washington University (CWU) in partnership with the City of Ellensburg (COE) and Kittitas Public Utility District (Kittitas PUD).

The City of Ellensburg strongly supports this application to the U.S. Department of Energy under DE-FOA-0003472. We are committed to participating as an active project partner in the collaborative exploration, testing, and analysis of geothermal resource potential in Kittitas County for the purposes of energy resiliency, workforce development, and economic growth. This work is intended to address an important data gap regarding subsurface conditions east of the Cascade Range and to evaluate the feasibility of future geothermal energy development in our region.

The City of Ellensburg views this proposed effort as a meaningful opportunity to advance understanding of subsurface geothermal potential in the Columbia River Basin, including areas where formations such as the Columbia River Basalt create significant uncertainty for exploration. The project's staged, risk-informed approach to characterization and drilling is well aligned with the need for careful public-sector stewardship and practical decision-making.

The City of Ellensburg proposes an in-kind contribution consisting of pre-award staff development time associated with coordination, meetings, and support for development of this submission. This contribution reflects City staff time already dedicated to project planning and proposal development.

We appreciate the opportunity to support this proposal and affirm the City's commitment to participating in the project as described above, subject to final award, negotiation of acceptable subrecipient terms if applicable, and compliance with all applicable federal, state, and local requirements.

Sincerely,

Rich Elliot
Mayor

Energy Services Monthly Report

Date: 04/16/2026

Electric:

- The Energy Load and Supply Technical Services Agreement for Professional Services between the City and Lighthouse Energy Consulting was executed on March 13, 2026. This contract is good through December 31, 2026. Lighthouse will assist the City with the BPA Above-Contract High Water Mark (CHWM) election for the Provider of Choice Contract.
- The First Reading of Ordinance 4983 Amending Ellensburg City Code Chapter 9.91.100 — Electric Utility Rate Schedules went to Council on April 6, 2026.
- Net-metering cycle ended March 31, 2026. Although not required by code, any unused kWh credits remaining from the prior 12 month are purchased by the City at the average wholesale cost. RCW 80.60.030, “On March 31st of each calendar year, any remaining unused credits for kilowatt-hours accumulated during the previous year shall be granted to the electric utility, without any compensation to the customer-generator.” [Ellensburg-Net-Metering-Customer-Guide](#)
- Bonneville Power Administration Energy Implementation Manual 2026-2027 updates went into effect on April 1, 2026. <https://www.bpa.gov/-/media/Aep/energy-efficiency/document-library/April-2026-Implementation-Manual-Tracked-Changes.pdf>
- Staff participated in the LEAN process to improve upon the Commercial Building Permit Process.
- Staff completed the annual 2026 Q1 material forecasting process.
- The city has successfully entered into a construction agreement with Winco for the feeder build and line extension.
- Staff advertised Bid Call 2026-02 Feeder 7 Construction and Feeder 1 Line Extension, bids are scheduled to be opened May 21 at 3:00pm.
- Staff is working with Winco contractors for the installation of the duct and vault system on Zepher Way.
- Winco contractors are scheduled to begin the duct and vault installation along Anderson Rd. and Umptanum Rd. Staff will be providing inspections of the installation.

Gas:

- Staff participated in the recent Climate Commitment Act (CCA) Auction #13 on March 4, 2026, and successfully sold consigned allowances at the settlement price of \$65.26/allowance. RCW 70A.65.060.
- The Washington State mandated WAC 173-441-050 greenhouse gas (GHG) report for the year 2025 was submitted to the Department of Ecology on March 30, 2026.
- The Natural Gas Supply and Asset Management Agreement Request for Proposals was published on March 23, 2026. The vendor proposal deadline is April 14, 2026.
- The GHG Report Verification Agreement for Professional Services between the City and Carbon Verification Service for 2025-2028 is in the process of negotiations. Mandated by WAC 173-441-085, the GHG reported emissions must be subject to third-party verification by a certified verifier.

- On February 26, 2026, Northwest Pipeline LLC submitted for FERC (Federal Energy Regulatory Commission) acceptance tariff filing for the initial recourse rate on Rate Schedule TFL-1 KB Lateral. Effective as of April 1, 2026, the rate decreases from 1.39% to 1.15%.
- Crews completed the Anderson Road & Umptanum Road gas main replacement project which included replacing the existing 2-inch main with new 4-inch main and new valves to better handle the new growth along Anderson Road and Dolarway Road.
- Crews finished annual commercial meter maintenance and continue with residential meter change outs as time allows. Crews will begin the annual atmospheric corrosion survey in early April.
- Staff is preparing for upcoming UTC pipeline safety and program audits scheduled for April 13-17th.
- Staff is working with consultants on the SR 97/Hwy 10 main extension design.
- Staff participated in the LEAN process to improve upon the Commercial Building Permit Process.

Telecom:

- Staff working through close out of NTIA grant and working with Sub-recipient Central Connect to ensure reporting is accurate.
- Staff worked with KVH for filing of Form 463 in USAC. Staff approved KVH form 463 for reimbursement on KVH's internet bill.
- Council approved Amendment 3 of ILA between NoaNet and The City.
- Central Connect and staff worked through filling their L&I to approach final steps of filling 4th and final A-19 on NTIA project.



TO: Buddy Stanovich, City of Ellensburg
Nichole Baker, City of Ellensburg

FROM: Ted Light, Lighthouse Energy Consulting

SUBJECT: BPA Contract High Water Mark Review

DATE: March 26, 2026

The Bonneville Power Administration (BPA) has recently released Contract High Water Marks (CHWM) that will apply to contracts with preference customer utilities in its Provider of Choice contracts, beginning in October 2028. The CHWM specify how much power each utility will receive from the federal system over the 2028-2044 contract period. Any need for power above this amount will need to be procured separately, through separate products offered by BPA or other, non-federal resources.

The City of Ellensburg has contracted with Lighthouse Energy Consulting to assist with determining how to serve any above-CHWM loads. As part of that work, the City asked Lighthouse to review its assigned CHWM.

The CHWM is calculated as follows

$$\begin{aligned} CHWM = & \text{Base Allowance} - \text{Headroom Adjustment} + \text{Conservation Adjustment} \\ & + \text{New Specified Resource Adjustment} + \text{Load Growth Adjustment} + \\ & \text{Proportional Share Adjustment} \end{aligned}$$

These calculations also make use of a “eligible load” value. The eligible load is defined as

$$\begin{aligned} \text{Eligible Load} = & \text{Total Retail Load} + \text{Economic Adjustment} - \text{New Large Single Loads} \\ & - \text{Dedicated Resources} + \text{Resource Removal} \end{aligned}$$

Each of these factors, the value used in determining the City’s CHWM, and notes from Lighthouse’s review are listed below.

Base allowance: 23.982 aMW

The base allowance is the starting point from which further adjustments are made. Per the Provider of Choice Policy, these values were set at the 2024 Rate Period High Water Mark values. Lighthouse confirmed this value with the BP-24 rate case materials.

Headroom Adjustment: 0 aMW

The headroom adjustment is a reduction if a customer’s eligible load is lower than its base allowance. This is not applicable to the City, as its eligible load is higher than base allowance. The City’s eligible load is the same as its total retail load, as none of the adjustments are applicable.

Conservation Adjustment: 0.083 aMW

To provide some consideration to utilities whose conservation efforts have kept their loads lower and reduced their demands on the federal system, BPA is providing an adjustment equal to 50% of all utility self-funded conservation, whether through direct funding of NEEA or utility programs.

Lighthouse compared this value against conservation reporting compiled by the Northwest Power & Conservation Council's Regional Conservation Progress reporting and found a similar total. Most of the City's self-funded conservation happened in 2017, with smaller amounts in 2015 and 2021.

New Specified Resource Adjustment: 0 aMW

Similar to the conservation adjustment above, BPA provides credit for 50% of any other specified resources added by utilities in or after fiscal year 2007. This adjustment is not applicable to the City as they have not added any new specified resources.

Load Growth Adjustment: 0.282 aMW

The load growth adjustment increases the CHWM for customer utilities whose eligible load is greater than the base allowance. The increase is equal to 25% of difference between PF-eligible load and base allowance.

Lighthouse reviewed the calculation of this value. The calculation is correct and the formula is consistent with intent.

Proportional Share Calculation: 0.883 aMW

This adjustment provides an additional allocation based on system size of 7,250 aMW. The calculation is based on all previous values and adjustments.

Lighthouse verified this calculation in BPA's spreadsheet.

CHWM: 25.231 aMW

This is the final CHWM value, determined by taking the sum of all previous values. Lighthouse confirmed this calculation. Any load above this value would need to be served through other BPA products ("Tier 2" purchases) or non-federal resources. Based on the most recent forecast, the City's loads are expected to grow to be above 33 aMW in 2034, so the City would need to procure resources for approximately 8 aMW of above-CHWM loads.

Small Utility Adjustment: 0 aMW

There is one final adjustment, where BPA allows utilities with eligible loads under 5 aMW to increase their CHWM up to the lesser of double their initial CHWM or 5 aMW. Since the City's eligible loads are greater than this threshold, this adjustment is not applicable.