

The Power Squeeze: Future Needs & Changing Markets

by Dan Toepper, Commissioner Dist. 3

February 2026 Newsletter

Hard fact: Firm energy production in our region is not keeping up with demand.

JPUD recently signed a long-term agreement with the Bonneville Power Administration (BPA). The wholesale contract provides us a reliable set amount of firm power under normal electric load conditions through 2044.

The amount of firm energy production in our region is not keeping up with the demands of consumption.

BPA hydropower generation (from the Columbia and Snake River), nuclear power from Energy Northwest, and intermittent generation from wind and solar resources have all been fully subscribed to utilities under BPA contracts.

Recent retirement of coal and natural gas generation, combined with transmission congestion and calls to reduce hydro production reduces the availability of firm power and threatens reliability.

With resources near capacity, any loss in firm generation could result in shortages, higher costs, and increased stress on the transmission system. This is especially true during periods of peak demand typically brought on by cold snaps. Intermittent power sources, such as solar and wind, are often not available during winter peak demand.

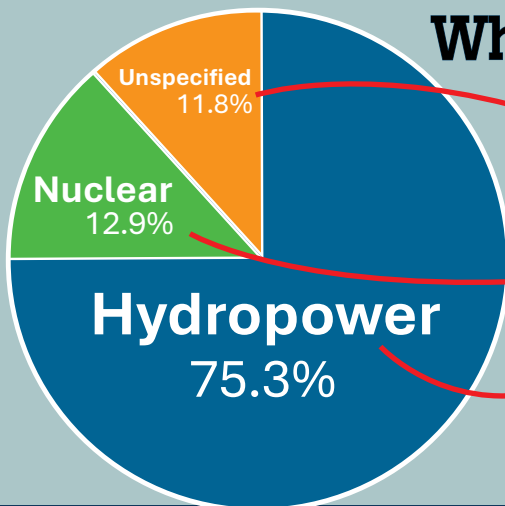
If we exceed our contract amount of purchased

power from the BPA, we end up paying top dollar by the megawatt—but the energy must be there to buy it. If the energy is not there, we are likely to experience power brownouts or blackouts.

Energy costs will continue to rise as efforts to decarbonize sectors of our economy outpace the ability of generating new energy. It's essential to embrace an "all the above" energy strategy to meet demand. This will include new nuclear, wind, solar, geothermal, kinetic, and other generating innovations that are needed to meet demand.

It's important to note that energy conservation measures and intermittent generating and storage sources (solar, wind, and battery) cannot fill the widening gap between power demand and the pace of bringing on new generation sources. It is likely, if not imperative, that natural gas be utilized as a bridge to meet demand for a longer period of time than policy makers currently believe is necessary as alternative options come online.

BPA is participating in the development of a western energy market to strengthen transmission pathways between western states. This market may create upward pressure on rates in the **continued on back**



What's in the Mix? Jefferson PUD receives some of the cleanest and greenest power in the nation (2023 data).

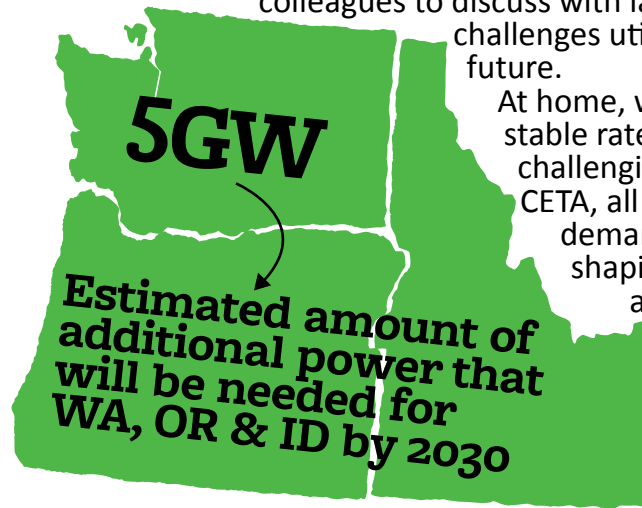
Unspecified refers to the remaining mix of sources from power purchases by BPA. Sources can include solar, wind, geothermal, natural gas, and more depending upon the generator and market the power was purchased from.

Nuclear energy is provided by Energy Northwest, operators of the Columbia Generating Station in Richland, WA. This is the only nuclear generator in WA State and produces approx. 4% of all energy across our region.

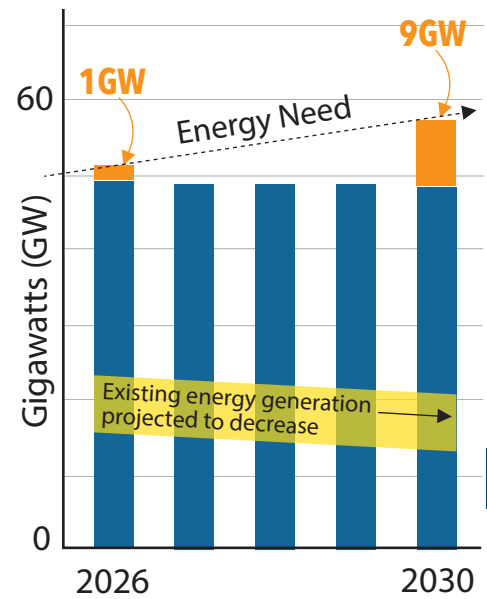
Our hydropower stems from a collection of federally-operated dams on the Columbia and Snake Rivers in eastern Washington. Approx. 58% of all energy produced in our region stems from hydro electric sources.

POWER SQUEEZE, cont. near term but is necessary to help with the long-term cost stability and reliable delivery of energy.

As states and the federal government debate funding and energy policy, cooperation among governments, utilities, stakeholders, special interest groups, and the public has never been more critical. In early 2026, I'll be heading to Washington D.C., with JPUD staff and WPUA colleagues to discuss with lawmakers the real-world challenges utilities face now and in the future.



At home, we work to balance stable rates, reliable service, and challenging state policies such as CETA, all while meeting customer demand. While some factors shaping our energy future are beyond local control, efficiency and energy conservation remain powerful tools to help save energy, lower costs, and support long-term reliability.



Regionally, data for the greater northwest (WA, OR, ID, MT, WY, NV) suggests that energy demand may outpace available generation in 2026. For reference, 1GW is the approx energy used by the city of Seattle during an average year.

Dan's Recommended Additional Reading: jeffpud.org/the-power-squeeze

Before You Dig: Utility Markers

Color-coded flags and paint markings help utilities, contractors, and customers identify what already exists belowground and what work is being proposed.

Planning a project? Call 8-1-1 for a free utility locate—it's the law. Outline your proposed dig area using white paint, which helps utilities quickly and accurately identify where work is planned.

Locate markings are made within 48 hours if services are in the area. PUD meter staff will mark the approximate locations of underground water, sewer, power, and broadband utilities using APWA standard color codes, shown.



RED Electric	YELLOW Gas/Oil	ORANGE Communications	BLUE Water
PURPLE Irrigation	GREEN Sewer	WHITE Proposed Area	PINK Temp Marking

5-Year Water & Sewer Rates: Approved

At the January 20 regular meeting, Commissioners approved a schedule of water and sewer rate adjustments. The plan establishes a five-year cycle of gradual rate increases beginning February 5.

Water rates will increase by 4.75% annually through 2029, then taper to a 3% increase in 2030.

The PUD provides sewer service to approximately 400 customers countywide, which historically have been served under different rate structures. Commissioners approved a single, uniform sewer rate of \$91.23 per month for all existing sewer customers. Sewer rates will increase by 30% in both 2027-28, then decrease to a 3% increase in 2029.

Rate adjustments stem from a year-long study by the FCS Group to determine future expenses, service needs, and build adequate contingency reserves. Sewer adjustments reflect the true cost of providing wastewater service and eliminate subsidies previously covered by water ratepayers.

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