

Special Report: NRECA Legislative Conference *Oregon Co-op Leaders Seek to Make History in Washington D.C.*

Sixteen Oregon electric cooperative leaders made the trek recently to our nation's capitol for NRECA's Legislative Conference. While Washington D.C. is a city full of monuments, representatives from 10 Oregon electric co-ops were creating their slice of history, going to Capitol Hill and engaging their legislators in what many believe is one of the most critical periods since the rural electrification program was created.



Rep. Greg Walden visits with ORECA delegation during the NRECA Legislative Conference



FERC Commissioner Philip Moeller, told Oregon co-ops to prepare for 8 – 10 years of uncertainty in industry

Along with 3,000 other co-op directors, managers and employees, Oregon co-ops found themselves in the midst of the most sweeping climate change legislation ever debated by the U.S. Congress. Energy and Commerce Committee Chairman **Henry Waxman**, with the full backing of House Speaker **Nancy Pelosi** is seeking support for his proposal to reduce greenhouse gas emissions 20 percent by 2020. This legislation, over 600 pages in length, creates a complex cap and trade program that could pit electric cooperatives against deep-pocketed Wall Street hedge funds in an auction for a scarce pool of allowances. The only certainty of this contest is higher costs for electric co-op consumers.

“We need you to kill the auction,” NRECA CEO **Glenn English** told co-op leaders during the extensive briefing session. That is exactly what Oregon co-ops lobbied to do during an intensive three days that featured meetings not only with their congressional delegation, but with BPA, congressional committee staff and a Commissioner from the Federal Energy Regulatory Commission. And ORECA President **Robert VanNatta** took a complicated cap and trade program and framed it in a way that made Oregon congressional leaders take note.

“West Oregon Electric Cooperative does not have a carbon trading floor,” VanNatta told Congressman **David Wu**. The First District Representative, who has been very supportive of West Oregon's efforts to rehabilitate their system after consecutive floods, immediately saw the consequences for small electric co-ops.

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VIEW FROM THE WEST – *Perspective from the ORECA President*



In our last thrilling episode of “View from the West” our hero took as evidence that one must be doing the right thing from the fact that attacks were coming from all sides. Unfortunately, as the lesson of Davy Crockett at the Alamo taught us, being surrounded does not assure one's ultimate success, regardless of the sanctity of our mission.

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“It’s difficult to see how anyone can support Wall Street over Main Street,” added Lane Electric Director **Chris Seubert** during several lobby visits. “And we represent Main Street.” **Rep. Peter DeFazio** agreed.

“A hedge fund could corner Oregon’s carbon market on a slow Friday just for fun,” DeFazio told Oregon co-op leaders during their visit. DeFazio has been an outspoken opponent of cap and trade.

Rep. Greg Walden, Oregon’s lone representative on the Energy and Commerce Committee, met with co-op leaders and discussed how he pressed his case for the inclusion of biomass from federal lands in the Waxman bill. At a recent hearing, even former Vice-President **Al Gore** could not adequately explain why biomass from federal lands was excluded.

The meetings with the Senate offices were productive as well, as **Senator Jeff Merkley** expressed his interest in pursuing additional incentives for efficiency. Lane Electric CEO **Rick Crinklaw** noted that the Northwest leads the nation in efficiency, but the “low hanging fruit has been picked.”

Renewable energy was a major topic in the meetings as Chairman Waxman’s bill also included a renewable mandate of 25 percent by 2025.

“We’re leading the way in renewable energy,” said Columbia Basin Director **Lori Anderson**. “But any decisions should be made at the local level.” The Oregon group also pushed for full funding for the RUS loan program of \$6.6 billion. However, Midstate Director **Ken Wilson** noted this program only costs the taxpayer \$10 million a year. “It’s a bargain to maintain rural infrastructure.”

- *Ted Case*



Shirley Cairns (Douglas), **Rick Crinklaw** (Lane), **Robert VanNatta** (West Oregon), **Bob Speckman** (Salem), and **Chris Seubert** (Lane) on Capitol steps outside House chamber

In the Arena

(This is the third installment of a series on new legislators who represent co-op members)

REP. TIM FREEMAN - ROSEBURG



Rep. Tim Freeman
(R-Roseburg)

“has proven to be an excellent Legislator representing all facets of Douglas County, Southern Oregon and the entire State. He studies the issues, asks for guidance and educates himself before making his decisions.” – Ron Doan

Freshman legislator **Tim Freeman** has had some remarkable success in his first term by doing what’s hard for any politician – working across the aisle and staying out of the limelight. But it’s this type of workhorse first and show-horse second style that has marked Freeman’s first few months in the Legislature. As Vice-Chairman of Veterans Services, he has successfully worked to pass legislation protecting veteran’s employment and to stop predatory actions against veterans. House Bill 3020 makes knowingly taking advantage of a disabled veteran, service member in active service, or spouse of a service member an unconscionable tactic and unlawful trade practice under the Oregon Consumer Protection Act. That a freshman, particularly one in the minority, can pass legislation is a testament to Freeman’s low-key style and ability to work behind the scenes for his constituents.

“I don’t spend a lot of time speaking on the floor,” Freeman said. “But when I do, I notice people are listening.” **Ron Doan**, an Executive with Umpqua Indian Utility Cooperative said Freeman “has proven to be an excellent Legislator representing all facets of Douglas County, Southern Oregon and the entire State. He studies the issues, asks for guidance and educates himself before making his decisions.”

Freeman has some kind words for Doan as well, noting that Doan provided him some well-timed words of support during a particularly rough time during his City Council tenure. He has tried to pay forward this type of support to his colleagues on both sides of the aisle. He is also working to break the cycle of partisanship. Freeman found a simple act of working with his Democratic colleagues at the Oregon Food Bank broke down some barriers.

“We are all in Salem for the right reasons,” he said. “Sometimes we just don’t agree.” In the meantime, Freeman will go back to the fundamentals of building coalitions and working on a bipartisan basis. It’s the quiet work of legislating. But people are listening.

- *Ted Case*

Likewise it is ironical that those who live in heavily urbanized areas are both those most dependent on safe, reliable and affordable electric power and also those who are leading the attack. It is tempting to stand back and watch the prospective wreckage.

On reflection, however, the very reasons we built the electrical system in the first place still exists. It was an opportunity to bring comfort and convenience and an improved quality of life to all Americans, and we should not depart from our mission to bring safe, reliable and affordable electric power to our people. The question is how to persevere in world of hostility.

Throughout history there has been but two competing defensive strategies available when one is forced into a defensive posture. You can hunker down and stay put, or you can mix it up and seek to turn your knowledge of the terrain to your advantage. The Alamo defense of holding your ground, even if well executed, isn't always effective.

This is really where ORECA's support of HB 3155 (conservation & efficiency proposal) comes in. Good and thoughtful people, and more than a few, have asked earnestly why ORECA would trot out a proposal to potentially require cooperatives to spend millions of dollars on projects that will neither save the planet nor in all probability provide significant benefit to our members. After all, if we thought they would do either we would have already done them. The reason is simple. In the opinion of ORECA leadership, fully endorsed and supported by the GAC and the ORECA board, we have left the Alamo for something different. Departing a fortress under siege for the unknown is not an easy decision, and doesn't come without a price, but this must be weighed against the price of remaining.

Difficult decisions must always be made in difficult times, and with incomplete information. Departing the Alamo has implicitly meant that we put some money on the table, and may potentially mean that we will leave some behind as we go. As I write this near the Ides of April, the situation in Salem remains very fluid. Massive political forces mostly beyond our control are all pressing hard in every direction, and being out of the Alamo seems at the moment to be a brilliant stroke, though, at the end of the day, instant replays may disclose opportunities for recrimination.

The responsibility of leadership includes the willingness, and the obligation to make difficult choices under difficult circumstances. The decision to leave the Alamo and join the mix-up was not made lightly or thoughtlessly. Hopefully you can all come to appreciate the wisdom of the process even though the ultimate outcome remains in doubt.

... Robert

ACRE'S ACES

Honoring our President's Club members



OTECC's Dr. Chuck Hofmann, "Even though it is about as much fun as making sausage, I have come to realize that it is a responsibility of a Director to represent our member's best interests by participating as fully as we can in the political process." (in front of US Senator Edward Baker in the Capitol building)

Metal Theft Bill Advances through Senate

Senate Bill 570 sailed through the Senate chamber April 29 with a 29-0 vote. **Senators Prozanski** (D-Eugene) and **Boquist** (R-Rickreall) co-carried the bill and thanked both members of the work force and electric cooperatives for their bipartisan efforts to create a bill that will significantly curb metal theft in Oregon. Most important to utilities, the bill will:

- Eliminate the instant source of revenue for metal thieves by requiring payment by check to valid addresses.
- Provide law enforcement additional tools for investigations.
- Provide immunity to utilities for injuries or death that were caused by damage to utility property.
- Increase and add an aggravated factor to sentencing guidelines for thefts related to utilities.

With 89 out of 90 legislators co-sponsoring this bill, we are confident the House will quickly adopt this important legislation.

- Andrea Reimer

CO-OP TRAILBLAZER

A SERIES ON CO-OP LEADERS WHO BLAZED THEIR OWN TRAIL

What We're Watching Closely in Salem

The 2009 Legislative Session is expected to adjourn around July 1st. Since the beginning of the session ORECA has tracked 150 bills. Here are a few on our radar.

SB 80 – The Senate Environment Committee passed bill contains a “hard cap” on carbon emissions. ORECA is working with a broad coalition to minimize impact on consumers.

HB 3155 – Consumer-Owned utilities carbon reduction plan: The House Environment held a hearing on HR 3155 and Chairman Ben Cannon (D-Portland) expressed “gratitude that COU’s brought this bill forward.” This will be included in a climate bill if one passes, but will not be a stand-alone bill.

HB 2186 – The House has passed a low carbon fuel standard bill that will force utilities to retrofit trucks for fuel savings. We’re working to minimize the impact for co-op fleets.

HB 3153 – Transmission siting bill that severely restricts utilities ability to site transmission and distribution lines. A hearing is scheduled in May.



Jere and Sally Overs

It’s been 12 years since **Jere Overs** was the manager of Salem Electric, but he can still recite verbatim the five main principles that govern that utility. These goals were seared into him after 40 years at Salem Electric where he took pride in keeping the lights on, while maintaining excellent customer and employee relations for a utility that looks a bit different from your typical electric co-op.

According to **Bob Speckman**, his successor at Salem Electric, Overs is perhaps being a bit modest.

“Jere Overs single handedly brought Salem Electric from a utility that operated out of a hundred year old house, bought used poles and equipment and didn’t have a file system, to one that is in a modern facility, has a record of reliability second to none, zero debt and policies and procedures that have been copied far and wide.”

And if any utility executive thinks they are busy, then consider the fact that Overs was the Board President of ORECA, NWPPA and PPC – at the same time. Since leaving the co-op world in 1996, he’s been active with the Oregon State Bar, utility consulting and spending time with his wife Sally and their grandchildren.

“I miss the people at Salem Electric,” he admits. Overs occasionally lunches with Bob Speckman and together they could write an interesting book on the history of public power in the region. One thing is certain: Jere Overs deserves his own chapter.

(Contact ORECA if you know a co-op Trailblazer)

CASE IN POINT

600 Page Cap & Trade Bill Isn’t Complicated: Just Ask Oregon Co-op Leaders

After 22 years working in and around the Congress, I’ve witnessed some effective lobbying campaigns. Yet it’s hard not to be impressed by the lobbying acumen of the Oregon co-op leaders who made the trek to Washington D.C. for NRECA’s Legislative Conference.

Putting aside the fact that the stakes for co-op consumers has never been higher, Oregon co-op leaders were compelled to lobby their delegation on a complicated 646 page cap and trade bill that few Members of Congress have even read. Undaunted, the Oregon group pressed our case by doing what they do best – explaining how legislation will affect consumers at the end of the line.

One would be hard pressed to match **Robert VanNatta’s** argument against cap and trade for co-ops: “West Oregon Electric Co-op doesn’t have a carbon trading floor.” Or how about **Shirley Cairns** reminding legislators of the railroads misbehavior in southern Oregon to argue why the railroads antitrust exemption should be repealed.

While all co-op consumers will benefit from this group’s exemplary lobbying efforts, we should also tip our cap to the Oregon congressional delegation. **Rep. Greg Walden** is one of the few Representatives who read the Waxman bill and is waging a relentless campaign to fix the bill’s flawed provisions on biomass.

Democrat **Rep. Peter DeFazio** has taken his share of arrows from his own party for his outspoken criticism of cap and trade. We need to let them know that their efforts are appreciated.



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