

# Keeping Pace

May 2010

Oregon Rural Electric Cooperative Association

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## 2010 NRECA Legislative Conference Special Edition

### 'Big Group' Makes Big Impact in D.C.

More than 20 Oregon rural electric leaders made the annual pilgrimage to Washington, D.C., for the 2010 NRECA Legislative Conference. And they quickly made their presence known.

"Wow, this is a big group," Sen. **Jeff Merkley** said, as he met with the entire Oregon co-op delegation on a wide scope of issues, including energy efficiency and reliability.

After extensive briefing sessions with NRECA and BPA, the Oregon co-ops fanned out across the Hill and pushed their message not only to their congressman and senators, but to the House Resources and Agriculture committees and Senate leadership.

"This group came a long way, and they wanted to make an impact," said ORECA Executive Director **Ted Case**. The Oregon contingent included seasoned lobbyists such as **Robert VanNatta**, **Bob Speckman**, **Bud Tracy**, **Shirley Cairns** and **Rick Crinklaw**, but also some new additions, including Coos-Curry's **Peter Radabaugh** and Central Electric's **Dave Markham**.

The Oregon co-ops raised an emerging issue with the delegation: their concerns with reliability enforcement coming out of the 2005 Energy Policy Act. They also thanked their delegation for their leadership roles in championing co-op issues. Recently, Reps. **Peter DeFazio**, **Kurt Schrader** and **David Wu** signed a letter in support of the RUS loan program and Rep. Schrader has co-sponsored legislation to limit EPA's role in the

**Sen. Jeff Merkley addresses the Oregon co-op leaders.**

Photo by Bob Speckman



**Joe Van Meter, Robert VanNatta and Bob Speckman attended a rooftop reception with the South Carolina cooperative contingent.**

regulation of greenhouse gases. Rep. **Greg Walden**, who is now in a leadership role in the GOP conference,

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### Registration Open For ORECA Mid-Year Meeting

ORECA will again hold its mid-year meeting at Salishan July 14 and 15. The event will start with the ORECA board meeting at 8:30 a.m. on Wednesday the 14th, followed by a series of speakers, including BPA Administrator Steve Wright and renowned pollster Tim Hibbitts.

As usual, the ORECA golf scramble will take place on Thursday at 1 p.m. Registration details have been sent to each co-op.

Please note that NWPPA will hold a class on Tuesday, July 13, on "21st Century Rate Strategies for 21st Century Challenges." Please contact NWPPA for registration details.

ORECA looks forward to seeing Oregon co-op leaders this summer at Salishan.

#### May 19 - 21

Federated Rural Electric Insurance Exchange Board Meeting, Lenexa, KS

#### May 22

Blachly-Lane Electric Annual Meeting, Triangle Lake, OR

#### May 23 - 27

NWPPA Annual Meeting, Sacramento, CA

#### May 31

Memorial Day, ORECA office closed

#### June 1 - 2

PNGC Board Meeting/Strategic Planning Session

#### June 3

PPC Executive Committee, Sheraton Inn, Portland Airport

#### June 7 - 9

CFC Forum 2010

#### June 14 - 16

RESMA Meeting, Gig Harbor, WA

#### June 21, 23

NRECA Board of Directors, Arlington, VA





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was an outspoken advocate for co-ops during last year's debate on cap-and-trade legislation.

On the Senate side, Merkley is the sponsor of the Rural Energy Savings Act legislation that establishes a RUS loan program for efficiency. Merkley's proposal was one of the centerpiece initiatives of the legislative conference for the 2,500 attendees across the country. For his part, Sen. **Ron Wyden** helped push a new renewable incentive for electric cooperatives known as Build America bonds.

In addition to advocacy, ORECA hosted a southern barbecue with the South Carolina co-ops and a breakfast with Minnesota co-ops.

"It's important to know our counterparts outside the Northwest," Case said. "It's this unity that makes us strong." ■



Left, Rep. Greg Walden hosted the Oregon delegation for a D.C.-style cookout.



Far left, Sen. Ron Wyden discusses his plans for renewable energy incentives.

Photo by Michael Howe

Above, Oregon co-op leaders in the Strom Thurmond room at the U.S. Capitol building.

## In the Arena

Highlighting your cooperative legislators

Sen. **Ted Ferrioli** represents a massive swath of Eastern Oregon—or, as he says, “the places that have more sagebrush and jackrabbits than people.”



Sen. Ted Ferrioli

Even though he is Senate Republican leader—a job with extreme time demands in Salem—he puts a premium on visiting his constituents in rural Oregon, to the tune of 45,000 miles a year on his car.

Ferrioli recently made a visit to Oregon Trail Electric Cooperative (OTEC). Wherever he travels, he promotes an optimism that “the only limiting factor to problem solving is our imagination.”

He also doesn't necessarily think every

**“He hasn't lost sight of how the issues associated with the ‘natural resource extraction’ industries impact his rural constituencies.”**

—OTEC Manager **Werner Buehler**

problem can be solved by a piece of legislation.

“Government has a role,” he says. “But the private sector solves problems.”

The economy of rural Oregon is never far from Ferrioli's mind. He takes a keen interest in technological advances, such

as drip irrigation, which can avert the Columbia River water wars and maximize the abundant soil in his district.

It is Oregon's abundance that Ferrioli sees as the way to solve our economic woes, whether it be prime farmland, forests or the solar potential in the high desert.

“We need to be arguing the politics of abundance, not the politics of scarcity,” he says. “We need to stop complaining about what we don't have.”

OTEC Manager **Werner Buehler** shares Ferrioli's interest in a robust rural economy.

“Senator Ferrioli has shown a keen interest in our issues,” says Buehler. “He hasn't lost sight of how the issues associated with the ‘natural resource extraction’ industries impact his rural constituencies. That makes him a natural partner with OTEC and ORECA.”

# View from the West

*Perspective from the ORECA president*



## Watch Out for the Gotchas in the National Broadband Plan

I'm going to pivot a bit from my previous themes and take a look at the new national broadband plan that was recently published. The plan has its own website at [www.broadband.gov](http://www.broadband.gov), and it should be read in some detail by everyone in the rural electric program because many portions of it touch electric cooperatives.

Don't content yourself with reading just the executive summaries or bullet points. The devil is in the details, and if you don't look to the details, you will never know what hit you.

As a techno-geek who grew up with neither central station power nor a telephone, I treasure both. The power came ahead of the phone. I recall all too well, when the power failed, the family gathering and debating when and who, if anyone, should trek off to town to notify the co-op of the outage. It was really a matter of assessing the weather. If the weather was really bad, it would be a few days before the co-op could get to us anyway, so bucking a blizzard just to put your money in a pay phone to tell the co-op the power was off didn't accomplish much.

With the national broadband plan, things have sort of gone to the other extreme. The plan calls for integrating electric service and telecommunications service in ways you might not expect, and that is why everyone needs to understand where things are headed. At least three areas that I have identified have significant integration implications. These include the smart grid concept, pole attachments, radio spectrum and, more alarming, the overriding potential for federal regulation in ways that would be universally unwelcome.

### Radio Frequencies

While arguably I'm a bit in the weeds here, I doubt that few would dispute that the need for functional telecommunications among lineworkers, and a dispatch point is mission critical to the repair and operation of an electric distribution system. What is less understood is that frequency matters. Lower frequencies bounce around a lot, while the higher frequencies are increasingly line of sight. The lower frequencies, as you might expect, can provide spotty coverage, and annoying skip, but they will bounce through and around obstacles (mountains and trees), where the high frequencies won't work at all.

The challenge is this: Much of the broadband plan is based on assumptions of radical increases in wireless telecommunications. Since spectrum is a finite quantity, it puts the FCC under increasing pressure to push existing users of this spectrum around to make way for the coming onslaught of new wireless users.

For existing users, such as your co-op operations center, there is no good news. You are unlikely to benefit from having the FCC reband you somewhere else

in the spectrum because Verizon or Clearwire wants your frequency.

### Pole Attachments

It is reported that co-ops have 42 percent of the distribution poles in the United States, mostly in the least dense portions of the country. The telecoms that wrote the plan complain it's hard to make money where there are more poles than houses (betcha you didn't know that), so they just wrote in the plan that in sparse rural areas they should be able to attach for rock bottom prices and they want federal regulations from your friends in Washington, D.C., to make sure of it.

### Smart Grid

Until now, smart grid was pretty much a concept without details. Chapter 12 of the broadband plan fills in the details, and some are alarming. To be sure, we have understood smart grid to include two-way communications with the meters, and the ability to reach on into the house and manage some loads. Many of us have assumed we could accomplish this with powerline carrier technology without huge amounts of infrastructure construction.

What we find in the plan, however, is a rejection of this narrowband approach in favor of an aggressive broadband solution that appears to require co-ops to collect real-time meter readings every 15 minutes and post them on the Internet within two minutes. This mass of data is suppose to be both readily available and secure (note inconsistency) so third parties can develop and implement load management plans that will use the broadband connection to regulate every household appliance and, in times of grid power shortage, start up your hybrid auto, which is locked in your garage, and use the generator in it to upload power into the grid.

I don't know who is tasked with carrying the bodies out of the house of those killed when the car unexpectedly starts up.

If this sounds like a recipe for disaster, fear not. It gets worse. The plan calls for NERC and FERC to be in charge of making all of this happen. Implicitly, this means every electric utility will be required to either build fiber to the door of every customer, or install similarly Wi-Max or buy service from someone else who has installed it, at whatever price they charge, and stand ready to explain why to NERC if any of it doesn't work.

While it seems odd a plan would have extensive discussion of how FERC should see that pole attachments prices are really cheap in low density areas, I couldn't find a word in the plan about how electric utilities might avoid having their treasury hijacked if they attempt to buy the mandated broadband capacity from a third-party provider.

Get your NERC, FERC and FCC Gucci Gulchers on speed dial, and send in your ACRE checks big time, as every co-op is on track to be federally regulated, although the window is still open to argue about it.