

Oregon Rural Electric Co-ops

Differences Among Consumer-Owned Utilities



Renewable Energy Work Group, October 29, 2008

Public Power

- 2,900 public utilities (COU)
- 27 % of US electricity
- 45 million customers
- 49 states
- 14% lower electric rates than IOUs (2006)

Differences between Oregon and Washington

■ OREGON

- 30% “public”
- 70% private
 - 18 co-ops
 - 12 municipals
 - 6 PUDs

■ WASHINGTON

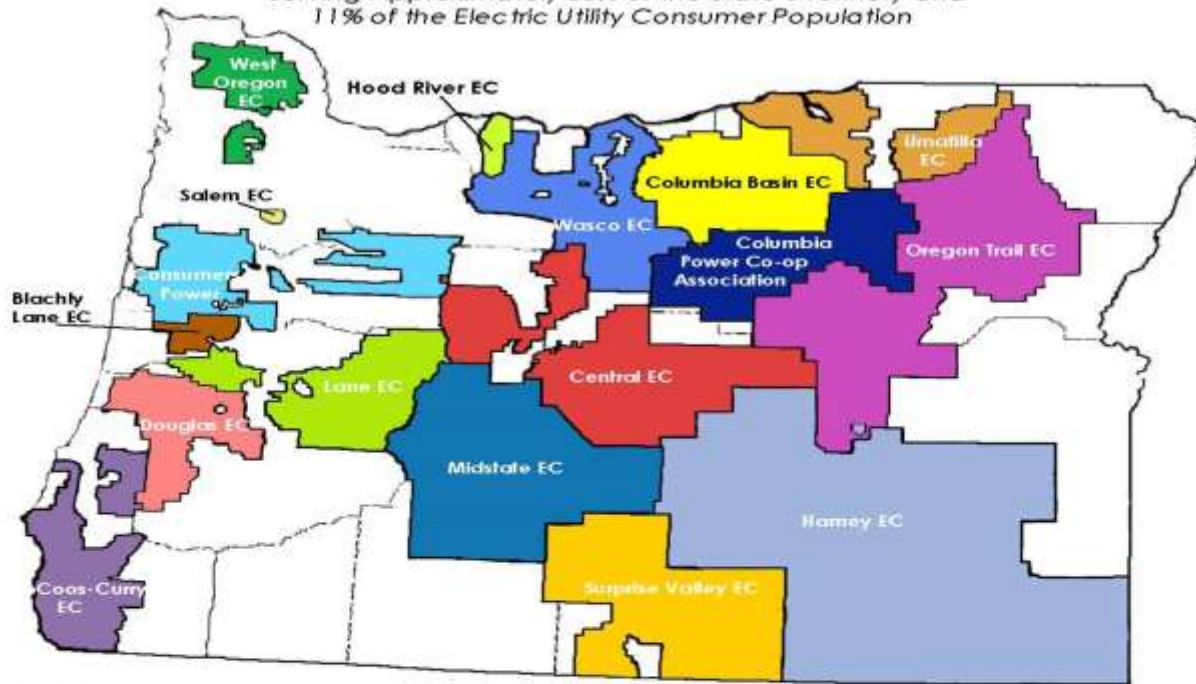
- 55% “public”
- 45% private
 - 14 co-ops
 - 10 municipals
 - 28 PUDs

What's a Co-op?



- Private, non-profit corporation
- Organized under state law
- Owned by its customers
- Locally elected board
- Voluntary membership

Consumer Owned Utilities (Electric Cooperatives) Service Areas Details
 Serving Approximately 65% of the State's Territory and
 11% of the Electric Utility Consumer Population



 Blachly Lane EC 3,464 consumers 538 miles of line	 Coos-Curry EC 16,863 consumers 1,619 miles of line	 Lane EC 12,425 consumers 1,443 miles of line	 Surprise Valley EC 5,863 consumers 2,170 miles of line
 Central EC 28,293 consumers	 Douglas EC 9,489 consumers 1,626 miles of line	 Midstate EC 17,296 consumers 2,261 miles of line	 Umatilla EC 13,470 consumers 2,094 miles of line
 Columbia Basin EC 3,683 consumers 1,292 miles of line	 Hamey EC 3,693 consumers 2,880 miles of line	 Oregon Trail EC 29,112 consumers 2,914 miles of line	 Wasco EC 4,537 consumers 1,684 miles of line
 Columbia Power Co-op Association 1,776 consumers 1,080 miles of line	 Hood River EC 3,512 consumers 253 miles of line	 Salem EC 17,462 consumers 587 miles of line	 West Oregon EC 4,280 consumers 651 miles of line
 Consumers Power 20,971 consumers 3,058 miles of line			

Oregon's Cooperatives

- 18 co-ops
- 65% of Oregon's area
- 10% of State's customers (190,000)
- Fewer than 7 customers per mile of line
- Primarily serve unincorporated areas

Differences between co-ops and IOU/COU



Like an IOU

- Private
- Corporation (not a government entity)
- Cannot issue revenue bonds or tax

Like a COU

- Not-for-profit
- Locally elected governing board
- Regulated by the PUC for safety, not rates
- Work for ratepayers not stockholders

COUs Differences

■ Co-ops

- < customers per mile
- 1937 Rural Electrification Administration
- Fewer people to spread costs
- Most remote; last places to get electricity.
- *Private*, non-profit, locally elected Boards

■ Municipals

- City charter
- Public agency
- Can issue revenue bonds, and tax

■ PUDs

- Non-profit
- Locally owned and governed
- Water, sewer, telecommunications, electricity

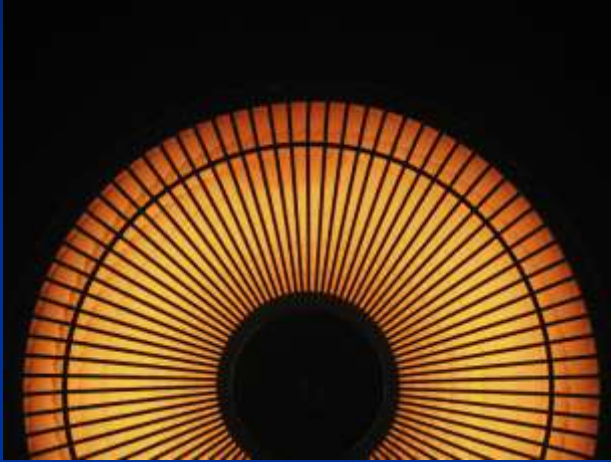
We're Small

- Size: 3 – 100 MW_a Avg. 30 MW_a
- Customers: 2,000-30,000 Avg. 3,000
- Employees: 3 – 100 Avg. 20

Diversity of Co-ops

- 1,000 new customers a year.
- 30-50% drop in schools and economy.
- \$100,000 scrapping ice off of lines over 30 days from a winter storm.
- 100% remote meter reading.
- One utility's service area is larger than 9 states, with fewer than 1 customer in 10 miles.

Hood River



- Created in 1945 after a failed PUD attempt.
- IOU unwilling to extend service to remote customers, unless pay large sum and purchase power poles.
- Issue revenue bonds.
- Allows personal loans from co-op members.
- Allowed expansion into fiber optics.

Oregon Trail

- Started in 1987 with 700 pennies.
- CP National wanted to unload a dilapidated system and get out of not-so-lucrative rural electric business.
- Secured \$33 million loan from Cooperative Finance Corporation.
- Upgrade of distribution system cost \$114 million.
- Largest co-op in Oregon.

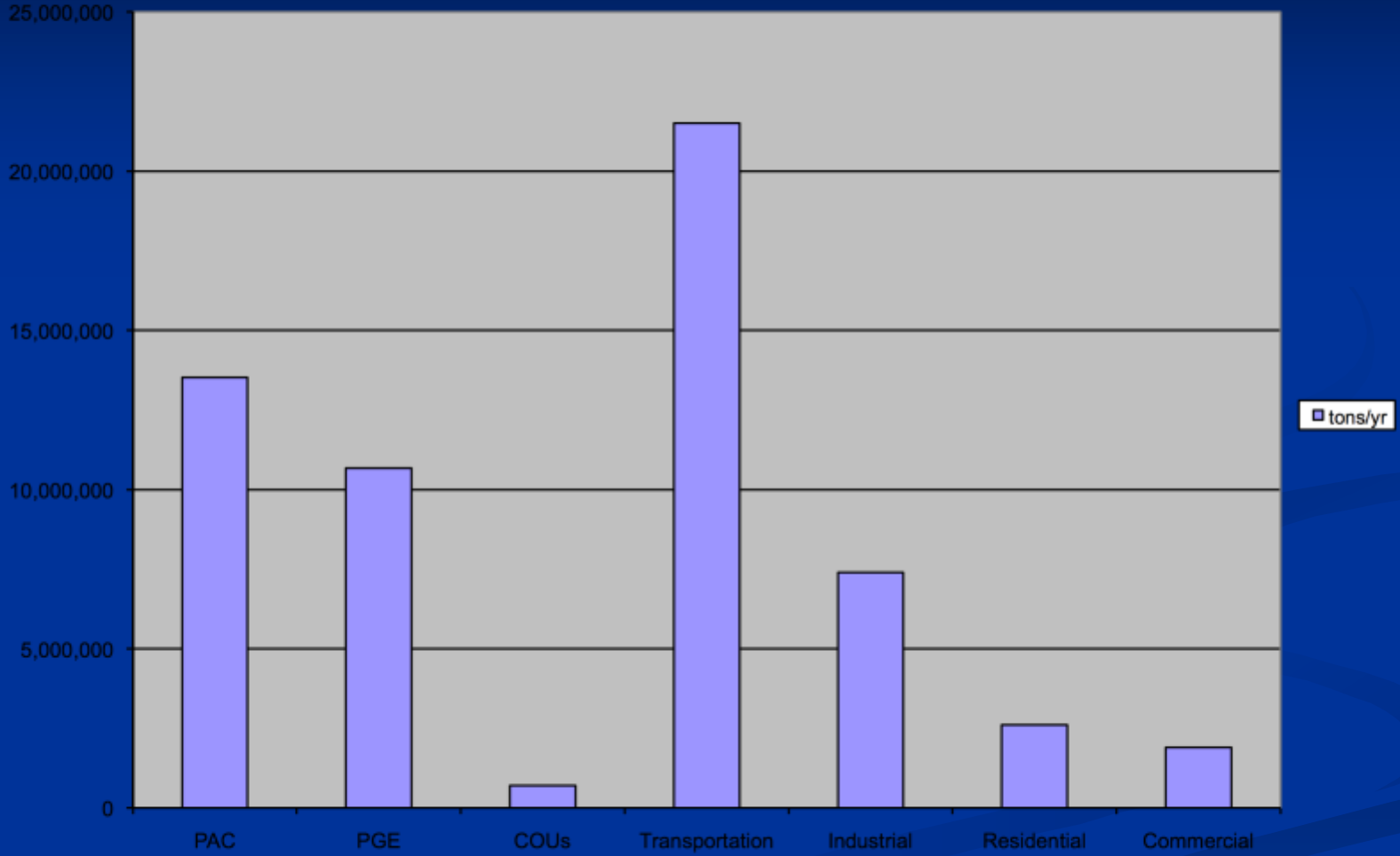


Where We Get Our Energy?



- 1/2 members = all BPA energy
hydro, some nuclear, wind
Small footprint 97% carbon-free
- 1/2 members of PNGC = BPA energy, own other resources
 - Coffin Butte landfill gasification
 - Pilot projects in wave energy, solar, wind

Oregon CO2 Emissions



Renewable Portfolio Standard



- By 2025, achieve
 - 10% (Umatilla)
 - 5% (all other Oregon co-ops)

What Co-ops Are Doing?

Thinking Outside The Box



- Wave - Reedsport
 - Buoy
 - 1 MWa pilot
 - Plan to expand to 10MWa
 - Oscillating Water Column
- Landfill gas - Coffin-Butte:
 - Highly successful
 - Neighbor like it!
 - Doubled in 2008
 - 5.66 MWa (4,000 homes)
 - Removes methane and waste

Investment Factors

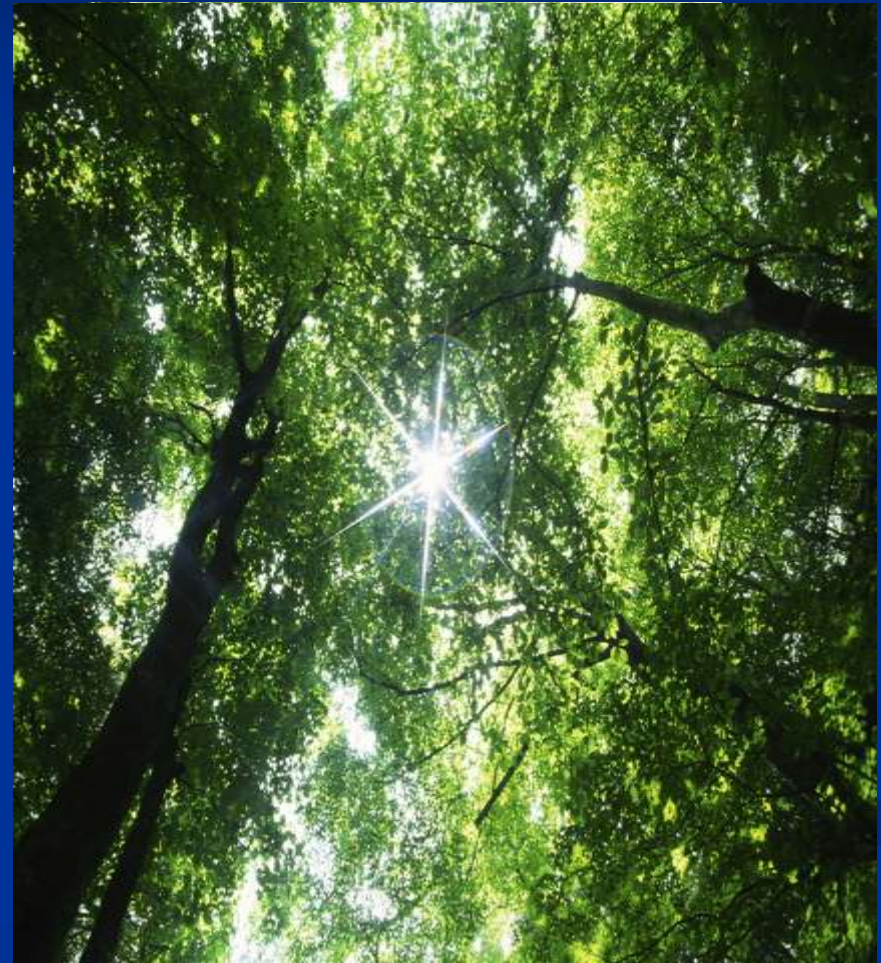
- Type of customers
- Type of load
- Amount of debt
- “Personality” of utility
 - Risk adverse?
 - Support from the community?
- Economics
 - Does it pencil out?
- Competitors
- Rates
- Load growth?
- Availability of transmission



Alternative Energy Products

Oregon co-ops:

- Green Power to customers: BPA EEP, Green Tags, BEF
- Energy efficiency and renewable customer programs
- % of energy is renewable
- Net metering



Contributions to the Community



■ BUY LOCAL

- 75% local purchases

■ GIVE BACK

- \$6.4 million in annual dividends (\$139 million total)

■ SAVE

- \$3 million on EE, saving 26.6 million kWh