

Keeping Pace

October 2013

Oregon Rural Electric Cooperative Association



Volume 5, Issue 8

Important ORECA Dates

October 15
ORECA GAC and board meetings, Portland

October 15-17
NRECA Region VII & IX meeting, Portland

October 29-31
NRECA Safety Summit, San Antonio, TX

November 1
Columbia Basin annual meeting, Fossil

November 16
Wasco Electric annual meeting, The Dalles

December 3-5
ORECA annual meeting, Salem Conference Center

December 7
Columbia Power Cooperative annual meeting, Ukiah



Photo by Jeff Beaman

Rep. Greg Smith (R-Heppner)

This Facebook data center in Central Oregon is an example of the type of load that can shift a utility's RPS compliance category.

Co-op Executives Participate in RPS Task Force

Governor **John Kitzhaber** and Rep. **Greg Smith** (R-Heppner) have convened a task force on the Renewable Portfolio Standard. In announcing the Task Force, Smith and **Margi Hoffmann**, the Governor's energy policy advisor said, the objective is to "look at how the RPS is functioning in the Oregon market and to assess how the state is doing in reaching our renewable energy goal." The 12-member task force includes

Steve Eldrige of Umatilla Electric Co-op and Central Electric CEO **Dave Markham**. ORECA Executive Director **Ted Case** also serves on the panel along with professionals from utilities, renewable energy and citizen organizations.

One major issue being discussed is the impact of data centers on the state's RPS. Umatilla Electric Co-op is growing at the rate of 20 percent a year as a result of data centers

and soon will be in the same RPS compliance category as the state's largest utility, despite having fewer than 10,000 members.

"Rep. Smith and Gov. Kitzhaber have a history of bringing differing viewpoints together," said Case. The task force met in Salem on September 18 and will meet again this month.

December 3-5 ORECA annual meeting Salem Conference Center



2013 ORECA Annual Meeting

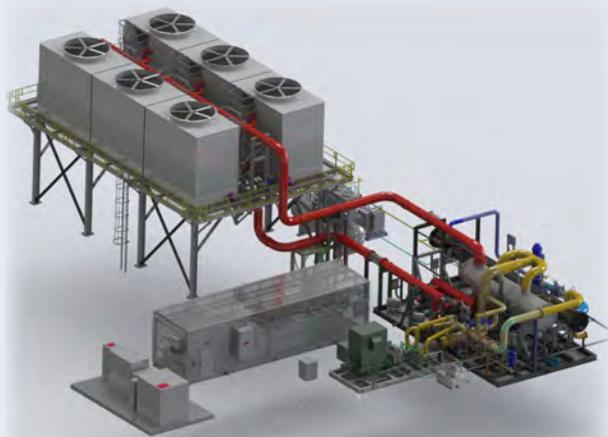
The 2013 ORECA Annual Meeting is right around the corner: December 3-5 at the Salem Conference Center. We are completing details for the agenda. Registration and silent auction/raffle sponsorship forms are due by November 15. This year, we plan to have a silent auction and raffle. In place of the oral auction, we will be entranced by the Amazing Kreskin.

You can book your hotel room online at www.grandhotelsalem.com Mention ORECA to receive the reduced rate.

We will send information about the Oregon Rural Electric Women's Association event soon.

Surprise Valley Electric Makes Progress on Paisley Geothermal Plant

Surprise Valley expects its new 10 MW geothermal plan will be complete and operational by March 2014. A 10 MVa substation has been designed for maximum load of 10 MW; however, Surprise Valley expects that the power plant will produce an average of 3 MW. Turbine Air Systems in Houston, Texas, has been the lead contractor in building the power plant.



Above, beginning construction of the foundations for the power plant and cooling towers for Surprise Valley's geothermal plant near Paisley, Oregon.

Photo by Lynn Culp, Surprise Valley Electric.

Left, the actual design model of Surprise Valley's geothermal plant as designed by Turbine Air Systems

Oregon Co-ops Annual Meeting Roundup

Surprise Valley Electric Co-op held its 75th Annual Meeting in Cedarville, California, on September 7 with a changing of the guard. In front of the 200 members in attendance, longtime board member **George Jaska** was honored as he retired after 36 years of leadership to the Alturas-based co-op. **Scott Warner** was elected to replace Jaska on the board of directors.

SVEC Board President **Craig Joiner** spoke about the co-ops geothermal project in Paisley. "We believe this project will benefit our members," he said.

Consumers Power held its annual meeting September 14. The guest speaker was **Annette von Jouanne**, an Oregon State University professor and leader in wave energy developments. Manager **Roman Gillen**, board director **Russ Sapp**, and the CPI Youth Tour delegate addressed the large crowd at the co-op's Philomath office.



Above, board President Craig Joiner, right, presenting gift to retiring board member George Jaska, who served on the board for 36 years. Right, CPI board chairman Russ Sapp welcomes annual meeting attendees.



Lane Electric Director **Jim Hill** announced his plans to retire from the co-op board after 39 years of service. "Jim is a statesman in every sense of the word. Lane Electric is a better place because of Jim's contributions," said Rick Crinklaw, Lane Electric General Manager.

Long-term Salem Electric employee **Paula Brazeale** retired in September 2013 after working 32 years at Salem Electric.





BPA Increase Sharpens Focus on Issues

Perspective from the ORECA president

Each member of ORECA is wrestling with cost increases resulting from the new BPA power purchase contracts that took effect October 1. That the impact on our costs is beyond our control offers little comfort to those co-op's members whose rates have increased as a result. Each of us finds ourselves explaining the intricacies of the BPA action and reaffirming our pledge to do all within our power to keep rates as affordable as possible.

We soon will have plenty of opportunity to pursue that promise. We can expect the upcoming regular legislative session to bring back some of those troubling issues that threaten to increase our costs. Among them: efforts to expand net metering and compensate facility owners at more than avoided cost rates; or a carbon study that could lead to a carbon tax.

We also could see new approaches to increasing the promotion of expensive renewable energy production or driving the energy-efficiency bar higher. Once again, we must be prepared to meet the challenge of defeating

bad legislation and promoting those proposals that benefit our members and our cooperative business model.

As always, we have strength in numbers. With our 18 cooperative service areas encompassing about two-thirds of Oregon's land mass and our service to approximately 200,000 accounts, lawmakers listen when we speak. When we combine the voices of our members, we can become even more persuasive.

In these months leading up to the next regular legislative session, I trust each of us is taking stock of what we can do as co-op leaders to engage our elected representatives and senators. I also hope that includes bringing members into the conversation. When our policymakers hear straight from the people how they are affected by

rising costs and policies that are not economically responsible, it becomes easier to see the importance of energy policies that take a balanced approach.

—Dave Markham

"I trust each of us is taking stock of what we can do as co-op leaders to engage our elected representatives and senators."

In the RED ZONE

E&O Considers the Practical Application of the Next Generation of Resources

A lively debate of issues likely to dominate the 2014 legislative session was the focus of the September E&O Committee meeting. With a diverse agenda, the committee tackled everything from small-scale nuclear power and net metering to a new innovative approach to conservation efficiency.

Ted Case told the group to expect more of the same issues (net metering, RPS, data centers) during the 2014 session. He expressed appreciation for the group's quick response, technical expertise and explanation about how proposed policy changes could affect utility operations.

Given the large number of net-metering legislative proposals in the 2013 session, Oregon co-ops and leading solar net-metering advocate **Alan Hickenbottom** (formerly with Tanner Creek Energy) had an open-ended discussion of issues at the core of net metering.

Most co-ops support manual shut-off switches and said utility personnel are trained to visually verify the shut-off of electricity to ensure worker safety and to reduce the possibility of worker injury and death. Both groups worked to gain a better understanding of differences in opinion and

to find feasible, workable options.

Explaining the most innovative approach to energy efficiency in 30 years, **Roch Naleway** announced its partnership with Starbucks and General Electric to get energy-efficiency products to customers via an online system to customers anywhere in the U.S. Ecotone Products beat out Amazon and Oracle to win the bid to develop this online system.

"This automated, on-line formula works best in rural areas, especially co-ops," said Naleway.

Ecotone Products will place personalized efficiency messages on more than 100 million coffee cups that Starbucks serves customers every week in the U.S.

Corvallis-based NuScale has worked on small (80-foot tall), self-contained nuclear power units for decades. **Amber Brinkman**, NuScale engineer, explained the technology and the challenges the company has faced (including losing financing) as it moves to production and development of small-scale nuclear energy.

"Quotable"

"IOU customers give the street name. Co-op customers say, 'The outage is down by the Johnson house by the country store.'"

—Steve Scott, West Oregon engineer, on the difference between IOU and co-op consumers.