

BPA official says rates should be higher

By E.G. WHITE-SWIFT
Of the Emerald

Expensive electricity is coming to your neighborhood — soon.

Consumers of hydroelectric power supplied by the Bonneville Power Administration (BPA), which includes the Eugene area, should expect their utility bills to inflate substantially in the next several years.

Ray Foleen, BPA deputy administrator, told a utility rates symposium in Spokane, Wash. Thursday that BPA officials expect to apply for large wholesale rate increases in 1979 and again in 1981.

"BPA estimates that it will have to increase its rates in December 1979 so as to produce at least a 60 per cent increase in total revenues," said Foleen. "A second rate increase to generate an addi-

tional 20 per cent increase is anticipated for 1981."

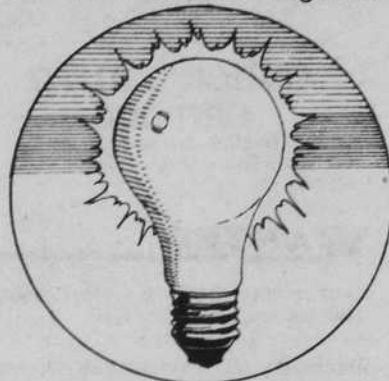
He noted that the actual increase above existing BPA rates will depend upon various rate structure factors, the results of a cost-of-service study now underway and the amounts and types of power delivered to BPAA utility and industrial customers.

By law, he said, the federal power marketing agency must repay the investment and operating costs of the hydroelectric dams and transmission lines built with federal funds. Also to be repaid and considered in the energy costs to consumers is accrued interest on capital investments and BPA borrowings under its 1974 bonding authority.

New energy generating sources, either adding hydroelectric generators at damsites or burying thermal (coal or nuclear) power, is costly. So is string-

ing transmission lines.

The BPA recently awarded contracts for construction of a 150-mile 5,000-megawatts



transmission line. It will cost \$86 million to build a line to move electricity from the Pebble Springs area of northeastern Oregon to Salem.

The line is expected to help integrate power generating sources

on the lower Snake River and the Hanford nuclear complex with high consumption centers in Portland and the Willamette Valley.

BPA officials say the new line, which replaces an existing 230-kilovolt line along the same route, will create a double-circuit line that should reduce the possibility of power outages.

The current drought situation, although improving with spring rains and consumer conservation measures, adds to the BPA financial plight and its needs for increasing rates.

"We have estimated that in fiscal year 1977, BPA would have received \$320 million in revenues under normal water conditions. We now expect \$231 million, an \$89 million reduction," Foleen said. "Over 90 per cent of the estimated reduction is drought related."

Pres. Jimmy Carter's energy program, if enacted, will require adoption of several rate variations by utilities in the next few years, Foleen said. These will include

time-of-day and seasonal rate differentials, interruptible rates for large commercial and industrial consumers and the possibility of rates which reflect the true incremental costs of future energy facilities.

Energy conservation incentives will affect future utility rate structures, he said. Cutting back on power usage may initially result in higher unit costs for the consumer, but will hold down electric rates in the long run.

For electricity consumers that have begun conserving now, rather than waiting for high costs to be accrued in monthly utility bills, there is another incentive.

If you have cut back electricity use by 10 per cent, you are eligible to receive a certificate of appreciation from Oregon Gov. Bob Straub. Write the Oregon Department of Energy, Salem, OR 97310 and detail how you have saved 10 per cent. They will send a certificate and several decals as a reward.

Energy outlook worsens

By E.G. WHITE-SWIFT
Of the Emerald

The outlook for electric energy supply in the Pacific Northwest worsened during June.

A report issued by Merrill Schultz of the Northwest Power Pool noted that precipitation over the entire region in June was much below normal. The report forecasts that the low rainfall will result in a continued drop in water run-off levels this summer.

The forecast expects run-off to be more than 10 per cent below previous dry years and only 50 per cent of average.

Schultz says the energy situation requires continued cutback of electric energy consumption. If curtailment is not achieved voluntarily, he says, there is still a strong risk of mandatory curtailments later this year.

For the four weeks ending June 30, the region's electric energy consumption was about six per cent below the forecast for June, and it was three per cent below the corresponding figure for June 1976.

"If consumption continues to run below forecast because of voluntary efforts as it has in May

and June, the probability of mandatory curtailments is very small," Schultz said.

Of the three Pacific Northwest states, a study finds Oregon the most adequate energy contingency planning authority and capability if conservation fails and the drought continues.

The study was released last week by the Northwest Energy Policy Project (NEPP), which is funded by the Pacific Northwest Regional Commission.

Contingency planning is the advance preparation of measures to balance demands and supplies in the event of an emergency energy shortage. The NEPP study, "Energy Contingency Planning," was prepared by the consulting firm of Arthur Little of Cambridge, Mass.

Among the study's findings:

- Temporary energy shortages can be corrected by either increasing supplies or reducing demands, but as a practical matter, the Northwest can do very little to increase energy supplies on a short term basis. To be effective, energy contingency planning should be aimed at modifying demands.

- Measures which can be used to reduce energy demands to meet temporary supply shortages include efficiency improvements, use restrictions, reductions in space heating and cooling, and outright curtailment.

- If states lack adequate authority or capability, responsibility for energy contingency planning would pass by default to the energy supply industries and the federal government.

- Among the Northwest's energy supply industries, electrical utilities are probably the best prepared for emergencies, as they have the best data available and the highest level of cooperation.

The Northwest Energy Policy Project plans to publish several other energy reports this year. They will encompass energy conservation opportunities and impacts, social aspects of energy conservation, energy demand forecasts, conventional and unconventional energy supplies and environmental impacts and an energy policy analysis which will combine all of the studies into an integrated overall report.

LCC energy plan wins \$10,000

By MELODY WARD
Of the Emerald

Lane Community College (LCC) won the \$10,000 first place Cost Reduction Incentive Award for its energy management program recently.

"It is tremendously satisfying to see national attention given to the work done at LCC on energy savings," LCC Pres. Eldon Schafer said of the award. "We've been progressing in this area for the last three years. This energy management program is a culmination of that effort. It shows what can happen when an institution works for its own benefit in ways that have pay-off in the community."

LCC's energy management system uses a computer, heat recovery unit and two mammoth stainless steel tanks. Recently completed, this system is expected to save the college over \$100,000 of its present almost \$300,000 annual electric bill by storing and reusing heat.

The heart of the system is a mini-computer that will monitor the college's electrical system, which includes fans, motors and use of outside air as well as heating and air conditioning.

Construction, purchase of the computer and heat recovery unit, transporting the two tanks and engineering of the project brought the total construction cost to \$285,000. It should pay for itself within three years.

LCC's energy management program was first recognized last April when the school received the Governor's Energy Conservation Award for "significant contributions to energy savings" within the state.

Presented by the National Association of College and University Business Officers (NACUBO), the latest award was made possible by a grant to NACUBO by the United States Steel Foundation. The competition was open to any of the more than 3,000 institutions of higher education in the United States.

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