

UEC: Industrial development feeds Umatilla Electric Cooperative growth

Continued from Page A1

growth is likely driven by new Amazon data centers springing up around Umatilla and Morrow counties, as well as a few other major industrial projects such as the new Lamb Weston expansion in Hermiston.

In its 2008 annual report, UEC reported that industrial customers made up 24.7% of its revenue. In 2018, that number was up to 64.2%.

Echenrode said residential sales in the past eight years have increased 2.5%. Irrigation sales have increased 19%, small commercial sales are up 27%, and large commercial/industrial sales are up 500%.

Such a large increase in industrial use to UEC's system naturally brings up questions about who is paying for that growth. Echenrode said while many cooperatives build some money for growth into everyone's fees, UEC's philosophy is that if it needs to build new lines or other infrastructure to accommodate a specific customer, it is that customer that should foot the bill instead of all UEC's customers.

"Those who trigger the growth, pay for the growth," he said.

Power costs

While equipment, infrastructure and personnel to serve customers are a part of UEC's costs, purchasing electricity from suppliers takes up most of the cooperative's budget. In 2018, 76.6% of UEC's expenditures were for wholesale power.

Much of that power comes from the federally owned Bonneville Power Administration, which sells electricity from 31 dams, a nuclear power plant and several small nonfederal power plants.



A substation technician installs a ground wire on a riser structure in December 2017 at a new Umatilla Electric Cooperative substation on East Elm Avenue in Hermiston. EO file photo

In 2011, UEC signed a 20-year purchasing contract with BPA, after BPA changed its rate structure. Demand for BPA's power was outstripping supply, and so BPA calculated a "high water mark" for utilities. The complicated formula used the amount of power BPA was able to produce in its lowest-performing years (when dry weather meant low stream flows through hydroelectric dams) and the utilities' usage in recent years.

Each utility was then assigned an amount of power it could purchase from BPA at "Tier 1" rates, which BPA

would set at cost. Any power the utility needed beyond that amount would be considered "Tier 2" power, to be purchased at market rates. In high-water years, BPA would sell its excess power into the market and use the profits to keep Tier 1 prices low.

"The assumption at the time was that power costs were going up," Echenrode said.

Power costs in the market didn't go up, however. Instead they dropped, due to a confluence of factors that included fracking causing natural gas to drop to a fraction of its previous price.

Rapid growth in Hermiston and surrounding areas has pushed UEC well into needing Tier 2 power for its newer customers each year, but Echenrode said it so far hasn't hurt them — the market price is actually lower than BPA's Tier 1 prices.

"Nobody would have ever thought of that when the contracts were signed in (2011)," he said.

UEC's contract with BPA is up in 2028, but Echenrode said that he expected they would be purchasing power from BPA well beyond that.

"They've been very good to us, and very good to our customers," he said.

Renewable energy

Echenrode said it was hard to know what market rates for power would do in the future, particularly as more states enact laws around renewable energy and cap and trade.

Oregon Democrats are trying to pass cap-and-trade legislation of their own, which Echenrode said will "likely have a cost."

In 2016 the legislature passed a law requiring investor-owned utilities to get at least 50% of their power from renewable sources by 2040, and consumer-owned utilities such as UEC to must get

to at least 25%. The law does not include existing hydropower from dams as a renewable source, because lawmakers stated the intent was to encourage creation of new renewable energy sources.

Echenrode said the market "may demonstrate renewables are less expensive over time," or the law may force UEC to purchase more expensive electricity.

Compliance is shown through Renewable Energy Certificates, and Echenrode said UEC has been building those up now to protect it from spikes in the market.

Despite some uncertainty about the future of the market, Echenrode said UEC is bound to serve all customers in its service area, and he believes that overall the area's growth is good for residents. The growth, for example, has helped pay for new equipment to serve customers, and enabled improvements such as UEC burying miles of lines on Weston Mountain to decrease fire hazards.

After BPA recently announced an increase in its prices, UEC will be adjusting its rates by about 2% in 2020, Echenrode said — something the utility will send more information to customers about in December.

For customers worried about their personal or business electric bill, he said, UEC works hard to help people increase their energy efficiency through free home energy audits, low-cost loans, cash rebates, weatherization and more. Information about those programs can be found at www.umatillaelectric.com/energy-efficiency.

"The cheapest kilowatt hour is the kilowatt hour you save," Echenrode said.



Donated pies sit ready for Thursday's Thanksgiving dinner at the Salvation Army in Pendleton. Staff photo by Kathy Aney

Chance: 'This is a perfect moment'

Continued from Page A1

Breshears family: Karma, 13, Layton, 11, Savannah, 7, Drake, 8, and their mother Danielle.

Danielle said 8-year-old Drake was the reason she suggested volunteering at the dinner to her four children.

"Drake has a huge heart for the homeless," she said. "He's been begging to work at the warming station. He also wants to make hot chocolate and give it out to them."

As she spoke, Drake

walked by with a plate of turkey and all the trimmings. She smiled.

"This time of year is about giving," she said. "Kids get in the mode of receiving so much. It's nice for them to have a chance to give."

Drake wasn't quite as big picture as his mom.

"I take people's plates and serve food to them," he said. "They seem happy. I like it."

Drake's older sister Karma said she was enjoying the opportunity now that she was here.

Her mother, she said, had taken them by surprise.

"But we're up for it," Karma said. "I was a little scared at first that I'd drop a plate, but I'm over that."

Danielle served up plates, stealing glances at her progeny as they experienced the joy of giving to others. It doesn't get much better as far as teaching life lessons.

"This is a perfect moment," she said.

Contact Kathy Aney at kaney@eastoregonian.com or 541-966-0810.

Delivered: Volunteers spent the day delivering dinner to people's doorsteps

Continued from Page A1

United States.

"Oh, I've been all over," he said.

The pair met in Denver, Colorado, when Robert — originally from Kansas — would deliver equipment to the railroad company where Terri-Lynn worked at the time. Together, they moved back to Terri-Lynn's hometown of Hermiston to care for her aging parents.

For years, Terri-Lynn was working at the Union Pacific Railroad in Hermiston, but due to recent layoffs, she retired unexpectedly early last month after more than 27 years in the industry.

"But you have to look at it in a positive light," she said. "Now we have more time to do volunteering like this."

Their goal is to bring food and a little celebratory spirit to people who might not be able to make it out of the house to attend the free Community Fellowship Dinner, which is held at Hermiston High School each Thanksgiving afternoon and open to everyone in the community. Sometimes, they'll give rides to and from the high school for people hoping to get out of the house for the holiday.

The pair also volunteer to deliver meals on Christ-



Volunteers dish up dinners to go during Thursday's Community Thanksgiving Dinner at Hermiston High School. Staff photo by Kathy Aney

mas. One year, they remember delivering meals to a local motel. The woman who answered the door was grateful, and explained that the food was all her family had in the way of celebration that year.

"You don't know what someone's circumstance is. We're so blessed, it's nice to be able to bless others," said Terri-Lynn. "Put a smile on someone's face."

They always seem to be smiling too.

Before heading back to the high school to load their car up for round two of deliveries, the pair swung by a residence on Hermiston's west side.

Robert ran out to make the delivery. The woman inside used to volunteer at the Thanksgiving dinner

and had two dogs — including a dachshund.

"That dog was a dog-and-a-half long," he joked.

Back at the high school, tables in the main commons were filled with families chowing down, a flower bouquet at every table.

According to Makayla Humphreys, who was checking in volunteers, there were some last minute no-shows Thursday morning due to illness.

"Flu season is here," she said. "But in the end, it always works out that we have enough people."

The nonprofit didn't have exact totals for how many people were served Thursday, but according to board chair Gary Humphreys, the Thanksgiving dinner fed over 700 people last year.

Measure 49: Local governments, landowners don't appear eager to take advantage

Continued from Page A1

To mitigate the risks from such home-building, DLCD enacted rules in 2014 under which landowners in farm and forest zones can transfer their development rights to rural residential zones or areas that have already been largely subdivided.

Since then, however, not one county government has implemented an ordinance that would allow landown-

ers to transfer these development credits, Marvin said. That's likely because county officials have limited time and resources to create such programs.

"They'd have to compete with other things on their agenda to get this in," she said.

If landowners were excited about transferring their development rights, they'd probably demand that county officials make that option available —

something that clearly hasn't happened, said Jim Johnson, land use specialist with the Oregon Department of Agriculture.

"There's not, in my opinion, a real demand for it," Johnson said. "If nobody is asking for it, the county has other things to do."

While the development credit transfer system should be a "win-win for everybody," it's likely that Oregon's program is too restrictive to be enticing

to landowners, said Dave Hunnicutt, president of the Oregon Property Owners Association.

Landowners are unlikely to want to jump through the program's regulatory hurdles without an incentive, Hunnicutt said. "There'd better be something valuable at the end of that."

Currently, development credits can only be transferred within the same county, which is a geographical limitation that

probably discourages landowners, he said.

Those in remote rural counties would be more interested in the program if they could transfer the development credits to more urbanized areas, Hunnicutt said.

Allowing more flexibility makes sense, since geographical restrictions won't prevent property development under Measure 49.

"Those are going to happen and there's nothing

anyone can do to stop them," Hunnicutt said.

Another possibility would be to allow additional dwellings to be built with the development credits if they're transferred from farm and forest land into rural residential zones, said Rep. Brian Clem, D-Salem, who chairs the House Agriculture and Land Use Committee.

"I feel like we need to sweeten the pot somehow," Clem said.