

Industrial development feeds UEC growth

By **JADE MCDOWELL**
NEWS EDITOR

As industrial development drives growth around Hermiston and Boardman, Umatilla Electric Cooperative is experiencing rapid growth of its own.

It took the Hermiston-based, consumer-owned cooperative 77 years to sell its first billion kilowatt hours. This year alone it expects to provide customers just shy of 3 billion KWH.

“Our average growth has been close to 20% per year in the last eight years,” Umatilla Electric CEO Robert Echenrode said, noting that the increased volume comes despite advances in energy efficiency causing individual customers to decrease their usage.

UEC has a policy against discussing specific customers. But anyone paying attention to Hermiston, Umatilla and the Port of Morrow can guess that much of UEC’s 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%,



HH file photo

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.

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.

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 is able to produce in

its lowest-performing years (when dry weather means low stream flows through hydroelectric dams) and the utilities’ usage pre-2010.

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 later this month.

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.

Police seek missing Hermiston woman



Contributed photo

Graciela Garcia, 49, of Hermiston, was last seen on November 8.

HERMISTON HERALD

The Hermiston Police Department is investigating the disappearance of a woman who hasn’t been seen by friends or family since November 8.

Graciela Garcia, 49, of Hermiston, owns and operates Careyes Beauty Salon out of her residence on 298 E. Hurlburt Ave.

According to her daughter, Anabel Coria, she had recently moved her business to that address.

“She’s had her business a long time, and has lived

here all her life,” Coria said. “We don’t really know much, where she went or who could have taken her.”

Coria and her family are asking people to share any information regarding where Garcia may have been seen on November 8 with the Hermiston Police Department.

According to Hermiston Police Chief Jason Edmiston, the ongoing investigation was opened three days after Garcia went missing, on November 11.

“We are actively investi-

gating this case, and detectives are continuing to work on this,” he said.

He said there are no confirmed details available about exactly where or when Garcia was last seen.

A missing poster, which has been circulating on local social media, describes Garcia as about 5-foot-4-inches tall and 140 pounds.

Anyone who might have information regarding Garcia is encouraged to call the Hermiston Police Department at 541-567-5519.

Oregon ends use of driver license and ID address stickers

HERMISTON HERALD

When Oregon residents update their addresses with the Department of Motor Vehicles, they will no longer be required to apply a sticker on their driver’s license, permit or ID card as of Jan. 1.

The DMV will no longer mail labels with new addresses on changes of addresses received after Dec. 31.

Ending the use of address stickers is estimated to save \$550,000 a

year in printing and postage costs. That savings will go into the State Highway Fund to support local and state roads.

Oregon law requires driver’s license, permit and ID card holders to file a change of address with DMV within 30 days of moving to a new address within Oregon.

Until this law change, Oregon was one of only three states that required cardholders to place a new address sticker on a license, permit or ID card.

Boardman crash injures St. Paul superintendent

HERMISTON HERALD

The superintendent of the St. Paul School District was injured in a two-vehicle crash on Interstate 84 outside Boardman on Saturday afternoon.

According to a statement from the St. Paul Middle and High School principal, Patrick Schrader, Joseph Mark Wehrli was on the way home from the OSAA football state championships at Hermiston High School, where Heppner beat St. Paul to win the 2A title.

A commercial truck and trailer driven by Liviu Aurel Czegledi, 44, of Portland, was slowed in the right lane

for traffic caused by a previous accident near milepost 162 when a Ford pickup driven by Wehrli collided into the back of the trailer at highway speed, according to the Oregon State Police.

Wehrli was incapacitated at the scene, and was flown by LifeFlight to Kadlec Regional Medical Center in Kennewick, Wash., with serious injuries. He has broken bones in his left leg and hip, according to Schrader. His dog was in the truck at the time of the crash but was not hurt.

The crash blocked the freeway for 2-1/2 hours. No citations were issued.



Wehrli

Hermiston Warming Station opens for the season

HERMISTON HERALD

The Hermiston Warming Station is now open.

Director Teesie Hill had said in November the station’s opening could be delayed due to lack of volunteers, but the shelter was able to get enough volunteers to open for the season last Wednesday.

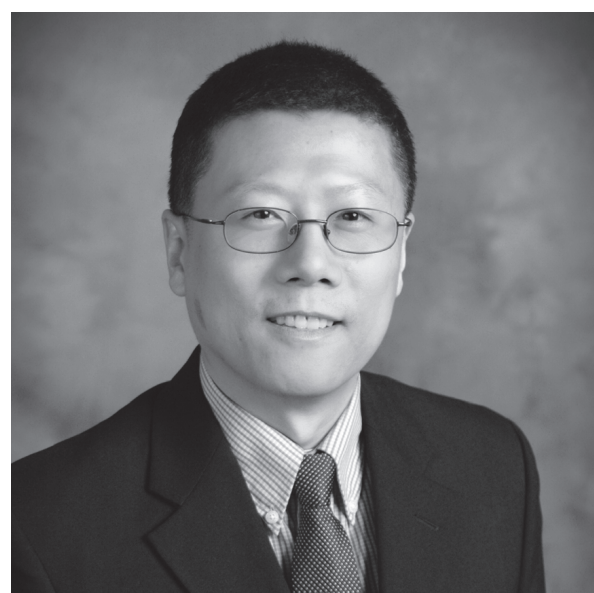
The warming station is in a house at 1075

S. Highway 395, across from Tower Apartments. It will be open each evening through the end of February. Check-in for guests is from 7:30-9 p.m. Families are allowed.

The Hermiston Warming Station takes donations of items to benefit guests. For a list of possible items and how to donate, see the holiday giving guide on page A1.



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Kan Yang earned his degree of Doctor of Osteopathic Medicine from Michigan State University College of Osteopathic Medicine, DMC Campus, in Detroit, Michigan. He completed his residency with The Wright Center for GME, Family Medicine Regional Network, in Scranton, Pennsylvania. In his spare time, Kan enjoys reading science fiction, spending time with family, jogging, and playing squash, basketball, ping pong, and tennis.

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