

Power of the People

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Power Supply Decision Looms

Bonneville Power Administration has just released its Record of Decision (ROD) for all of the electric utilities to review and then comment on regarding their proposed distribution of the power supplied by the federal power system. Now that we have the ROD, West Oregon EC will be reviewing how it will impact our system and what our best options are for our future power supply.

BPA will be breaking their power supply into two Tiers. Tier I will be intended to provide for our current loads. They will use what is called a "High Water Mark" based upon our peak power demand in the year 2010. This will determine the amount of power we will be allotted from the federal power supply produced by the Bonneville Dam. Any growth that occurs in our system after the contract begins, (the current contract is set to expire on September 31, 2011), will be put into Tier II. This power will have to come from either the open market, which is fraught with huge price fluctuations and unpredictable swings in availability, or from outside sources, such as wind, solar, coal, or gas plants. Regardless of the source, the power purchased in Tier

II will be much more expensive than the power provided by Tier I.

The other large part of this deal for our future power supply is that we are being asked to commit to signing a 20 year contract. Being such a long term deal is not new, but it does increase the impact and the scope of our decision. West Oregon is looking very closely at the ROD, and researching what our best options will be for our members. It is a "no brainer" as they say, to purchase all that we can for the next twenty years from BPA for our Tier I power supply is the absolute best source for our present and future power supply. It is undeniably the lowest cost power available in the Northwest and a clean, renewable power source. From there the decision process becomes much more complicated. Some of the questions we have to ask ourselves are: What is the next cheapest source of power? Is it firm power, (firm power is constantly flowing and uninterruptible power which solar and wind are not), and if not what do we firm it up with? Do we join in a project to produce power for the future and if so, which project and with whom? What is PNGC (Pacific Northwest Generating Cooperative of which we pool with 14 other electric cooperatives to purchase, manage, and sell our current power supply), going to look like going forward, and will that organization continue to fit our needs?

What is clear to me at this point is that

Tier I from BPA is a must, and that West Oregon should not and cannot go it alone in Tier II as the price and supply volatility would not be prudent for our Co-op and its members. There really is strength in numbers, whether it is pooling existing resources or joining together to acquire or build new ones. We are currently working on increasing our share of Coffin Butte as it is a low cost and renewable source of power in which we are already involved. We are and will continue to do our due diligence to make the best decision for West Oregon EC and its members in choosing our future power supply, and who we partner with to provide the most control and best management of our power supply and costs.

Unemployment rate is still flat

Columbia County's seasonally adjusted unemployment rate was essentially unchanged at 5.4 percent in June and a touch lower than the year before (5.8%). The rate was a little higher than the statewide rate (5.1%) and higher than the national rate (4.5%). Total employment rose by 69 from May to 22,815 and the number of unemployed people rose by 70 to 1,327. Total employment this June was 400 more than one year before and there were 87 fewer people unemployed.

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