



COOPERATIVE'S ENERGY CONSERVATION FAIR A HIT AT THE ANNUAL MEETING

May 19, 2011 [PORT ORFORD]: Over 200 people, including about 100 members of Coos-Curry Electric Cooperative, Inc. (CCEC) attended the cooperative's annual meeting of the membership at the Gold Beach High School on Saturday, May 14th.

For the second year in a row, the cooperative invited vendors to attend a "themed" fair. This year's theme was energy conservation and vendors were on hand to display energy efficient windows, heat pumps, windows, insulation, lighting and electric and hybrid vehicles. "I would like to sincerely thank the vendors who participated in this year's energy conservation fair," general manager/CEO Roger Meader said. "We can talk about ways to use energy wisely; but to have you attend the event, display and discuss your products with our members and answer their questions in person brings so much more value. I can't thank you enough."

Energy conservation will be even more important in the future as Meader explained in his discussion of wholesale power, the cost of doing business and rates during the business meeting. "Wholesale power makes up about 44 percent of our cost of doing business and when that cost goes up 10 percent, we typically have to raise retail rates by at least 4.4 percent to cover it," Meader said. He mentioned that the Bonneville Power Administration (BPA), the cooperative's wholesale power provider had announced a couple of months ago that they would be raising the price of wholesale power by at least 8.5 percent. And, he went on to discuss in detail the factors and events that were putting pressure on rates.

"As most of you know, the vast majority of the power we purchase from BPA is generated by the extensive river system we have in the Pacific Northwest," Meader said. He went on to explain that any generation resource has environmental consequences; and for hydropower, which is a clean, renewable source of energy, the consequence is the effect it has on fish and wildlife. "Electric ratepayers in our region have spent billions of dollars on programs designed to mitigate the effects of generation, improve fish and wildlife habitat and increase the numbers of fish returning to or living in our river systems," Meader continued. Approximately 30 percent of the cost of the cooperative's wholesale power is dedicated for fish and wildlife programs, which equates to about \$18 of every monthly electric bill members pay.

Meader went on to explain the challenges with wind integration and its impact on market prices. "It used to be that our hydro generation peaked in May and June as a result of high spring flows," he said. "Having a lot of water for generation would drive down the price we paid for that generation; and that was good for the electric consumers in the region" But he went on to explain that as it turns out, wind generation peaks in the same months, resulting in excess generation that was sold on the open market at rock bottom prices. Current economic times which have affected BPA's revenue, an increase in their cost of doing business and a less than

desirable snow pack which fuels the hydropower system also put pressure on the price of power.

“We know there will be even more pressure on rates in the future,” he continued. He described the Deficit Commission’s proposal to raise the cost-based wholesale power rates we now have with the BPA to market-based rates, a possible biological opinion ruling that would require more water spilled for fish rather than used for generation and removal of the hydroelectric dams on the lower Snake river as potential increases in the cost of wholesale power.

“We’ve looked at everything possible, made cuts where we could, reduced staff through attrition by about 10 percent since 2007 and are very active in shaping legislation that could add additional cost to your power bill because we know no one likes increases,” Meader said. “Bottom line is with BPA’s increase in wholesale power of 8.5 percent in October, we will only need to raise retail rates by 2 percent in response; and that should take us through 2013.” Meader went on to remind members that since 2005, the cooperative reduced rates by 5 percent in 2007 and increased rates in 2009 and 2010 by 7.5 percent and 4 percent respectively in response to BPA adjustments. “Since 2005, our annual adjustment, including this 2 percent, is right around 1.4 percent and through 2013 it will be around one percent which is less than the national average of 3.7 percent.” The increase is expected to be effective October 1st.

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About Coos-Curry Electric Cooperative, Inc.

Coos-Curry Electric Cooperative, Inc. (CCEC) was founded in 1939 by a group of Coos County, Oregon, residents who wanted electricity in their area. Today, the nonprofit cooperative has approximately 14,000 members, over 17,000 meters in Coos, Curry, and Douglas Counties, and 1,626 miles of line, including 52 miles of transmission line between Gold Beach and Brookings. CCEC serves the rural populations east and south of Coos Bay in Coos County, a portion of Douglas County and all of Curry County except for the town of Langlois. Headquartered in Port Orford, Oregon, CCEC has area business offices in Port Orford, Coquille, Gold Beach and Brookings.