

OTEC-PRESS RELEASE

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OTEC prepares for BPA rate increases this fall

Baker City, Ore. – Today, the Bonneville Power Administration (BPA) announced it will increase the cost of power it provides to its not-for-profit electric utilities in the Northwest, including Oregon Trail Electric Cooperative (OTEC). The rate increase of 7.1 percent average for wholesale power and 4.4 percent average for transmission will take effect October 1, 2015.

While a non-profit federal agency, BPA's projections to spend approximately \$8 billion over the next eight years in updates to their aging transmission and generation infrastructure along the Federal Columbia River Power System (which includes 31 federal dams and one nuclear plant), paired with an additional \$782 million to fund one of the largest wildlife protection and restoration programs in the world, has pushed them up against their U.S. Treasury borrowing limit.

Moreover, the cost for balancing energy production and the environment has reached its highest level since 2010. According to a 2014 [draft analysis](#) released by the [Northwest Power and Conservation Council](#), one-third of Bonneville's wholesale rate is estimated to be associated with its fish and wildlife programs.

"BPA has been operating on borrowed time for about 6 years now," explained Werner Buehler, OTEC's General Manager. "When you combine much needed transmission updates, conservation, soft natural gas prices, an abundance of wind and solar power and the reduced demand for the excess power BPA produces you have a need to compensate for that reduction in revenue."

Customers affected by this increase include 54 municipalities, cooperatives, federal entities, tribal utilities and public utility districts in the Pacific Northwest. OTEC serves approximately 30,500 meters in Baker, Harney, Grant and Union counties.

"Over the past eight years, OTEC's costs, unrelated to BPA power purchases, have increased, on average, one-half a percent per year allowing us to keep our charges for electric service reasonable and highly competitive with our peers," said Buehler. "As a local, member-owned and not-for-profit cooperative, we do not raise rates to generate profit. But, at the end of the day, when OTEC experiences an increase in power costs, we need to cover the cost of doing business and pass the increase along to the members who own the cooperative."

Over the next month, OTEC's board of directors will determine how much the rate increase to members will be. OTEC's members will be informed of the exact amount of the rate increase this fall through the News from the Trail billing insert, Ruralite magazine, via OTEC's website at www.otecc.com and through OTEC's Facebook page at www.facebook.com/OTECOop.

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Source: <http://www.ect.coop/public-policy-watch/energy-environment/fish-and-wildlife-programs-hit-782-million-in-2014/82730>