

Oregon Legislature...It's back in session!



The Oregon State Legislative Session has begun and looks to be a busy one. The staff of the Oregon Rural Electric Cooperative Association (ORECA) and our grassroots Power of Community members will play an important role in contacting their state legislators to help keep the lid on rising electric rates. Page 5 provides a snapshot of what we are looking at for 2007.

The governor's office is proposing a mandate that all electric utilities – regardless of size – purchase a substantial portion of their energy from new renewable resources. The problems with this renewable portfolio mandate for electric cooperatives (co-ops) are numerous.

Co-ops already purchase more than 70 percent of their electricity from renewable hydro projects. However, clean, regenerating hydro is not recognized as a renewable resource under the bill. ORECA has passed a resolution that includes hydro as a renewable, and will be supporting legislative efforts as they are introduced this session.

Second, co-ops are accountable to the members they serve – not state government. In a recent survey on renewable energy, a clear majority of co-op members believed that their locally elected board should make the resource decisions for their non-profit utility. Legislative mandates like this completely circumvent your right to determine what is in the best interest of your co-op.

Issues involving electricity distribution systems and costs will figure prominently this session, as well. Expect bills on cell phone use, helmets, propane distribution and more. There is always a threat that co-op members will be asked to pay a three percent public purposes tax, too.

Another hot issue for co-ops is the theft and sale of metal from yards or substations. Safety and cost are primary concerns for co-op employees and members. One or more bills will be introduced this session to stiffen penalties for thieves.

These are the legislative "highlights" so far. Be on the lookout for more information on these issues and others through Salem Scoop our legislative newsletter created especially for our Power of Community members.

Become a Power of Community Member Today...

Power of Community needs your energy to keep this grassroots network of Oregon co-op consumers going strong! Joining Power of Community is free and you are never under any obligation. Simply fill out and return the card with your electric bill, or sign up on line at www.oreca.org/power_card.htm or www.laneelectric.com.

As a Power of Community Member, you will receive...

- The *Salem Scoop*, a newsletter highlighting bills and issues on renewables at the state and federal levels.
- *Powerline*, a full-color publication profiling co-op communities and renewable projects throughout Oregon.
- Action alerts providing you with step-by-step instructions in contacting your elected officials to express support or opposition to policies involving renewable energy.

ORECA never shares your personal information, and you may cancel your participation at any time. Please support your local electric co-op and sign up today!

Yes! Sign me up to join the Power of Community!



Name _____

Address _____ City _____

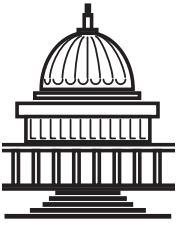
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Either return this card with your electric bill

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SALEM SCOOP



Vol. 4, Issue 1

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The state legislative session is on a fast track, says Sandy Flicker, executive director of the Oregon Rural Electric Cooperative Association (ORECA). Sandy is the chief lobbyist for the statewide association that coordinates the Power of Community (POC) program. Thanks to electric cooperative members like you, POC reaches 6,000 households in Oregon.

The new majority of Democrats are anxious to prove they can run the legislative process better than the Republicans have in the past. This means making sure all legislators and special interest groups stick to strict deadlines for introducing bills. February 26 was the last day a bill could be introduced.

Lawmakers from both sides of the aisle stunned most pundits when they agreed to increase corporate taxes, put money away in a “rainy day” fund and cut estate taxes.

The bipartisan measure would put \$250 million into the rainy day savings account—money that would have been returned to large corporations—generate approximately \$75 million for public services from new corporate taxes, and raise the minimum threshold on the current estate tax from \$1 million to \$2 million.

Two losers in the deal were Governor Ted Kulongoski’s funding for Head Start and college financial aid, which will have to go through the funding process like other measures.

What's Happening At The State Capitol?

ORECA has been working successfully to obtain exemptions for electric co-ops in bills being introduced that affect cost and operations for utilities. Priority one is to pro-

tect local control, your right to decide what is in the best interest of your electric co-op through your locally elected board of directors.

From the Governor

Governor Kulongoski, working with State Senator Brad Avakian — a Portland Democrat and chairman of the Senate Environment & Natural Resources Committee) released a draft of their renewable portfolio standard (RPS) bill requiring utilities to purchase 25 percent of their power from renewable resources by 2025.

The bill would affect ORECA’s largest members.

ORECA is working to exempt all co-ops out of the bill, and has introduced its own bill—Senate Bill (SB) 19, which exempts electric co-ops from this costly requirement and keeps member control of local electricity portfolios.

Another ORECA bill would classify hydro as a qualifying renewable resource. The reason for the bill is the governor is unwilling to consider hydro a renewable resource. His goal is to stimulate the development of renewables, such as wind power. Co-ops already use more than 70 percent of clean, renewable hydro in their fuel mix. Co-op members have paid for the hydro system and continue to pay 30 percent of the wholesale electricity bill for fish mitigation programs.

ORECA believes co-op members deserve to be recognized for their outstanding contribution to decreasing greenhouse gases.

Helmets

House Bill 2062 mandates helmet use for anyone operating a motorcycle or all terrain vehicle (ATV). Co-

op employees wear OSHA-approved hard hats, so this bill is redundant for those patrolling their distribution systems on ATVs to fix downed power lines, or clear brush. ORECA is seeking an exemption for co-ops.

Cell Phone Use

Outlawing cell phone and two-way radio use while driving is a hot bill this year. However, SB 293 would adversely impact a co-op’s ability to communicate with its crew while enroute to an outage. ORECA is seeking an exemption to this bill.

Propane Update

Some co-ops in Oregon have diversified, selling propane and electricity. SB 375 would require every residence and business to upgrade old propane furnaces to ones 90 percent efficient. ORECA is seeking an exemption to this bill for the unnecessary cost it would place on propane consumers, who are mainly in rural Oregon.

Metals Theft

ORECA is a member of a coalition dedicated to stopping scrap metals theft. This is a particular problem for utilities that have seen a rise in metals theft from their distribution systems and work yards. Metal is often sold to scrap dealers for drug money. ORECA will work hard for the passage of HB 2344.

E-mail Your E-mail

E-mail is the best way to keep you current on the progress being made with certain bills and legislative alerts. Make sure POC has your e-mail on file by sending your name and the name of your electric co-op to oreca@oreca.org. ■



Your help really can make a difference!

Consider contributing to our member assistance program... it feels good when you help!

THANKS to the caring spirit of several hundred Lane Electric members, almost \$10,000 is raised annually for the Member Assistance Program (MAP). Every dollar goes to provide emergency aid to families that are experiencing a financial crisis by paying part of their electricity costs.

YOU CAN HELP make cold, winter periods more comfortable for a needy family, fixed income senior, or disabled person by making a voluntary contribution to MAP. You may make either a single (one-time) contribution, or pledge an amount you want to give each month to your bill, and your decision to pay the pledge will be completely voluntary.

IT'S EASY to help. Simply fill out the attached coupon and return it to Lane Electric. Donations are tax-deductible and go directly to needy customers. Lane Electric pays all administrative costs for the program.

THE GOAL OF MAP is to offer assistance to members who don't qualify for other types of relief. Because of deep cuts in government assistance programs, a growing number of people can't get help due to limited funding. It is these families, who "fall between the cracks", that MAP is intended to help.

**For More Information
Call Lane Electric
484-1151**



YES! I'd like to participate in Lane Electric's Member Assistance Program (MAP).

PLEASE add my pledge below to my Lane Electric bill:

\$1 \$5 \$10 Other \$_____ as a:

One-time contribution

Monthly contribution

I understand that I may select the amount I want to pledge and that the amount I pledge will appear on my electric bill until such time that I notify Lane Electric in writing to change my pledge or cancel my participation in the MAP program.

Name: _____

Address: _____

City, State & Zip: _____

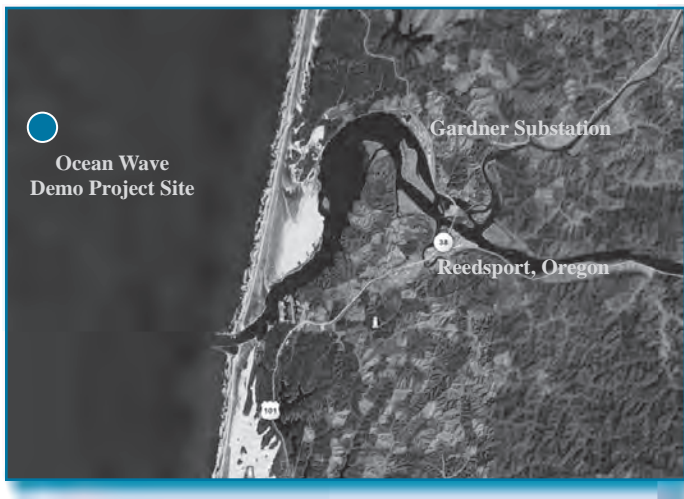
Phone #: _____

Account #: _____

Signature: _____

Date: _____

If you wish to participate in the MAP program, please clip and return this coupon with your electric bill payment.



Wave Energy Coming To Coast...

Renewable resource - An Oregon-based electricity co-op and a New Jersey company join forces

Story by GAIL KINSEY HILL, The Oregonian

A Portland-based electric co-op has hooked up with a private company to help develop a wave energy project off the Oregon Coast near Reedsport.

The agreement between Pacific Northwest Generating Cooperative (PNGC Power) and New Jersey-headquartered Ocean Power Technologies signals rising commercial interest in the emerging form of renewable energy.

It also underscores the possibility that the Reedsport project could become the first utility-scale wave energy facility in the country.

Wave energy "holds the promise of so many advantageous features," said Kevin Watkins, PNGC Power's engineering vice president. "We're optimistic about our participation."

The initial phase of the wave project, at 2 megawatts, is tiny by traditional energy standards -- a typical natural gas-fired plant boasts a capacity of 400 megawatts or more. But, Watkins said, it helps pave the way for expansion and for large-scale development of ocean resources.

Watkins estimated that a 2-megawatt wave energy facility would produce enough energy to power at least 500 homes annually.

Last month, Ocean Power received preliminary approval from the Federal Energy Regulatory Commission for a project at the site with as much as 50-megawatt capacity.

The 12-year-old New Jersey company focuses on a proprietary technology that captures wave energy using large floating buoys anchored to the seabed. Other project sites include Oahu, Hawaii; Atlantic City, N.J.; and Santona, Spain.

To kick off the Reedsport project, Ocean Power plans to install one test buoy 2.5 miles off the coast this year. If the pilot phase meets performance expectations, another 13 buoys will be added to the site to reach the 2-megawatt capacity target.

"That's when the real action begins," said Watkins, who hopes for a late-2008 completion date.

The electricity generated by the system would plug into

the transmission grid at a federal Bonneville Power Administration substation in nearby Gardiner.

Under the agreement with Ocean Power, PNGC Power would pay for costs associated with the pilot buoy and buy power from the completed 2-megawatt project. The co-op is owned by 15 utilities with customers in Oregon, Washington and Idaho.

Neither PNGC Power nor Ocean Power said how much each would spend on the endeavor.

Justin Klure, a senior policy analyst with the Oregon Department of Energy, said wave energy, still in its early stages of development, costs three to four times that of conventional sources of electricity such as natural gas or coal-fired plants. Large-scale commercialization remains five to 10 years away, he said.

Klure said PNGC Power's pact with Ocean Power "definitely demonstrates the viability of commercial development."

Oregon Gov. Ted Kulongoski, who has made renewable energy a centerpiece of his political agenda, also has committed resources to the Reedsport project. He has agreed to help Ocean Power and those affected by the wave project's development hash out details likely to be included in any final FERC license for the facility.

Kulongoski's 2007-09 budget proposal includes \$5.2 million to help develop the project and build a wave energy research and development center. The center, the first of its kind in the country, probably will be located in Newport, where Oregon State University is known for groundbreaking wave energy research.

"Oregon is trying to position itself as a leader in wave energy," Klure said.

Gail Kinsey Hill: 503-221-8590, gailhill@news.oregonian.com

LANEELECTRIC
COOPERATIVE

Down The Line



Dear Member:

On occasion, we receive emails, phone calls and notes from members who are interested in learning about the various renewable energy resources and programs that are available today.

As well, members ask specifically about the level of Lane Electric's involvement with "renewables" and whether or not there is, or will be, a "green power" program available for them to participate in.

A little history... For many years, Lane Electric has contributed annually, to the Bonneville Environmental Foundation (BEF), for the research and development of new, cost-effective renewable generation projects for northwest rate-payers.

While there are a number of renewable generation projects, *wind, small-hydro, solar and even geo-thermal*, operating in the northwest today, they are not new. Some have been in operation for many years.

Lane Electric's philosophy, which is similar to (BEF) has been to encourage, promote and invest in the research and development of new renewable projects, designed to augment or compliment the existing federal-based hydro system.

Lane Electric does not currently offer a "green" or "renewable" power program for its members to participate in however, we are in the process of developing one as this message is being written.

We are studying the various options and products that might be included in a "green" power program. As well, we are preparing the marketing and promotional pieces that go along with it. We want to make sure that we have not missed anything when we present it to the membership for subscription.

Be looking for some additional information in the *Ruralite*, your bills and on www.laneelectric.com about our "green-power" program in the next few months.

Rick Crinklaw,
General Manager



787 Bailey Hill Road / P.O. Box 21410
Eugene, Oregon 97402

Office Phone: (541) 484-1151
Website: www.laneelectric.com

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4th Monday of each month
(Unless otherwise noted)
Lane Electric's Office at 11 a.m.

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