



TESTIMONY OF MATT MICHEL, PRESIDENT
OREGON MUNICIPAL ELECTRIC UTILITIES ASSOCIATION

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENT
FEBRUARY 12, 2013

Chair Bailey, Vice Chairs, Members of the Committee, I am Matt Michel, President of the Oregon Municipal Electric Utilities Association. I appreciate the opportunity to be here today and provide an overview of Oregon's municipal electric utilities.

Who are we?

Eleven of Oregon's municipally owned and operated electric utilities joined to form the Oregon Municipal Electric Utilities Association (OMEU) via an intergovernmental agreement (IGA) authorized by ORS 190. OMEU supports the collective interests of its members and their customer owners at the state legislature, state agencies, various trade associations and the Bonneville Power Association (BPA). A twelfth municipally owned electric utility in Oregon, the Eugene Water and Electric Board (EWEB), maintains independent representation in coordination with OMEU. Please see Attachment A for a map illustrating all of Oregon's municipal electric utilities with their inception dates.

Pioneers among consumer owned utilities

Starting over 100 years ago, advocates of public power fought to form municipal utilities which cleared the way legislatively for the formation of cooperative (Co-ops) and people's utility districts (PUDs), all of which are known today as Consumer Owned Utilities (COUs). For a map of the COU service areas, please see Attachment B.

Uniquely community oriented

Municipally owned utilities are governed by their city council or utility board comprised of community members who set rates, regulatory policies, develop programs and services and respond to the specific customer needs – with the primary focus of delivering safe, reliable and affordable electricity.

Resource mix

OMEU members obtain all or most of their power from the BPA. A few members independently obtain a small amount of hydro power from Grant County, Washington. Please refer to Attachment C for more details regarding the resource mix from BPA.

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Early adopters

In 1981, the [City of Ashland](#) passed one of the first citywide Solar Access Protection Ordinances in the United States. ([Sec.18.70](#)). Ashland purchases about 98% of their power from BPA, another .05% is from solar and 2% is [Hydro](#) at Reed Reservoir with City-owned turbines.

[Forest Grove Light and Power](#) recently installed solar on their utility building which powers city electric vehicles.

In 1984, [Milton-Freewater City Light & Power](#) started controlling peak demand and direct load (see [www.omeu.org](#)) which reduced customer rates. In 2012, Milton-Freewater was selected to participate in the \$178 million USDOE Pacific NW Smart Grid Demonstration Project.

Where do we expect to be in five years?

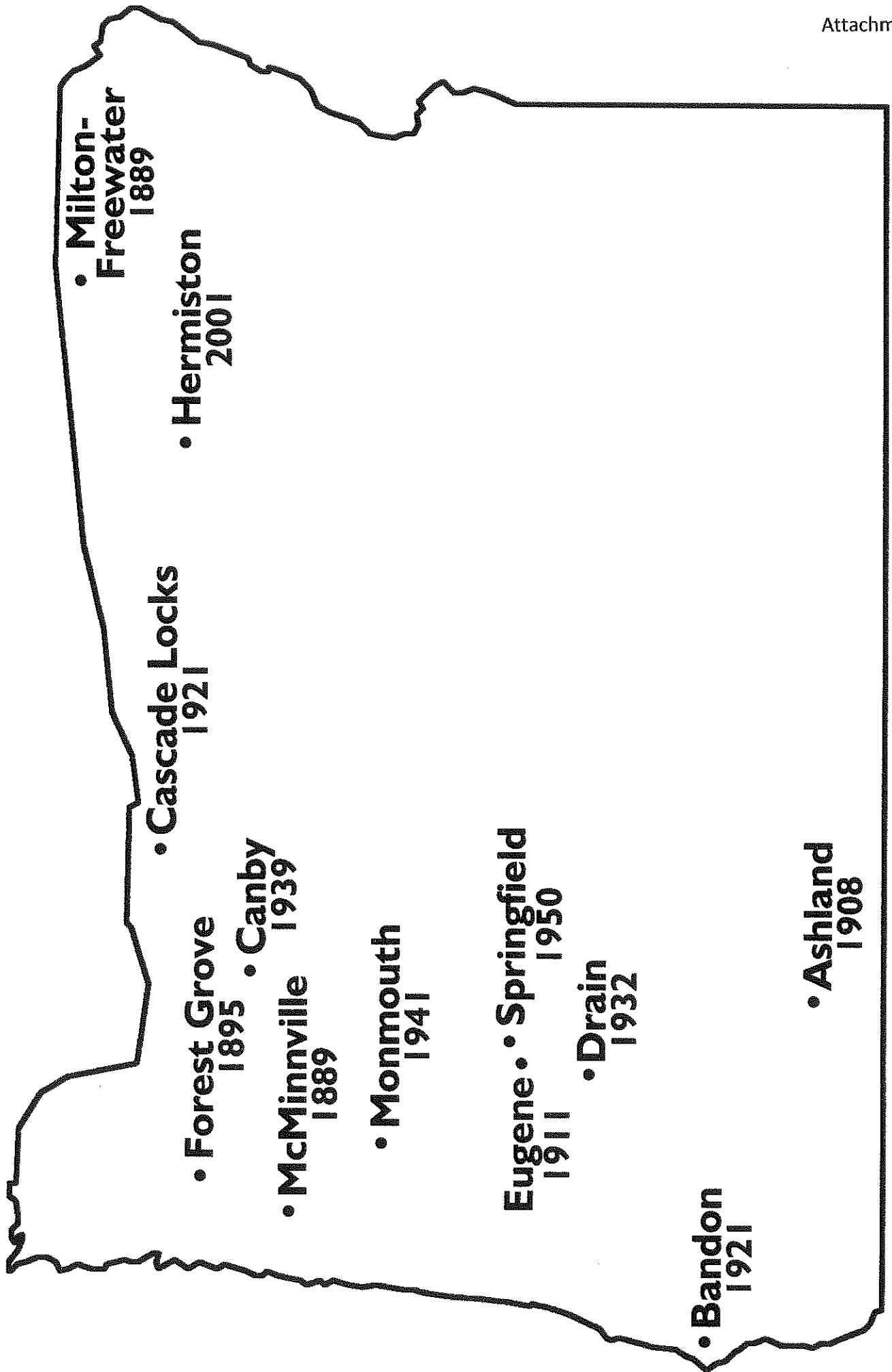
Each utility responds to its customers' needs and aspirations through its local volunteer governing body. Over the next five years, renewable standards, distributed generation, electric vehicles, smart meters, and smart grid are issues each local governing body will explore and study to make the best informed policy decisions for their community, balancing policy leadership with affordable power.

In conclusion

Oregon municipal electric utilities are the epitome of local control and responsibility. For example, when single parents may be struggling to pay their power bill, they can walk into our offices and we work with them face to face. We are a phone call, short walk or drive for any customer with a question or idea. The integrity of our systems, both financial and structural, is strong because we are directly accountable to our customers—more specifically, our governing bodies are accountable to their neighbors and fellow citizens.

Thank you for your time and attention. I am happy to answer any questions.

Matt Michel, President
Oregon Municipal Electric Utilities Association



• Milton-Freewater
1889

• Hermiston
2001

• Cascade Locks
1921

• Forest Grove
1895

• Canby
1939

• McMinnville
1889

• Monmouth
1941

• Eugene
1911

• Springfield
1950

• Drain
1932

• Bandon
1921

• Ashland
1908

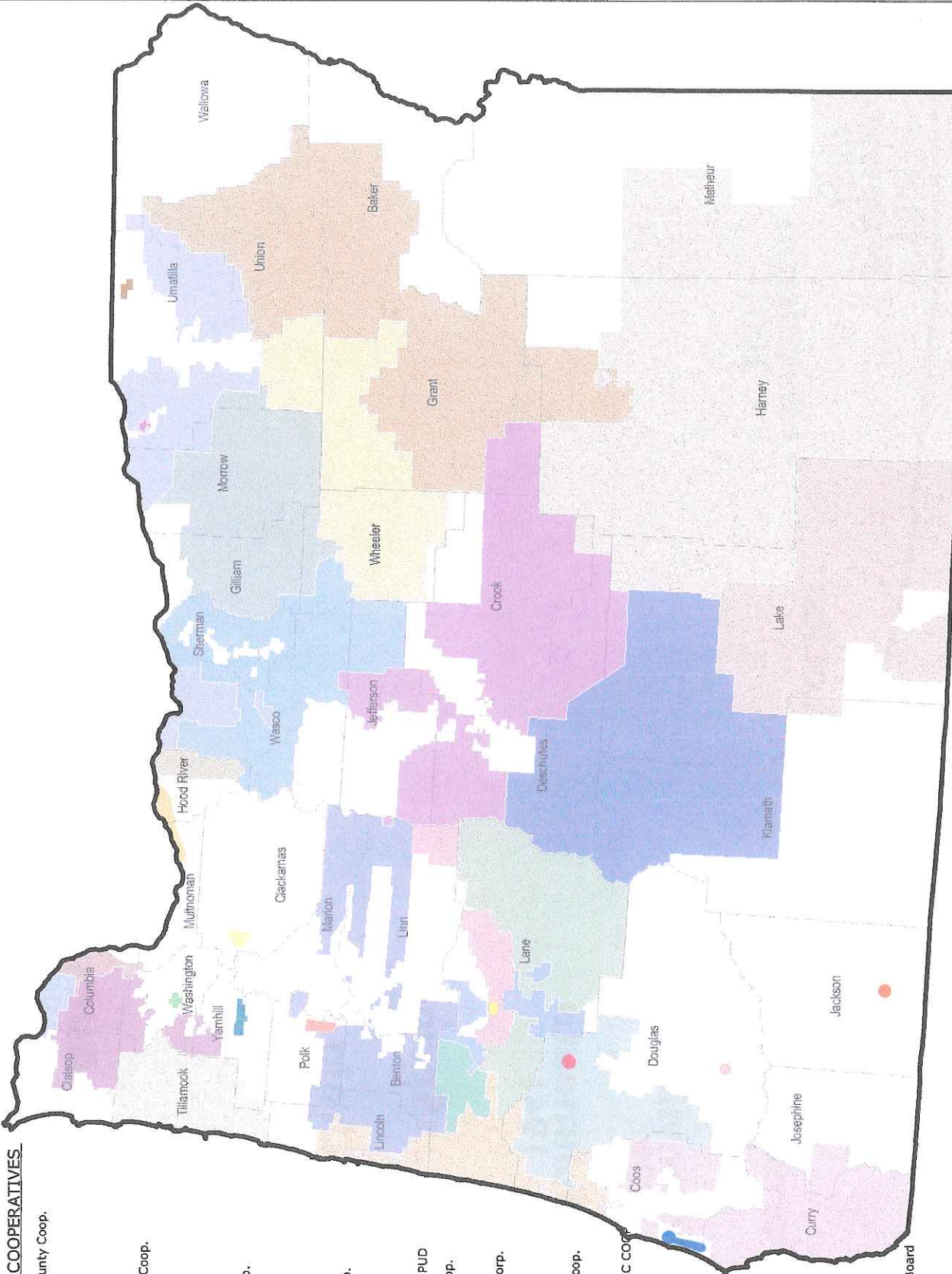
OREGON STATE PUBLIC UTILITIES, COOPERATIVES AND MUNICIPALITIES

PUBLIC UTILITIES AND COOPERATIVES

- Bladly-Lane Electric County Coop.
- Central Electric Coop.
- Central Lincoln Coop.
- Clatskanie PUD
- Columbia Basin Electric Coop.
- Columbia Power Coop.
- Columbia River PUD
- Consumers Power
- Coos-Curry Electric Coop.
- Douglas Electric Coop.
- Emerald PUD
- Harney Electric Coop.
- Hood River Electric Coop.
- Lane Electric Coop.
- Midstate Electric Coop.
- Northern Wasco County PUD
- Oregon Trail Electric Coop.
- Salem Electric
- Surprise Valley Electr. Corp.
- Tillamook PUD
- Umatilla Electric Coop.
- Umpqua Indian Utility Coop.
- Wasco Electric Coop.
- WEST OREGON ELECTRIC COOP.

MUNICIPALITIES

- Canby Utility Board
- City of Ashland
- City of Bandon
- City of Cascade Locks
- City of Drain
- City of Forest Grove
- City of McMinnville
- City of Milton-Freewater
- City of Monmouth
- Eugene Water and Electric Board
- Hermon Energy Services
- Springfield Utility Board



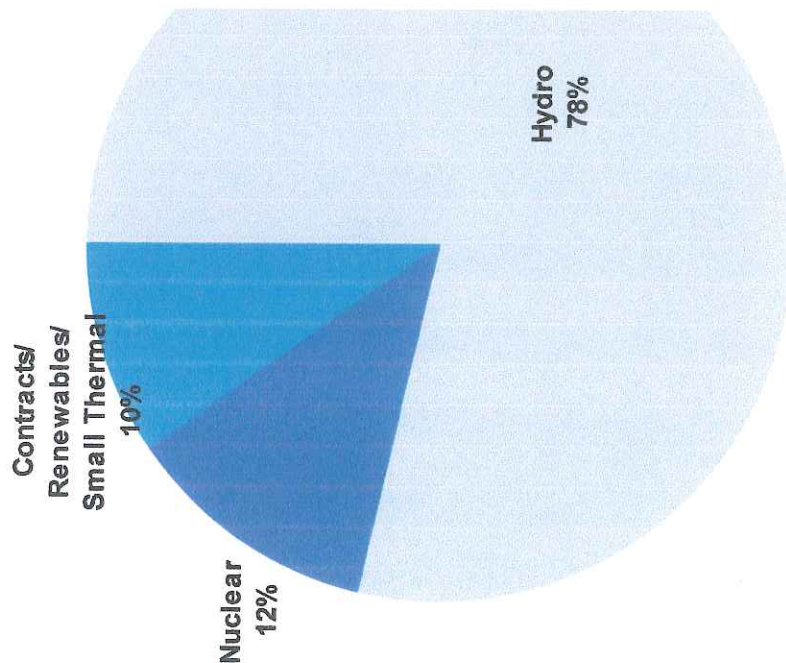
GIS

 items 0, 2005

 Geographic Info

 2004-03-24

Estimated Federal Firm Energy Resources 2012



Federal Firm Total Resources for OY 2012[†]
Based on 1937-Critical Water Conditions

Project Type	1-Hour Operational Peaking Capacity (January Peak MW)	Percent of Operational Peaking Capacity	Firm Energy (OY in aMW)	Percent of Firm Energy
Hydro	14,219	85.8%	6,885	78.6%
Nuclear	1,130	6.8%	1,030	11.8%
Contracts/Wind/Renewables/Cogen. Resources	1,224	7.4%	843	9.6%
Total Federal Firm Resources	16,573	100.0%	8,758	100.0%

[†] Federal firm resource estimates are before adjustments for reserves, maintenance, and transmission losses.

