



## CENTRAL ELECTRIC COOPERATIVE, INC.

[www.cec.coop](http://www.cec.coop) • P.O. Box 846, Redmond, OR 97756 • Office: 541.548.2144 • Fax: 541.548.0366

### **Testimony of Brad Wilson President & CEO of Central Electric Cooperative, Inc. House Committee on Judiciary**

Chair Kropf, Vice-Chairs Chotzen and Wallan, and members of the committee,

I am Brad Wilson, President & CEO of Central Electric Cooperative – or CEC – headquartered in Redmond. CEC, founded in 1940, is a not-for-profit member-owned utility governed by a democratically elected board representing over 31,000 members.

CEC's service territory covers 5,300 square miles and includes Deschutes, Crook, Jefferson, and portions of Wasco, Grant, Lake, and Linn counties, with over 4,000 miles of transmission and distribution lines traversing diverse landscapes including multiple national forests and several high-risk areas susceptible to wildfires.

We are not profit-driven but service-driven. CEC strives to deliver safe, clean, reliable electricity at the lowest cost for our members. CEC's electric rates, set by the board of directors, are determined through a cost of service analysis each rate period to reach the required revenue to meet operating costs plus margin. For most cooperatives, the wholesale cost of electricity makes up more than 50% of their operating costs while facility inspections, outages, routine maintenance and vegetation management costs make up the bulk of the balance.

As a not-for-profit, on average 90% of our revenue covers operational costs. The remaining 10%-- our margin, plus borrowing, is invested in upgrading and hardening our infrastructure, including our aggressive wildfire mitigation efforts. These margins are eventually returned to our members through our capital credit program, which is required to retain our not-for-profit status. We do not have shareholders, and we do not make a profit.

Our highest priority is keeping our members, employees, and the communities we serve safe. Toward that end, wildfire mitigation is essential. Like the 17 other electric cooperatives in Oregon, CEC has a board-approved wildfire mitigation plan filed with the Oregon Public Utility Commission. The plans represent decades of wildfire mitigation practices employed by cooperatives and outline our adoption of innovative technologies and mitigation strategies that we deploy to meet or exceed known industry standards.

Yet, today, cooperatives remain unclear if we are meeting expectations or benchmarks, as the state has yet to define those standards. We believe House Bill 3666 provides this direction and look forward to continued discussions on this legislation.

Electric cooperatives' wildfire mitigation plans involve taking an active and comprehensive approach tailored to our service territories with the ultimate objective of minimizing co-op's assets as the origin or contributing factor in a wildfire's ignition.

For CEC, our plan considers everything from infrastructure improvements, such as pole and equipment replacements, undergrounding of overhead lines in high-risk areas where possible, deployment of new technology to monitor lines and weather, updated operational practices during fire season, and effective communication with local emergency managers and our members. Communication plans are an absolute must as public safety power shut-offs are now one of the tools in our toolbox.

At CEC, we have never invested more in wildfire mitigation and will never invest less than we are today, and we are doing it with limited resources.

Because the cost of this work is passed directly to our members, we are diligent about evaluating the financial impacts associated with wildfire mitigation while decreasing our wildfire risk profile as much as possible.

The most cost-effective tool and the heartbeat of CEC's wildfire mitigation efforts is an ambitious vegetation management plan conducted throughout the year. Tree trimming crews remove hazardous trees, branches, and vegetation growth in our rights-of-way. Our spending on vegetation management has nearly tripled in the last 5 years and continues to provide tangible results.

In addition to member funding, CEC and other co-ops have applied for federal grants to help expedite these efforts.

But, no matter how much we do, there are factors outside our control. Extended fire seasons due to climate change, birds of prey, squirrels, livestock, and vegetation outside our rights-of-way are just a few of the potential hazards co-ops must contend with.

In addition, Central Electric Cooperative cannot change how public or private landowners manage their property. Nearly 55% of CEC's service territory includes state or federal lands. Our lines must go through these areas, and we have limited ability to manage operations and vegetation within these rights-of-way.

Co-ops are committed to doing our part. These aren't just the communities we serve; they are the communities we live in. Our members are not just ratepayers but also owners of the co-op and our neighbors, attending the same schools, community events, and churches. Wildfire mitigation isn't a choice, but it is our way of life.

I appreciate the opportunity to share our story with you today. I am happy to answer any questions you may have. Thank you.