

Via e-mail

August 20, 2021

Governor Kate Brown  
Office of the Governor  
900 Court Street NE, Suite 254  
Salem, OR 97301-4047

Dear Governor Brown:

The Public Power Council shares your interest in ensuring a vibrant future for the region. I was pleased to read in your recent op-ed in the East Oregonian that you are “ready to sit down with anyone willing to work with [you] to make that future a reality.” In response, I invite you to visit with us virtually at an upcoming board meeting on October 7, 2021.

The Public Power Council (PPC) is a non-profit trade organization that represents almost all the consumer-owned electric utilities in the Pacific Northwest. PPC is governed by a 21-member board comprised of CEOs and policymakers of our utilities. In Oregon there are 37 non-profit, consumer-owned utilities (cities, cooperatives, and people’s utility districts) that together serve 35% of electric demand in the State. They disproportionately serve low-income and rural consumers, hit hardest by the current pandemic. In fact, Oregon consumer-owned utilities provide service in 9 of the 10 counties with the highest poverty rates in Oregon.

As the “preference” customers of the Bonneville Power Administration (BPA), these consumer-owned utilities have the first right to purchase at cost the wholesale power generated by the Federal hydro projects on the Columbia River and its tributaries. BPA is self-funded and passes all of its costs to its customers through the rates it charges for products and services. Northwest consumer-owned utilities are the largest single bloc of purchasers of the Federal power sold by BPA, and therefore serve as the largest funder of BPA’s costs, funding nearly 70 percent of the agency’s total costs. This includes full responsibility for funding the world’s largest fish and wildlife mitigation program. We have made a strong commitment to invest heavily in salmon recovery and fish mitigation measures, paying \$14.9 billion in net fish and wildlife mitigation costs since 1999, the year that Willamette Valley Steelhead were listed under the Endangered Species Act.

Consumer-owned utilities were formed as non-profit, publicly-owned or cooperative alternatives to the early privately-owned electric power companies that were monopolizing service territories, charging excessively high rates, declining to electrify rural areas, and had no responsibility to meet the broader social and policy needs of the communities they were serving. In contrast, as publicly-owned utilities, all PPC members are “owned” by and accountable to their communities, avoiding

conflicts between the interests of shareholders and customers because they are one and the same. Consistent with their community-driven roots, PPC members have a broad public-oriented mission of offering reliable, affordable and environmentally-responsible power (and, in many instances, water) because those are among the attributes their communities value and require. Although to some, these attributes may seem to be in irreconcilable conflict, PPC members view them each as important in their own right: interdependent objectives that can and need to all be achieved in order to satisfy the full spectrum of long-term values of the communities they serve.

But not unlike your administration, PPC members must balance all these distinct public interests to ensure that each is achieved to an appropriate degree. Confronted with increasing regulation and costs, diminishing resources, unprecedented reliability constraints, and natural disasters occurring amid this pandemic, we must continue to find ways to offer the essential public service of electricity in a reliable, affordable and environmentally-responsible way. To do that, we must work together to ensure the right balance of policy objectives for the region, recognizing that hydropower is our largest source of carbon free energy and capacity and essential to meeting clean energy goals. As litigation rages on, it puts in doubt the prospect of any future regional agreements.

We are ready to partner with you in finding constructive solutions for our region outside the courtroom. As you said, “[l]et’s get it done.” We hope you will join us at our October board meeting to explore together a more constructive approach.

Regards,



Scott R. Simms  
Executive Director

CC: Jim Mckenna  
Kristen Sheeran  
Roger Kline, Chair, Public Power Council Executive Committee  
Ted Case, Executive Director, Oregon Rural Electric Cooperative Association  
Jennifer Joly, Director, Oregon Municipal Electric Utility Association  
Danelle Romain, Oregon People’s Utility District Association