

Economic Development Policy Promotes Affordable Power For All OTEC Members

By Werner Buehler

Here at OTEC, we often are asked, “What is OTEC doing to promote economic development in Northeastern Oregon?”

Our answer is simple: OTEC’s greatest contribution to economic development is providing electric rates that are among the cheapest and most affordable in the entire United States.

One of the greatest economic drivers for any business is low-cost electricity. Providing this low-cost electricity is, in fact, the very reason why OTEC, a nonprofit electric cooperative, exists.

We live in a remote, sparsely populated and rugged region, where investor-owned utilities, such as neighboring Idaho Power or Pacific Power, have little interest in providing electricity because there is no easy profit to be made for far away stockholders.

In 1988, an investor-owned utility abandoned this region because the cost of maintaining an electric utility in such a remote and rugged place simply wasn’t worth it. To keep the lights on in Baker, Grant, Harney and Union counties, a few Baker City residents got together and started a nonprofit electric cooperative to ensure continued power for all.

This means that since its beginning in 1988, OTEC hasn’t had to answer to stockholders. We answer to our members—the people this co-op was created to serve. We take that service seriously.

In tough economic times like these, OTEC has redoubled its efforts to keep electric rates low and ensure reliable power for our members.

Why?

Because costs continue to rise and businesses in Northeastern Oregon continue to close or reduce operations. OTEC is only as successful as the communities it serves, so we serve these communities in the most equitable way possible: by offering low rates and reliable power for all of our members, both residential and business.

Northeastern Oregon, like the rest of the nation, has been severely crippled by a recession during the past few years, losing much of its timber

industry. Many of these large industries were some of OTEC’s biggest customers. OTEC’s energy sales have continued to fall as local businesses announce closures.

Not only has OTEC lost some of its largest customers, but the days of unlimited access to cheap hydroelectric power are coming to an end.

The Pacific Northwest’s hydroelectric system is tapped out. While Northeastern Oregon’s economic growth has declined, other parts of the Pacific Northwest have grown significantly, and there just isn’t enough low-cost hydropower to go around. That means we may have to purchase power from more expensive sources, such as natural gas or wind, resulting in increased electrical rates for all of our members.

In the face of these challenges, OTEC has developed an economic development approach around three main objectives:

- Provide our existing residents and businesses with affordable electricity.
- Support growth among our current businesses.
- Encourage businesses to locate to this region.

The way OTEC can fulfill all of these objectives is to stay focused on keeping rates low, and maintaining system reliability and flexibility in the digital age. This is achieved through not asking our members to unjustifiably subsidize the projects of potential businesses or companies through higher rates.

OTEC must reduce its investments in special projects for individual businesses to maintain the lowest possible rates for all members.

To keep rates down for all members, OTEC’s economic development approach is centered on one concept: affordable power for all members—current and future. We believe, as I mentioned above, the best economic development tool we can offer our service territory is to keep costs low and continue to upgrade our system to allow for end-user energy-management options.

That’s OTEC’s commitment to all of our members—both now and in the future. ■



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