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ORECA, PNGC Power React to President's Budget Proposal for BPA

Electric Co-op Groups Commend Congressional Delegation Opposition

Salem, OR - 02/09/2006 - Oregon Rural Electric Cooperative Association (ORECA) Executive Director, Sandy Flicker, today reiterated the opposition of Oregon's electric cooperatives to a proposal in the President's Fiscal Year 2007 Budget that would raise electric rates in the Northwest. If implemented, the Administration's proposal would direct the Bonneville Power Administration (BPA) to divert net secondary revenues in excess of \$500 million towards repayment of BPA's debt instead of being used to reduce rates. The proposal could increase wholesale power rates by as much as 10 percent in 2008-2009 alone.

"This is nothing more than a tax on consumers who depend on the federal hydro system," said Patrick Reiten, President and CEO of PNGC Power, a nonprofit group of 15 rural electric cooperatives with service territory in seven western states including Oregon. "Fortunately, the Oregon Congressional delegation has done a tremendous job of representing our region and our consumers."

Last Friday, the co-chairmen of the U.S. House Northwest Energy Caucus sent a letter to the Director of the President's Office of Management and the Budget (OMB), Josh Bolten, calling upon the Administration to withdraw the proposal. In their letter, U.S. Reps. Greg Walden (R-Oregon) and Peter DeFazio (D-Oregon) urged the OMB to "suspend the pursuit of this ill-conceived plan which would negatively impact the Northwest economy."

On Thursday, Senator Ron Wyden (D-OR) and Senator Gordon Smith (R-OR) urged Secretary of Energy Bodman to reconsider the proposal, noting the devastating impacts in a state with unemployment twice the national average. Secretary Bodman said he would meet with the Northwest delegation to discuss the proposal before taking further action.

"It appears the Administration has received the message," said Flicker. "We need to thank our congressional delegation for their swift action. But more work remains to be done."

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For additional background on ORECA and its policy priorities, check the website at www.oreca.org/.

More information about PNGC Power can be found at www.pngcpower.com