

ENERGY

Goal: Ensure stable supplies of low-cost energy for businesses and consumers in the Mid-Valley.

The energy crisis of 2001 reminded us that low-cost, stable energy supplies are essential to a strong economy but cannot be taken for granted. The higher energy prices brought on by the West Coast energy crisis have hurt businesses immensely and played a significant role in worsening the region's recession.

Maintain the Bonneville Power Administration as a Northwest Resource. For decades the Northwest has enjoyed affordable electricity provided by the region's hydropower system through the Bonneville Power Administration, and this low-cost energy helped develop the region's economy. Other parts of the country covet BPA's low-cost (but unsubsidized) power and continually plot to deprive our region of this resource, and President Bush has proposed requiring BPA to charge market rates, which could greatly increase energy costs and hurt the northwest's economy. Tens of thousands of households and businesses in Marion and Polk counties who receive their electricity from Salem Electric, Consumers Power, and the City of Monmouth would see their rates increase significantly under this proposal. Members of the U.S. House and Senate from the region have been united in bipartisan opposition to this harmful plan.

Responsibility: Federal

Hold Down Electricity Rates. Although the BPA has long provided low-cost energy to the northwest, the energy crisis of 2000-2001 negatively impacted BPA's revenues and costs, causing very large rate increases that caused significant damage to the region's economy. In order to prevent further harm to businesses that rely on BPA power, BPA's stakeholders must work closely with the agency and the region's congressional delegation to improve BPA's financial picture, particularly by reducing costs, and prevent additional rate increases. The region's congressional delegation has been active in efforts to improve the agency's balance sheets by cutting costs, restructuring existing debts, and providing access to affordable credit through the Treasury Department. In addition, officials at all levels of government should evaluate policy decisions about energy in terms of their impact on power rates to avoid exacerbating this problem.

Responsibility: State, Federal

Protect the Mid-Valley's Interests in Portland General Electric. More than three years after Enron's bankruptcy, the future of its subsidiary Portland General Electric remains up in the air. With the Texas Pacific Group's bid for PGE having been rejected by the Public Utilities Commission, PGE could be converted into a public utility through a purchase by the City of Portland or formation of a regional utility, or it could once again become a publicly-traded company if Enron moves forward with distributing shares to creditors. Elected officials and business leaders in the region remain concerned that ownership of PGE by the City of Portland

would give the City undue influence over the utility's operations and could favor Portland over the rest of the state. Whatever the future ownership of PGE, the Salem area must act to ensure that the governance and ownership arrangements preserve its interests in the company and its energy supply. Mayor Taylor will be serving on a 12-person board that represents PGE's stakeholders to the City of Portland to ensure that these concerns are heard and addressed.

Responsibility: Local, State