United Electric
CO-OP INC.

December 16, 2019

Governor's Salmon Workgroup
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RE: Comments from United Electric Co-op, Inc. Board of Directors

United Electric Co-op, Inc. (United Electric) was formed in 1998 by the consolidation of two cooperatives, Unity Light & Power and Rural Electric. Although United Electric has been incorporated for only 22 years, the roots of Unity Light & Power and Rural Electric run much deeper in the communities now served by United Electric. In fact, the history of the small cooperatives and municipalities in southern Idaho is very similar. The first generation at Minidoka Dam was installed in the early 1900s to provide pumping capability for irrigation. Excess power was sold to local merchants, residents, and farmers providing the genesis of utilities like United Electric.

United Electric serves approximately 4,500 consumers in portions of Minidoka and Cassia counties. Retail load is 36.5 average mega-watts with a peak demand of 59.6 mega-watts. The largest consumer class is residential at 30%, followed by irrigation at 26%, industrial at 23%, and commercial at 21%. Said another way, 70% of United Electric's load is irrigation, industrial, and commercial. The low cost of power – hydro power – is a major contributor to the successful farms, dairies, industrial facilities, and businesses in this community.

United Electric purchases power from the Bonneville Power Administration (BPA), the Federal Columbia River Power System. BPA markets power from 31 federal dams along the Columbia and Snake rivers. Of these dams, only a small portion are able to quickly change how much power they are generating in order to maintain a constant balance between power production and energy use. This capability is essential for the power grid to accommodate intermittent renewable energy generation, such as wind and solar.

The four lower Snake River dams are among those dams that can provide flexibility. Because of their location, size and ability to help meet peak power loads, these dams are a critical component for transmission grid reliability and are necessary to ensure the lights remain on. If the dams were to be removed, their on-demand grid balancing capabilities would need to be replaced – most likely with carbon-emitting natural gas plants.

In addition to reliable, low-cost, carbon-free hydropower, the Snake River dams also create a river highway for shipping, provide recreational opportunities, and enable irrigation for some of the most productive agricultural land in the country.

The Federal Columbia River Power System, including the four Snake River dams, support and sustain the local agricultural and commercial community. Low cost, carbon-free power is one of the main reasons large industrial business has located in the community and has helped the community thrive.

Another consideration in the Snake River dam discussion is power supply adequacy. The Northwest Power and Conservation Council is concerned about near-term resource adequacy. In their recent Power Supply Adequacy Assessment, the regional system will no longer meet the Council's adequacy standard and will have to acquire nearly 1,400 megawatts of new capacity in order to maintain the adequacy standard.

Additionally, utility leaders in the Pacific Northwest are meeting to discuss concerns about resource adequacy and hopefully successfully plan to avert a reliability catastrophe. It is spine-tingling to listen to former BPA Administrator Steve Wright describe what it was like inside BPA during the west coast energy crisis of 2000/2001. The ramifications of dam removal are far-reaching.

The Workgroup has an enormous task developing a consensus driven recommendation for the Governor to restore populations of salmon and steelhead in Idaho. Removal of the Snake River dams is one of the most controversial aspects of this task and certainly does not have consensus of the diverse interests throughout the State. The Workgroup's efforts would be better utilized focusing on activities that are non-controversial and can be implemented now – items such as habitat and hatcheries.

On behalf of the community, consumers, and employees, the United Electric Board of Directors would like to thank the entire workgroup for your contribution and dedication to Idaho.

Sincerely,

David H Phillips

David Phillips
President of the Board
United Electric Co-op, Inc.