

Public Comment on the Status of the Residential Exchange Program
August 1, 2007
Portland, Oregon

Good Evening;

My name is Jim Abrahamson. I am employed by the Community Action Partnership of Oregon and hold the position of Oregon Energy Partnership Coordinator.¹

On May 3, 2007 the Ninth Circuit Court issued its sweeping decision regarding the energy exchange settlements arrived at in 2002. On May 21, BPA notified the region's investor-owned utilities that it had decided to suspend residential exchange payments effective June 1. The three Oregon investor-owned electric utilities immediately filed with the Oregon Public Utility Commission for authority to reduce the Regional Power Act credit to zero effective June 1. These decisions resulted in bill increases of 13 percent for the Oregon residential and small farm customers of both Pacific Power & Light and Portland General Electric and a 6 percent bill increase for those customers of Idaho Power.

The impact of these actions on Oregon's low-income electricity customers is profound. Nearly 75 percent of Oregon's residential customers are served by utilities that lost regional exchange benefits – lost the benefits of the federal hydropower system. Low-income customers, many of whom already face dramatic "heat or eat" decisions, have become even more at risk of being unable to afford their electricity bills. As seems to happen so many times, low-income customers are whipsawed by arguments among powerful interests who sometimes do not reflect upon the impact their decisions have on society's most vulnerable members. This debate is far from an academic exercise. The elimination of the regional exchange is having a real impact on people's lives – right now! And the longer this debate goes on the more people's lives will be negatively impacted.

The residential exchange program is an essential component of the landmark 1980 Northwest Power Act. The program appropriately provides for an equitable sharing of the benefits of the federal hydropower system with all of the region's residential and small farm customers. It is essential that robust and fair residential exchange payments return as soon as possible.

¹ The Community Action Partnership of Oregon is a statewide association of Oregon's 17 Community Action agencies, the Oregon Human Development Corporation and 6 associate member agencies whose purpose is to provide direct services to, and promote the self-sufficiency of, low-income Oregonians.

There are many pathways to resolution of this issue. BPA has attempted to negotiate its way through this impasse "within the existing law" - but reportedly those discussions have broken down. The Oregon PUC and the Washington UTC have acted to urge the full panel of the Ninth Circuit Court to reconsider its May 3 decision – but there is no timeline set for any response to the request for rehearing. Consideration might also be needed to seeking Congressional action over the current and future role of BPA and the fair sharing of the hydroelectric system in order to ensure that the benefits of the federal system flow fairly to all residents of the Northwest.

We urge Bonneville, and all parties involved, to take the necessary steps to ensure that a resolution of this issue is arrived at as soon as possible that returns fair and equitable residential exchange payments. All of the region's residential and small farm customers deserve to share fairly in the benefits of the federal hydroelectric system - particularly those who are disadvantaged and struggling to afford the electric service that many of us take for granted.

Thank You,

Jim Abrahamson
Oregon Energy Partnership Coordinator
August 1, 2007