



CENTRAL ELECTRIC COOPERATIVE, INC.

**Testimony of Dave Markham
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President of Oregon Rural Electric Cooperative Association
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House Natural Resources Committee
Subcommittee on Water, Power and Oceans**

Good afternoon Chairman Fleming and members of the Subcommittee. I am Dave Markham, President & CEO of Central Electric Cooperative, headquartered in Redmond, Oregon. Central Electric is a distribution cooperative serving more than 32,500 meters across a 5,300 square mile service territory in Central Oregon. I also serve as the President of the Oregon Rural Electric Cooperative Association, the organization that represents Oregon's 18 member-owned not-for-profit electric cooperatives.

I appreciate the opportunity to testify in support of the Electricity Reliability and Forest Protection Act (H.R. 2358). I commend Congressman Zinke and one of my state's Congressmen, Kurt Schrader, for their leadership introducing this bill. One year ago, I testified before the full House Committee on Natural Resources on the issues Oregon electric cooperatives have experienced when attempting to secure approval for routine maintenance, upgrades or replacement of our power lines with the United States Forest Service (USFS) and the Bureau of Land Management (BLM). I outlined several stories about frustrating delays, wildly varying standards and a lack of a customer service ethic among our federal land management agencies. I am here again today to report while incremental progress has been made it continues to fall significantly short of what I believe is acceptable to ensure the safety, reliability and affordability of electricity we provide to our members.

With 56 percent of the land in Central Electric's service territory federally managed, it is vitally important the USFS and BLM work cooperatively with us as we fulfill our mission providing safe, reliable and affordable electricity to rural Oregonians. Often times, we believe this mission is threatened due to the actions of these agencies. We have found huge variations and approaches not only between the USFS and the BLM, but within the land management agency districts, and even ranger to ranger. We continue to experience a complete lack of uniform standards. This legislation will bring much needed consistency and accountability.

I want to provide a few examples of the issues we face when working with the USFS and BLM. More than 38 percent of Central Electric's distribution lines are underground. Some of these underground lines are reaching the end of their life expectancy and are in the process of being replaced. We have been waiting for nearly 2 years to receive USFS approval to replace a short 1.3 mile section of deteriorating underground line that has been in place for more than 45 years. Adding to this lengthy delay, we were recently informed this approval process will now require an archeological study which could cost the cooperative an additional \$87,000 – not an insignificant amount of money for our member-owners. If these delays continue, our construction opportunity will again be missed due to weather conditions that prevent accessibility in this location of our service territory. Comparatively, our utility can construct a similar project on non-federally managed land within one month. The protracted length of time it requires to receive approval to complete

routine maintenance, upgrades or replacement of our power lines on federally managed lands is having an impact on the safety and reliability of the electricity we provide to our members.

As I noted last year, Central Electric's experience with our land management agencies is not an isolated incident. Another Oregon electric cooperative is in a two-year holding pattern over needed upgrades to transmission lines that will ensure reliability for 15,000 members. As one electric co-op manager told me, "there are so many studies, so many processes, and so many hoops to jump through" the agencies seem paralyzed to act.

Nor is this experience isolated only to electric service. Many electric co-ops are involved in the deployment of broadband to rural areas. Douglas Electric Cooperative in Roseburg, Oregon, informed me they were forced to wait 18 months to attach fiber optic cable to 6 existing power poles, depriving their members of broadband services. I believe the provisions in the legislation calling for the establishment of timelines and benchmarks will go a long way toward expediting these important projects.

I also want to applaud the provisions in this legislation regarding the removal of "danger trees" within rights-of-way. In central Oregon, forest fires are a common occurrence due to lightning strikes and we are often at the mercy of Mother Nature. However, Mother Nature is not always to blame. Oregon electric co-ops have seen the impact when we are not allowed to properly maintain the rights-of-way.

Years ago, Midstate Electric Cooperative in La Pine, Oregon, requested the trimming of selective trees along the rights-of-way on USFS land for fear the trees were a hazard. This request was denied. Predictably, a tree fell into a power line, sparking a wildfire. Because the electric cooperative was held strictly liable, they had to pay firefighting costs of \$326,850. This legislation's provision shifting the liability away from the utility if the agency denies permission to manage the vegetation is needed and long overdue.

I am not here to denigrate the land management professionals at the USFS and the BLM although I am aware in certain instances, there has been a lack of customer service ethic by the agencies as well as excessive employee turnover that results in inconsistencies and the lack of accountability. Not all of this can be legislated, but I am hopeful the training and guidance language in the bill will help alleviate some of these issues and ensure agency personnel understand our priority of safety requirements and electrical system reliability.

I will reiterate my comments from last year's testimony. It is beyond time our federal land managers work collaboratively with electric co-ops to develop common sense reforms of their current practices. These operational and cultural problems will not be resolved overnight and must involve long-term solutions, such as this legislation. We need a streamlined process that will provide some consistency and accountability. H.R. 2358 is significant progress in the right direction and I urge the Subcommittee to support it.

Thank you for the opportunity to testify. I would be pleased to answer any questions.