

# BOARDLINES

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## Renewable Power Impacts the Grid

Maintaining a reliable electric system is a very complicated process. It requires generation to match electricity needs at any given moment in time. Too much generation or too little can result in major system disturbances and even potentially widespread outages.

Like all Northwest utilities, Central Lincoln needs to determine how much power to order, and when to increase or decrease orders. Power demand rises and lowers continuously.

Some methods for generating electricity can increase and decrease output on demand. I call these “**Dispatchable Resources**”. Other methods are dependent on the availability and quality of their generation source. I call these “**Non-Dispatchable Resources**”.

Dispatchable Resources include large hydropower, natural gas turbines, and many others. Non-Dispatchable Resources include wind, solar, and wave generation. Because these are considered variable generation, they need to be coordinated with Dispatchable Resources to level out or “firm” power production to meet your electricity needs.

Current data shows wind is available to generate electricity about 30% of the time. Wind provides many challenges--wind availability and velocity is intermittent, predicting wind is an evolving/improving science, and excess wind energy storage for future use is currently unavailable.

As solar is dependent on the sun, solar panels only produce during daylight hours, and output varies with the angle of the sun, length of the day, and clearness of the sky, and cannot be stored for later use.

Wave generation is just beginning to appear in the U.S. The first grid-connected wave energy device in Oregon is expected to

be installed next year. However, wave patterns can be predicted up to ten days in advance, allowing better coordination for meeting customers’ needs.

Storage of excess electricity generation for future use is in development. Two methods mentioned frequently are storage batteries and hydrogen production to store electricity as a Dispatchable Resource fuel source.

## Succession Planning is Crucial

Succession planning is defined as a process whereby an organization ensures that employees are recruited and developed to fill each key role within a company.

Recently, I attended a retirement lunch for a longtime employee, Mike Wilson. In fact, several attendees were retired Central Lincoln employees. It was interesting to identify current employees who were performing the tasks that the retirees had done. What was clear was how seamless the transition has been for Central Lincoln when Baby Boomers retire and a new “crew” steps in.

From 2006 through 2016, 73 of our employees have retired or will be eligible to retire. The average number of our employees during that time will be approximately 129, meaning 57% of our

workforce may be gone in that ten year period. Succession planning has always been a necessity for a successful company. The Boomer generation has made that planning more challenging. Equally challenging is the recruitment of certain technical employees, such as engineers.

As a board member, it is important to me that the outstanding quality of service that our employees provide you continues.

Oregon law requires that the Central Lincoln board hire a General Manager. The GM’s role is to hire the employees necessary to carry out the board’s policies. Our current GM, Paul Davies, has done an outstanding job in navigating Central Lincoln through this succession process.



Earlier this year, Lincoln County Clerk Dana Jenkins “swore in” reelected board members Tom Tymchuk, Larkin Kaliher, and Ron Benfield.



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## The Long Arm of the Federal Government

Our utility belongs to three organizations, two in the Northwest and one national association which provide federal lobbying services along with other services. Although lobbyists often get a bad rap, they are the best conduit we have to activity in Washington, D.C.



*Our board meets monthly. Here, board members Curt Abbott (left) and Ron Benfield discuss some of the ironies of public power.*

Examples? Our Federal Power Marketing Agency (PMA), the Bonneville Power Administration, occasionally is seen in Congress as a possible cash cow—meaning much higher rates for our customers.

We are able to purchase power at cost due to having a PMA. There are five PMAs in the U.S., and taxpayers nationwide do not subsidize PMAs since all costs are paid through rates. Some in Congress think it would be a good thing if PMAs charged “market rates” for power, making a profit for federal government. This was a specific recommendation of the Simpson-Bowles Commission on Debt Reduction. Fortunately, federal lawmakers representing us have been very successful in preventing this. But with all eyes on the federal deficit, the pressure is on and the fight must continue.

A rather new issue is coming to the forefront: Cyber security. Everyone is certainly in favor of protecting our country from cyber attack. The challenge is how to do it. There are those that think that this should be the job of Homeland Security. On the surface this looks logical. But, the electric industry has a unique set of challenges in protecting the grid, and we feel we would be better served by having standards set by the North American Electric Reliability Corporation (NERC)—the federally-sponsored organization that sets national grid standards. There could be a tremendous variance in cost and effectiveness between solutions that these two agencies would enforce. We want the best for our ratepayers’ investment.

Hopefully this gives a glimpse into the federal legislative and regulatory side of the electric industry that affects your rates. We are here to do the best we can to keep those rates in check.

## Central Lincoln Offices on the Way to Reopening

When our general manager made the decision to temporarily close our offices in Depoe Bay, Reedsport, Toledo, and Waldport, I was not happy. I know the closures are frustrating for many of you. But his decision is the right one.

Our new billing system is the reason for the temporary closures. Crafting the new billing system is requiring the involvement of all of our 15 customer service representatives. They are not only working on the testing of the new system, they are being trained to use it, and having them train together is the most efficient and effective way to go.

Happily, we are using the time to make improvements to our Reedsport office in preparation for reopening it. From a new ADA-compliant ramp into the office, to energy-efficient lighting upgrades, and updated landscaping, the Reedsport office downtown will look even nicer when this work is completed, giving downtown Reedsport another fresh look. We hope to see our Customer Service Representatives moving back in to the Reedsport office as soon as possible.

I think the new bills will be easier to read and use when you receive them. Change is difficult, but the end result will be worth it!



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## A Kilowatt Saved Doesn't Have to be Generated

Every kilowatt we provide you has to come from somewhere—dams on the Columbia and Snake rivers, the Columbia Generating Station (a nuclear facility) in Washington, wind farms, and so on. None of these methods is inexpensive, and all have impacts. The good news is that Central Lincoln works hard to help our customers save electricity, which saves customers money. The results?

**62 million** kilowatt hours have been saved since 1982. This is enough electricity to power 4,200 homes for a year! And our programs help not only residential customers, but our industrial and commercial customers—and when businesses save money they are more profitable and can more easily create new jobs.

And we aren't stopping. For the 2010-2011 fiscal year, we hope to have helped customers save another 15 million kilowatt hours. We plan to increase the help we offer business customers, we will redesign some programs to make them simpler to use, and we will be increasing our incentives for some residential programs. To learn more about our conservation incentive programs, please call 888-883-9879 or email us at: [info@clpud.org](mailto:info@clpud.org)