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**Board meets the fourth
 Wednesday of each month**

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Power Generation Resources

A strategic priority for your electric cooperative continues to be the consideration of electric power supply alternatives to the Bonneville Power Administration. This includes evaluating local electric power generation opportunities.

We expect BPA to continue to be our electric power provider of choice. SREC has an allocation of federal power from the BPA power system that we are allowed and obligated to purchase through a long-term power purchase agreement. Our contract allows us to source additional power generation beyond our allocation of the BPA system through non-BPA resources. Our BPA contract is set to expire in 2028, and potentially new BPA contracts will be offered in 2025.



Ken Dizes

So, why would we look anywhere other than BPA to provide our electric power? A power supply portfolio is much like a financial investment portfolio in that you can mitigate risk by diversifying the portfolio. Looking only to BPA to supply SREC's future electric power is not without risk. BPA risks include reduced electric power supplies, escalating electric power costs and rates, and transmission delivery challenges. In addition, there have been efforts by numerous presidential administrations to dismantle BPA by selling off its transmission assets and looking to privatize power marketing agencies such as BPA. These efforts have included moving BPA to market-based rates as opposed to cost-based rates.

We also recognize hydroelectric dams' impact on anadromous fish and their migration. We want to do our part to find the right balance between a healthy and flourishing fishery and the economic engine of the Northwest: the federal hydropower system.

We are asked periodically what other electric power sources SREC has considered. Seventeen years ago, we took a serious look at coal-fired electric power generation sourced out of Utah. After extensive review, we chose not to go that path. That was a wise decision as we now see much of the coal-fired electric power fleet being taken offline due to climate concerns.

For the past several years, we have looked closely at a small modular nuclear reactor project proposed to be sited at the INL site. We recently walked away from this project, namely because we do not have a current need for additional electric power, it is not competitively priced compared to BPA and would necessitate retail rate increases, and we have other financial priorities such as replacing aging electric infrastructure.

The cooperative has looked at several other small electric generation resources, most of which were locally sourced. These include small hydro potential in local canals and pipelines, biomass from local landfill and forests, wind and solar. None of these resources are cost-effective for SREC at this time.

SREC buys some of its electric power from small local resources at competitive rates. These resources include a small hydroelectric facility near Mount Borah, and three small solar arrays located in the Stanley area. We are also securing a contract to purchase the hydro output from two small facilities in Round Valley.

Your electric cooperative will continue to evaluate electric power supply alternatives to ensure our ability to deliver safe, reliable and cost-effective electricity into the future.