Legislative limelights . . .

Palisades power bill to help Eastern Idaho

The Post-Register

The political pulse

C-10 Idaho Falls, Idaho, Thursday, March 29, 1979

By BEN J. PLASTINO
Post-Register political editor

One of the most important pieces of legislation to have passed the Idaho Legislature, but receiving comparatively little publicity, is one that authorizes the state to build a 90 megawatt generator plant at Palisades Dam, to augment an existing one of 115 megawatts.

Two legislators who wielded a key hand in this legislation were Sen. Richard A. Egbert, D-Tetonia, and Rep. Linden B. Bateman, R-Idaho Falls. As a result of their efforts and with some other help, this Senate Bill 1113, passed the Senate 22-7, with six absent, while it hurdled the House late in the session by an overwhelming 56-14.

* * *

* * *

All East Idaho legislators voted for this measure, except four East Idaho Republican senators, J. Marsden Williams and Dane Watkins, Idaho Falls; Mark G. Ricks, Rexburg, and Vearl Crystal, Rigby.

These four emphasized they favored the project, but wanted a private utility or the U.S. Bureau of Reclamation to install the new generator.

Crystal said he had received a letter from Clayton Hurless, Challis, manager of Salmon River Electric Co-op, Inc., objecting to the legislation because the state lacked the expertise, and saying he preferred that USBR, private power companies or cooperatives handle the construction.

Ricks said, favoring the free enterprise system, he preferred that a private utility participate in construction.

Their arguments, however, fail to square with the facts and indicate their opposition is based mostly on partisan reasons, because it was backed by Democratic Gov. John V. Evans. It would indicate they favored a facility at higher costs for power-hungry East Idaho consumers. They were only four of seven senators to vote against this project, while all of the 12 East Idaho state representatives cast ballots in favor.

* * *

C. Stephen Allred, director of the Department of Water Resources which would direct such a construction, explained the state does not intend to install the generator itself, but instead would negotiate with USBR to do the job.

He explains the state could then authorize USBR construction soon, rather than wait many years for congressional funding. The state would handle the marketing of such powers to private or public utilities, Rural Electric Associations, or any other agency that wants it.

He pointed out early construction would save millions of dollars by avoiding future inflation costs.

The state would float revenue bonds, which would be paid off by power sales to customers, not by taxes. He estimates such a generator project would cost about $50 million.

The plant would provide about 158 million kilowatts a year, enough to supply some 30,000 customers at comparatively low rates, and the power would be marketed wholly in Idaho, not sold in other states, as the Bonneville Power Administration does now with existing Palisades power.

The use of the tax-free revenue bonds by the state resource department would reduce interest rates by about 2 percent, and therefore the cost of power by about 25 percent, compared to private financing, Egbert pointed out.

Egbert noted there would be no adverse environmental effect, since the power plant enlargement would be at the existing Palisades Dam.

Furthermore, the state water resource department is limited to wholesaling the power to other utilities and power users, and cannot itself distribute the power. Therefore, it is not in competition with the utilities or REA, Egbert added.

* * *

Allred further points out he sees no difficulty in getting federal approval, as U.S. Bureau of Reclamation commissioner R. Keith Higginson, former director of the Idaho Water Resources Department has expressed strong sympathy for the project.

Allred explained the federal authority also can be obtained from the Federal Power Commission, but he would take the route through the Department of Interior, where a former Idaho governor, Cecil D. Andrus, is secretary and Higginson is the reclamation commissioner.

Allred feels their backing would bring the necessary federal approval.

Also Idaho Sens. Frank Church and James A. McClure sit on the Senate Natural Resources Committee which would have a key hand in sanctioning the project.