Making Decisions – Risk Management, 2018 and 2019

Entering 2019 the Beartooth Electric Cooperative Risk Management Committee is focused on four major efforts: educating the committee and board on rate design strategies and practices; understanding how to help members conserve and use their energy efficiently; assessing risks of policies under review; and identifying resources and experts to help assess co-op rate design options and equity management approaches.

At the October risk management meeting a consultant from Portland-based EES Consulting outlined the Cost of Services Analysis (COSA) process BEC plans for 2019. COSA analysis focuses on customer payments to meet revenue requirements while rate design analysis looks at how to establish billing structures support long-term strategies. BEC will look hard at rate structure options in 2019.

We encourage members to attend board and committee meetings. Member input is especially critical to examination of rate design.

In 2018 two decisions that started with staff and committee analysis proved to hold small risk and great opportunity. The required replacement of obsolete meters is affordable and provides needed efficiencies. Launching a solar project financed by members who want to support renewable energy is underway as planned.

BEC contracted with a financial expert to work on board and management projects after the retirement of our previous consultant who helped develop the forecast model we use to test potential financial impacts of proposed decisions. The retiring consultant compared BEC to other co-ops. BEC is different she reported: financially sound with impressive power contracts through 2027 and a leader in member involvement and corporate transparency.

At BEC risk management is an enterprise commitment – part of the business culture. Taking the position that data precedes decision-making is good business practice. Engaging outside expertise adds data and perspective. Integrating risk management committee analysis into
board and management decision-making is a business culture commitment.

Members-at-large serve on the risk management committee. They provide extraordinary expertise, experience and common sense. We want to hear from members who are interested in volunteering.

Contact either co-chair of the risk management committee: Bill Pascoe (406-494-2075) Arleen Boyd (406-328-6645). Or contact BEC.