**Draft Florida Input for NRECA Comments**

Florida’s electric cooperatives support reform of FEMA, and the continued viability of Public Assistance is crucial to providing safe, reliable affordable power to our members.

**Public Assistance Is Essential**

Suwannee Valley Electric Cooperative and Tri-County Electric Cooperative serve the heart of Florida’s Big Bend region. In recent years this area has had direct hits from Hurricanes Idalia, Debbie, and Helene in 13 months. In the wake of the storms, these cooperatives strive to restore their systems as quickly as possible while keeping rates affordable. Electric cooperatives cannot claim tax breaks for storm expenses, nor can electric cooperatives create interest-earning balance sheet accounts to draw down at a later date for storm expenses. Electric cooperatives have limited sources of funding for declared disaster-related storm expenses: FEMA reimbursement under the Stafford Act; or, self-funded recovery, which usually involves borrowing disaster recovery funds. FEMA Public Assistance is essential to keeping energy costs affordable for our consumer-members.

**Interest/Speed**

Long wait times for FEMA reimbursement can force electric cooperatives to borrow substantial amounts of money to bridge the time between disaster impacts and FEMA payment. The interest on these loans becomes a significant cost to the consumer-members of electric cooperatives. Delays also create inefficiencies within the agency, requiring staff time to be spent on grants that should have already been dispersed, even years after the presidential declaration.

Gulf Coast EC and West Florida EC were hit by Hurricane Michael, a Category 5 storm which made landfall in 2018. Through the long FEMA reimbursement process they have incurred a combined total of over $13 million in interest costs alone.

Prompt receipt of FEMA Public Assistance funds is essential for not-for-profit electric cooperatives, which are forced to borrow significant capital and incur interest costs on these large loans.

**Standards of Construction**

Like many electric cooperatives Glades EC in Moore Haven, Florida has been implementing cost-effective hardening projects to make its distribution system more resilient. [explain the circumstances surrounding the GEC ductile iron poles FEMA project and the issues]. Electric cooperatives should not be punished for building back stronger, more resilient infrastructure. Increasing resilient infrastructure should not be limited to specialized programs but be a matter of course for FEMA Public Assistance projects.

**BRIC**

Seminole Electric Cooperative is a generation and transmission cooperative providing power to nearly two million people and businesses in parts of 42 Florida counties through its nine member distribution cooperatives. Seminole has pursued cost-effective grid hardening projects across its system including seeking FEMA’s Building Resilient Infrastructure and Communities (BRIC) grants. Currently, a private nonprofit may only access BRIC funding after individual counties make decisions about priorities. This has limited Seminole’s ability to use this program. Additionally, Seminole has had proposals that could not be evaluated because they included multi-county infrastructure improvements. Denying eligible private nonprofit entities, such as electric cooperatives, direct access to BRIC grants deprives rural communities, served by cooperatives, opportunities to strengthen and harden electric systems. Without access to resources to proactively engage in mitigation projects to build more resilient energy systems, rural communities will be vulnerable to more and longer outages and higher restoration costs.

Rural communities served by cooperatives need pathways to reduce risk by developing mitigation solutions to support immediate, effective, and impartial response to and recovery from disasters. Expanding direct BRIC eligibility to private nonprofits would increase the mitigation projects that electric cooperatives could apply for to harden systems and decrease electric power outages during natural and other disasters.

**Consistent Application of Rules**

Like many electric cooperatives, Central Florida EC (CFEC) in Chiefland, Florida, has kept its policies and procedures in compliance with FEMA standards. When Hurricane Idalia struck CFEC’s service territory in August of 2023, the co-op relied on its policies based on FEMA precedent, including its disaster pay policy. As CFEC pursued FEMA Public Assistance reimbursement for its work to rapidly restore power, the agency changed its interpretation and deemed the expenditures under the policy ineligible. CFEC was forced to appeal the decision to recover these expenditures for its members, and was ultimately successful. Consistent application of policy by FEMA would have spared CFEC and its members the time and expense of the appeal and would have been a more efficient outcome. Sudden changes in policy make it harder for electric cooperatives and rural communities to access federal assistance.