

Congress of the United States

Washington, DC 20510

October 2, 2014

The Honorable Tom Vilsack
Secretary of Agriculture
United States Department of Agriculture
1400 Independence Ave, SW
Washington, DC 20250

Dear Secretary Vilsack:

Since 1935, the Rural Utilities Service (RUS), and its predecessor the Rural Electrification Administration (REA), have played a valuable role in bringing electricity and economic growth to rural areas by financing electric cooperatives' infrastructure. While much has changed over the last 79 years, the partnership between RUS and electric cooperatives is just as important now as it was when the REA was created. These 580 co-op borrowers in 44 states rely on RUS loans to meet the significant capital requirements of their electric systems.

Today the RUS electric loan portfolio consists of more than \$47 billion in loans for a broad variety of purposes. Cooperatives use these loans to fulfill several important roles: constructing and maintaining all types of electric generation; extending and upgrading thousands of miles of transmission and distribution lines every year; installing technology-driven smartgrid solutions; and promoting consumer energy efficiency.

The electric utility industry is constantly changing, and over the years, electric cooperatives have always adapted to best serve their 42 million member-owners. The Environmental Protection Agency's (EPA) "Clean Power Plan" published on June 18, 2014, is a rule that will have significant impacts on the electric industry, including electric cooperatives. In its modeling of the impacts of the proposed rule, EPA estimated 17 co-op owned power plants would close by 2025 in order for states to comply with the rule.

The safety and soundness of the RUS electric portfolio is well documented. Decades of experience have demonstrated an excellent record of loan repayment and reliable return for the taxpayer. As work on this rule proceeds, we ask that you continue to engage with EPA, and with the affected borrowers, to ensure the RUS electric loan program and RUS electric borrowers are not adversely impacted. It is in the best interest of rural electric consumers and taxpayers alike to ensure affected borrowers are able to manage additional capital investments or early plant retirements as a result of the rule. We thank you for your thoughtful, timely consideration.

Sincerely,



Debbie Stabenow, Chairwoman
U.S. Senate Committee on Agriculture,
Nutrition and Forestry



Frank Lucas, Chairman
U.S. House Committee on Agriculture



Thad Cochran, Ranking Member
U.S. Senate Committee on Agriculture,
Nutrition and Forestry



Collin C. Peterson, Ranking Member
U.S. House Committee on Agriculture