




National Rural Electric Cooperative Association

A Touchstone Energy® Cooperative 

December 2, 2015

Dear Member of Congress:

On behalf of America's consumer-owned electric cooperatives, the National Rural Electric Cooperative Association (NRECA) commends the House of Representatives for considering the North American Energy Security and Infrastructure Act of 2015, H.R. 8. NRECA supported the bill as it was reported from the Energy and Commerce Committee because it would assist the country to meet its ongoing energy needs and to modernize our energy infrastructure.

NRECA is the national service organization for more than 900 not-for-profit rural electric utilities that provide electric energy to over 42 million people in 47 states or 12 percent of electric customers. Electric cooperatives are private, independent electric utilities, owned by the members they serve. Electric cooperatives own and maintain 2.5 million miles or 42 percent of the nation's electric distribution lines, covering 75 percent of the U.S. landmass. Co-ops serve an average of 7.4 consumers per mile of line and employ 70,000 people in the United States.

NRECA appreciates the opportunities we have been afforded to present our views regarding modernizing the energy infrastructure; promoting energy efficiency and government accountability; and other important issues impacting electric co-ops. We strongly support the Section 1102 language to protect co-ops from environmental law liability when they comply with Department of Energy emergency orders. The bill would repeal an unwarranted statutory limitation and allow electric utilities to continue to provide fossil fuel-generated electricity to new and renovated federal buildings in 2030 and subsequent years.

NRECA also supports legislative language establishing the Federal Energy Regulatory Commission (FERC) as the lead agency for siting interstate natural gas permits. We also commend the Committee for ensuring clear authority in emergency situations as well as the establishment of a cyber sense program under the auspices of the Department of Energy.

H.R. 8 will be strengthened by Representative Cramer's amendment #42 that would allow the Bureau of Land Management and the Forest Service to authorize electric transmission and distribution owners and operators to selectively manage vegetation within 150 feet of an existing right-of-way for selective thinning and fuel reduction. Allowing for the treatment of danger or hazard trees that are very near to existing rights-of-way can help remove the threat of wildfire and potential power outages. This

amendment promotes electricity reliability by allowing for the removal of these threats to our power lines.

Unfortunately, several amendments that have been made in order for consideration on the floor will weaken the bill, and; as a result, NRECA urges you to oppose the following amendments to H.R. 8.

Tonko #48. The amendment would eliminate language establishing the Federal Energy Regulatory Commission (FERC) as the lead agency for siting interstate natural gas pipelines. To reduce excessive delays and to improve certainty in this process, FERC must be the lead in siting these pipelines.

Norcross #19. The amendment would require that a report be prepared based on an assumption that smart meters' security architecture and features have a weakness that needs to be regulated, which may not be accurate. In addition, the Secretary of Energy should not promulgate a rule while it, at almost the same time, is drafting a report regarding this particular issue.

Castor #30. The amendment would require the Secretary of Energy to create a federal loan program to subsidize the planning, design, and deployment of distributed energy systems. Since renewables, combined heat and power, microgrids, energy storage, and other distributed energy technologies are already mature technologies the provision of federal subsidies in this area is an unnecessary allocation of resources.

Castor #32. The amendment would establish federal requirements involving the interconnection and net billing associated with community solar facilities that will increase electric utility costs. The Energy Policy Act of 2005, P.L. 109-55, has already required the consideration of interconnection standards regarding any consumer that the electric utility serves. In addition FERC issued Order No. 2006, which established special pro forma small generation interconnection procedures and a pro forma interconnection agreement for facilities of 20 megawatts or less that connect at a utility's transmission system. Federal requirements in this area are unnecessary and redundant.

Poliquin #62. The amendment purports to prevent FERC from proposing a rule requiring plants to enter into supply contracts greater than one year. Unfortunately, since the language does not accomplish this objective, NRECA would prefer that the amendment language be revised to amend a more appropriate statute and to include different language to better accomplish its objective.

Grayson #64. The amendment would establish minimum privacy standards for smart meters and their use in the smart grid. The amendment language is prescriptive. Each individual electric utility should decide its privacy policy based on the utility's unique circumstances. In addition, we are concerned that the section regarding disclosure to third parties goes beyond standard operations and could include demand response and energy efficiency information without customer consent, which is not appropriate.

Beyer #75. The amendment would eliminate legislative language reflecting a consensus agreement among electric utility and energy efficiency interests to allow new and renovated federal buildings to continue to consume electricity generated from fossil fuels in 2030 and later years. In exchange for continued use of fossil fuel-generated electricity, federal buildings would be required to satisfy stringent energy efficiency requirements.

Franks #93. The amendment would direct the North American Electric Reliability Corporation (NERC) to unilaterally develop mandatory electric reliability standards to address a single type of threat to the electric grid from an electromagnetic pulse. FERC already has the authority to direct NERC to develop mandatory reliability standards to address grid vulnerabilities. In fact, this authority has been used in several instances including standards to address geomagnetic disturbances, as well as physical threats to the grid. The Franks amendment would essentially duplicate this existing authority. Finally to the degree the amendment is inconsistent with current law, it could create questions or conflicts regarding FERC-authority in this area.

We urge the House of Representatives to reject these amendments and to quickly pass H.R. 8 to improve our nation's energy policy.

Sincerely,



Kirk Johnson,
Senior Vice President, Government Relations