

## **Quoted: NRECA chief warns of gas price spike amid stronger ESPS**

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The new CEO of the National Rural Electric Cooperative Association (NRECA) -- a group challenging EPA's greenhouse gas rules for existing power plants -- is citing the risk of future natural gas price spikes as a reason to proceed very cautiously on any strengthening of the rule, in response to talk that targets should be tougher due to significant GHG cuts that are driven by separate power market trends.

“There's a lot of market forces that have changed the dynamic,” NRECA chief Jim Matheson said in a Sept. 14 press availability, citing low natural gas prices and cheap renewable power driving GHG cuts even before the 2022 start of the ESPS compliance period. “The question is: Does that mean people want to revise the [ESPS] rules?” Matheson added.

Matheson's remarks came during an event geared toward introducing the new NRECA CEO, a former Democratic House member from Utah, to energy reporters, after Matheson joined the trade association earlier this summer.

On the ESPS, Matheson was responding to a query from *Inside EPA/climate* about how his group could be affected by mounting questions over the extent that GHG cuts once tied to the ESPS are being driven by other factors.

Just the day before, EPA acting air chief Janet McCabe hinted that the energy market trends could pave the way for a future administration to strengthen the ESPS, though she stopped well short of committing EPA on the issue.

Matheson said that such discussion about tightening the ESPS boosts uncertainty for electric co-ops and the power sector as a whole.

“Without having taken any look at how rules may or may not be revised, I would caution anyone going into that discussion to acknowledge that one of the market forces that allowed this rapid advance to those 2030 standards . . . has been this shift to gas,” Matheson said.

“If you are going to revise the rules, let's make sure we do it with the broader context of, you know, there is a certain price volatility associated with natural gas,” Matheson added. “We can't assume that these natural gas prices . . . stay low forever.”

Despite his note of caution, he also acknowledged discussion at NRECA's recent annual meeting of trends that make compliance easier than once expected, calling the dynamic "fascinating."

## **New NRECA head pushes Congress to consider co-ops in energy bill conference**

By Krysti Shallenberger | Utility Dive | September 15, 2016

### **Dive Brief:**

- As broad energy legislation moves through Congress, the National Rural Electric Cooperative Association outlined a list of concerns and support for some provisions in the bill, according to a letter sent Aug. 5 and obtained by Utility Dive.
- NRECA's concerns include provisions outlining interconnection standards for community solar, requirements to adopt advanced energy analytic technology standard as well as provisions that could "diminish the autonomy of consumer-owned electric cooperatives."
- Provisions that netted NRECA's support include incorporating electric water heaters into Department of Energy's research for grid-modernization and energy storage.

### **Dive Insight:**

Though only eight weeks on the job, [newly-named NRECA CEO Jim Matheson](#), traveled to Washington D.C. to promote the interests of the nation's electric cooperatives — including those affected by energy legislation currently caught up in a conference committee.

In a meeting with reporters, Matheson, a former House Representative for Utah, stressed the consumer-focused orientation of rural electric cooperatives — particularly in relation with new technologies, such as distributed generation.

"We're a populist organization," he said, following a question over the current political atmosphere surrounding the 2016 Presidential election cycle. When it comes to new technology, Matheson said what co-ops want boils down to cost and reliability.

These concerns come into play in the letter sent to Sen. Lisa Murkowski (R-AK), who is spearheading the energy legislation along with her Democrat counterpart, Sen. Maria Cantwell (D-WA).

The Senate passed S. 2012 back in May, [on a 85-12 vote](#), the first such first energy legislation since 2007. [The House passed a version in December 2015](#), but that version contains more controversial provisions which could make compromise difficult.

Among the biggest concerns for NCERA are provisions regarding distributed energy resources, net metering policies and interconnection service that should be left to local and state control, according to the letter.

"As a result, these policies would challenge the ability of co-ops to provide affordable and

reliable electricity to their consumer-owners," it reads.

The provisions are

- Model pathways, which would authorize the DOE to develop voluntary model pathways for modernizing the grid, possibly impacting how distributed energy resources are integrated.
- Performance metrics, which would authorize the DOE to establish a report evaluating the performance of the grid. By developing such metrics, the DOE could also establish ownership and operating rules for electric utilities enabling adoption of DERs.

And finally, model guidance, which would establish a criteria to be included in future DOE net metering studies as well as for combined heat and power system interconnection services.