



This November, Let Your Voice Be Heard

Low voter turnout has been a topic of conversation for the last several election cycles. Since the 1960s, voter turnout during presidential elections has seen a steady decline – with the occasional uptick here and there. In the 2016 primary election cycle, voter turnout in most states was only 21 to 30 percent, and this was a record year for primary voter turnout! According to the Missouri Secretary of State’s website, Missouri had a 24.8% voter turnout for the 2016 primary election.



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Some speculate the reason for the decline is because the average American is not as engaged in politics as they have been in the past. And who can blame us really? Often times, we may feel like candidates are not speaking to the issues we care about. Or perhaps we don’t feel like we understand enough about the candidates’ stances on the issues, or even the issues themselves. But we can change this.

Here at Tri-County Electric Cooperative, we want to see civic engagement in our rural communities increase. We want to give you what you need to make informed decisions about candidates at all levels of government, not just the presidential race. And we want you to know more about the issues that could impact our local communities.

America’s electric cooperatives are doing their part by informing co-op staff and members through Coops Vote, a non-partisan campaign with one simple goal: increase voter turnout at the polls this November. By visiting vote.coop, you can learn about your candidates.

The future of rural economies depends on their ability to keep up with today’s

global economy, which is why access to broadband internet is a key topic of discussion this election season. Just 55 percent of rural Americans have broadband at home. Quick access to information is crucial in finding a job, getting a better education and even gathering the information needed to make major health decisions. But there is a barrier: high costs.

With the right state and federal policies, broadband technology can become available to all rural Americans, allowing families and businesses to communicate in new and faster ways. Electric cooperatives are already committed to providing affordable electricity to our communities, so helping provide affordable broadband access is a natural next step.

Let’s work together to improve our communities by increasing voter turnout and changing our country, one vote at a time.

Our previous Grassroots Newsletter mentioned its monthly occurrence. We would like to clarify that it will be a monthly occurrence *during the legislative season*. The 2017 Missouri Legislative Session will convene on January 4th, 2017 and is estimated to adjourn on May 30th, 2017. During off months, you will receive these newsletters on a less frequent basis.

With the presidential election right around the corner, we aim to inform you on the national issues facing America’s Electric Cooperatives (AEC) and our position on them. If you have any questions on this, or other comments/concerns please feel free to contact us using the information provided on the last page. Thank you.

Rural America Needs Robust Broadband Service

Issue: As each day passes without access to robust broadband service in rural America, the digital divide widens between our urban and rural populations.

Background: Rural electric cooperatives provide service to more than 42 million Americans. We serve the lowest population density by mile, averaging just 7 consumer owners per mile of line. In the 1930s, electric cooperatives brought electricity to rural America when the for-profit utilities would not. Today, that same scenario is being replayed as broadband service is deployed in rural America.

Without robust access to broadband, rural Americans cannot take advantage of the educational opportunities or employment prospects that most Americans now take for granted. Electric cooperatives need access to robust broadband service to manage their systems. As technology advances in the electric industry, utilities need more sophisticated telecommunications technology. Our member cooperatives deploy automated metering systems, energy efficiency and demand response programs, and grid monitoring systems that require real-time communication in order to provide safe, reliable electricity 24 hours a day.

Electric cooperatives are pursuing and implementing plans utilizing varied models to deploy broadband to rural America. Through the

Recovery Act broadband programs delivered by the Rural Utilities Service and the National Telecommunications and Information Administration, 13 cooperatives in 9 states received funding for system designs that included fiber to the home, middle mile, microwave and wireless technology. In addition, the Rural Broadband Loan program at the Rural Utilities Service is enabling incremental progress toward bridging the digital divide between rural and urban America. The Federal Communications Commission (FCC) is developing rules to implement Phase II of the Connect America Fund which will provide support to build out broadband in unserved areas of the country.

Electric Co-op Position: The FCC is currently considering rules to govern the reverse auction to award the remaining available financial support in Phase II of the Connect America Fund. NRECA urges the Commission to carefully consider the criteria they use to determine the recipients of limited remaining funds. We urge the FCC to make smart investments in projects that will deploy systems that offer robust service levels necessary for economic development. Funded projects should also be future proof and scalable to enable the system to meet the ever increasing speed definition of broadband without significant additional capital expenditures.

As Congress contemplates telecommunication policy reform, we believe that all potential providers, including electric cooperatives, should be eligible for programs designed to bridge the digital divide. Any effort to bring robust broadband service to rural America

must be an open inclusive process that allows all eligible providers the ability to compete for opportunities. Further, reform should affirm that regulation of Pole Attachment Rates for electric co-ops belongs in the states.

Join ACRE Today!



The Action Committee for Rural Electrification (ACRE®) is the federal Political Action Committee (PAC) of the National Rural Electric Cooperative Association (NRECA). Founded in 1966 by the approximately 1,000 consumer-owned, not-for-profit electric cooperatives of NRECA, ACRE supports candidates for the U.S. House and Senate- those in office now and running for office-who will speak for and protect the interests of electric cooperatives and their consumer-owners.

ACRE contributions to candidates are backed by over 30,000 eligible members across 47 states with an average contribution of \$53, making it truly a grassroots PAC. *For more info on how to join, please contact TCEC.*



Waters of the US (WOTUS)

Issue: NRECA has significant concerns with the final Waters of the US (WOTUS) rule published in the Federal Register on June 29, 2015. The rule, jointly issued by the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps), dramatically expands federal regulatory authority under the Clean Water Act (CWA) to include isolated ponds, ditches and the 60% of “streams” that only have water in them after a rain.

Electric cooperatives own and maintain about 40 percent of the electric distribution lines in the nation, and serve an area covering nearly three quarters of the nation’s landmass. Several activities associated with providing electric service require federal Clean Water Act permits. The final rule will trigger permits for even more activities. Power lines require regular maintenance, including repair and replacement of poles and towers.

Electric Co-op Position: Electric cooperative members value, and deserve, a healthy environment. Affordable and reliable electricity is also an interest of critical importance to our members and the nation. As electric cooperatives work to harmonize these interests on behalf of our members, maintaining the electric infrastructure on which our member owners rely, we cannot afford the delays

and additional red tape this rule creates. The increased costs and lengthy permitting for constructing and maintaining power lines will result in little – if any – enhanced protection for the nation’s waters. The proposed rule is not cost effective and will impose significant economic impacts on a substantial number of small entities, including electric cooperatives.

Vegetation Management: Improve Federal Land Management Policies to Strengthen Grid Reliability

Issue: Electric cooperative efforts to maintain grid reliability and ensure public safety include keeping power line rights-of-way clear of hazardous trees and vegetation, even along lines that cross federal lands to provide affordable electricity to rural Americans. Proactive rights-of-way upkeep that includes vegetation management to ensure reliable delivery of electricity is a uniform utility industry practice adopted by electric co-ops across the country.

However, outdated and inconsistent federal land management policies make it more difficult and costly for electric co-ops to get approval for rights-of-way management to prevent power outages, protect human life and limit impacts to natural resources on or near federal property. Federal reforms are needed to cut red tape and make it easier for electric co-ops to manage vegetation to limit downed power lines, prevent catastrophic fires and respond to emergencies.

Background: To meet federal and state reliability standards, electric co-ops perform rights-of-way maintenance, including vegetation management, on their 2.5 million miles of lines, spanning 75 percent of our nation’s land mass. All electric utilities must comply with reliability, security and safety standards, even for the nearly 100,000 miles of distribution and transmission lines on federal forest land.

Because many electric co-ops extend service to the “last mile” for people in the most remote and rugged areas, co-op lines often cross federal lands managed by the U.S. Forest Service and the Bureau of Land Management (BLM). Therefore, Forest Service and BLM reviews are often required for co-ops to do routine power line maintenance and vegetation management -- including removing a fallen tree, as well as system upgrades to improve reliability.

Delays in application reviews and renewals can keep co-op projects on hold for several months to over a year and add tens of thousands of dollars in costs.

Such delays also create unnecessary liability risks for electric co-ops, which can be held responsible for damages if a hazardous tree or other vegetation causes a fire before the Forest Service or BLM give the co-op approval to address the problem. Forest Service and BLM efforts to address the lack of uniformity in their standards, review processes and decisions led to some improvements. However, these issues remain unresolved without a legislative remedy.

H.R. 2358, the Electricity Reliability and Protection Act, introduced by Rep. Ryan Zinke (R-MT) and Rep. Kurt Schrader (D-OR), includes reforms to streamline rights-of-way reviews and time limits for federal decision-makers to provide consistency, flexibility

and accountability. It would also ensure utilities cannot be held liable for damages if the government fails to allow them to manage vegetation on a right-of-way or adjacent area.

Electric Co-op Position: Electric co-ops urge Congress to pass legislation to reform federal land management practices in order to better ensure reliability and reduce the risk of fires and fire hazards on utility rights-of-way across federal lands. Streamlining federal government management practices on these federal lands will make it easier for electric co-ops to maintain safety and reliability by performing needed vegetation management to prevent threats to power lines and respond to emergencies. Urge your Senators and Members of Congress to pass H.R. 2358 as either a stand-alone measure or as part of broader energy legislation, if a final compromise bill is developed by a Conference Committee.

Geothermal Heat Pumps Tax Credit

Issue: Consumer-owned, not-for-profit electric cooperatives across the nation help their consumer-members save energy and money by promoting the use of geothermal (or ground-source) heat pumps. Geothermal heat pumps take heat from the earth and convert it into a heating source for homes and businesses in an extremely efficient manner. (They also transfer heat from the building to the ground to cool the

building.) However, the initial capital cost for the technology is more expensive than other home heating options, which presents a significant barrier to its use by households and businesses.

Background: Superefficient geothermal heat pumps can cut home heating and cooling bills by up to 70 percent. They can be used in homes, as well as small and large commercial businesses.

Background: Superefficient geothermal heat pumps can cut home heating and cooling bills by up to 70 percent. They can be used in homes, as well as small and large commercial businesses. Geothermal heat pumps can be scaled to any size, and can produce energy 24 hours per day, 365 days per year. Electric cooperatives across the nation work hard to provide their member-consumers with a variety of energy efficiency, renewable and traditional electricity services to meet their growing and changing needs. In fact, co-ops have been leaders in developing and deploying innovative technologies to maintain the affordability and reliability of the electricity we provide to 42 million Americans.

Hundreds of electric cooperatives across the country help their consumer-owners install geothermal heat pump systems and provide reliable information about the technology. The current tax credits for geothermal heat pumps help offset the high initial capital cost of the systems to the consumers, but those tax credits expire at the end of 2016.

At the end of 2015, Congress extended the Wind Production Tax Credit and the Solar Investment Tax Credit. The tax credits are also gradually phased out under the 2015 legislation. Beginning in 2020, the tax credit for commercial solar facilities is reduced from 30% to 26%, followed by a gradu-

al phase down to 10% in 2022 and beyond. The 30 percent tax credit for residential solar facilities was also afforded a gradual phase-out through 2022.

However, no extension or phase down was provided for the Geothermal Heat Pump Tax Credit. Therefore, absent congressional action, the Geothermal Heat Pump Tax Credit will abruptly expire at the end 2016. It is highly likely that co-ops will find fewer consumers interested in reducing their energy usage and electricity bills without this tax credit to keep the initial installation costs reasonable.

Electric Co-op Position: Congress should extend the geothermal tax credit under both sections 25 (residential) and 48 (commercial) of the tax code. Highly-efficient ground-source heat pumps deserve tax parity with other alternative energy sources like solar that had their tax incentives extended in 2015. Urge your member of Congress to establish a similar extension and glide path for the geothermal tax credits.



In addition, all kinds of electric infrastructure require upgrades to make the system more resilient in the event of severe weather events. As our members increase generating capacity to meet the growing demands of our members and invest in generation from other fuels including renewables, electric cooperatives will need to build new transmission and distribution infrastructure. The bottom line is that the WOTUS rule will make electric transmission and distribution construction and maintenance take longer and cost more.

Status: The final rule is being challenged by over 30 states as well as most major agricultural, mining, development, and energy sectors (National Rural Electric Cooperative Association (NRECA) is participating through the Utility Water Act Group). The final rule has been stayed in all fifty states pending a decision on whether the legality of the final rule should be heard in the district court or court of appeals. If the 6th Circuit decides that the district courts have primary jurisdiction, the stay would expire in all but 13 states. The question of court venue could likely end up before the Supreme Court before any court addresses the merits of the arguments for and

against the rule.

All of NRECA's distribution cooperative members and all but three generation and transmission cooperatives, meet the Small Business Administration definition of a small business. The typical distribution co-op serves 13,000 consumers and, on average, seven customers per mile of electric distribution line –far fewer than the national average of 34 customers per mile of distribution line for investor owned utilities and 48 customers per mile for publicly owned utilities (municipals).

The Small Business Administration Office of Advocacy found that the EPA and the Corps improperly certified the rule as not posing a significant economic impact on a substantial number of small entities. We also agree with the SBA that the agencies should have prepared and made available in the rulemaking record an initial regulatory flexibility analysis describing the impact of the proposed rule on small entities. Furthermore, the EPA erred in not conducting a small business advocacy review (SBAR) panel in accordance with the requirements of the Small Business Regulatory Enforcement Fairness Act (SBREFA).

**I AM A
CO-OP
VOTER**

Co-ops Vote is a non-partisan project of America's Electric Cooperatives designed to inform its members on the key issues facing electric co-ops and encourage them to vote and support their co-ops and the communities they serve when they go to the polls. Sign up free today at www.vote.coop to learn more.

We cannot allow our voices to go unrepresented in the elections this November.

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CO-OPS VOTE
A PROGRAM OF AMERICA'S ELECTRIC COOPERATIVES
WWW.VOTE.COOP

Stay Involved



The MO Co-op Nation website is the advocacy hub for Missouri's Electric Cooperatives. Missouri's Electric Cooperatives want you, our member-owners, to be involved in regulatory or legislative issues that could affect the price you pay for electricity. It's more important than ever to band together and promote common sense solutions to the electricity issues facing our nation. Find more detailed information about issues in Missouri at

www.mocoopnation.org.



The Cooperative Action Network is the grassroots arm of the NRECA - the national service organization for more than 900 not-for-profit rural electric cooperatives that provide electricity to more than 42 million consumers across 47 states. Together, rural electric cooperatives serve 75 percent of the nation's landmass and account for approximately 12 percent of total electricity sales in the United States. Find out more about the issues affecting America's Electric Cooperatives at <https://action.coop>.

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The most critical component of an effective Grassroots program is having a clear, consistent message. To accomplish this, during the legislative season TCEC will provide you with monthly updates on legislation, floor debates and amendments, and other pertinent information so you are well-informed to take action and be involved in the political process. If you have any questions about grassroots or how you can be more involved please contact us at the information provided.