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NRECA asks for time on new rule

Representatives of the National Rural Electric Cooperative Association met with White House and other administration officials in November, asking for more time for utilities to comply with a pending MACT (Maximum Achievable Control Technology) rule.

Proposed by the Environmental Protection Agency (EPA) March 16, the rule is scheduled to become final the 16th of this month. That effective date represents a brief delay. The rule was scheduled for implementation November 16, but earlier this fall the EPA said it would hold off for 30 days.

In a letter to Cass Sunstein of the Office of Management and Budget following the November meeting, NRECA's Kirk Johnson wrote, "Even under ideal conditions, EPA has little basis to assume that the entire electric utility industry could install the significant number of pollution control devices that will be required to meet the new regulation within three or four years."

Moreover, Johnson wrote, generation units will have to be taken off-line to install new equipment and replacement base-load generation will have to be purchased "under uncertain market conditions that are likely to exist as the entire utility industry undertakes MACT obligations"

This would be necessary, he wrote,

"irrespective of the availability of affordable alternative generation or even whether substitute base-load power is available at all."

The MACT rule for hazardous air pollutants applies to all coal- and oil-fired power plants and aims at capturing emissions of mercury, arsenic, chromium, nickel, acidic gases, and organic pollutants.

NRECA has proposed issuance of an executive order allowing compliance extensions of up to two years, and possibly multiple extensions, based on availability of technology and national security considerations as specified in the Clean Air Act.

Hayes re-elected to Cooperative Network board

Board President Tom Hayes of Brown County Rural Electrical Association was re-elected last month to an at-large director seat on the Cooperative Network board. The action took place during annual meeting activities in Rochester.

The only other at-large director position up for election also saw the incumbent re-elected as director Cheri Gibeaut of Wisconsin's Adams-Columbia Electric Cooperative outpolled two challengers.

Bruce's briefs

by CN Lobbyist Bruce Kleven

Two more Senate retirements announced

State Senator Linda Higgins (D-Minneapolis) announced in November she will not seek re-election in 2012, though she does plan to complete her current term. It was the second time in less than a month that a Minneapolis DFL Senator announced plans to leave office.

At the end of October, Senator Larry Pogemiller (D-Minneapolis) announced his resignation from the Minnesota Senate effective November 7 to take the position of director of the Office of Higher Education. Senator Pogemiller was first elected to the House in 1980 and to the Senate in 1982. Senator Pogemiller's resignation also means the entire DFL legislative leadership team from last year is gone. (Others moving on included Speaker of the House Margaret Anderson Kelliher and Majority Leader Tony Sertich).

Some argue that Pogemiller's resignation is the result of frustration at being in the minority, while others argue it is simply because Governor Dayton is the first DFL governor in 20 years who has been able to appoint sitting DFL legislators to cabinet positions. A special election to fill the vacated Senate seat will be held January 10.

Senator Higgins was first elected to the Senate in 1996. Along with Pogemiller and former Senator Linda Berglin (D-Minneapolis), who retired in August, Higgins was one of the senior members of the Minneapolis delegation in the Senate.

Both the Pogemiller and Higgins seats are in DFL strongholds and are virtually certain to remain in DFL hands regardless of who emerges to succeed the retirees.



First day on the job—Matt Hughes (right), Cooperative Network's new Minnesota managing director, meets with lobbyist Bruce Kleven on Nov. 14, opening day of the Cooperative Network annual meeting in Rochester.

Energy standard would hike generation costs, government finds

A 30-percent increase in electric generation costs nationwide within 25 years would result from adoption of a Clean Energy Standard (CES) offered as an alternative to a national renewable energy quota, a federal agency reports.

The Energy Information Administration (EIA) said the generation cost increase would be higher in some parts of the country, especially those that rely heavily on coal-fired power plants. The EIA—an arm of the Department of Energy—also concluded that a nationwide CES would have a negative effect on growth of the economy over the entire analysis period, reducing Gross Domestic Product (GDP) by a little less than 1 percent.

The GDP reduction translates into a loss of \$74–\$127 billion annually from 2015 through 2035, according to Rep. Ralph Hall (R-TX), who requested the analysis from the EIA. Hall chairs the House Science, Space and Technology Committee.

Failure to enact a nationwide renewable energy standard in the last Congress led to talk of a CES, which is less restrictive of the generation types eligible to meet quotas. A CES as analyzed in the EIA study would allow power providers to meet their targets using hydro, wind, solar, geothermal, biomass, municipal solid waste, landfill gas, and nuclear generation. It would also count as clean energy coal-fired plants equipped with carbon capture and sequestration and natural gas units either with carbon capture and sequestration or using combined-cycle technology.

As analyzed, the CES would begin by requiring qualifying clean generation to account for just under 45 percent of sales in 2013 and rise to 80 percent in 2035. All electricity retailers, regardless of ownership type or size, would be covered.

Non-farm employment would be adversely affected between 2015 and

about 2027, according to the EIA's projections, as energy prices rise. As graphed by the EIA, non-farm employment would be expected to follow a path similar to GDP, which would drop below current levels almost immediately and not return during the analysis period ending in 2035.

For once, the analysis did not project that the upper Midwest would be

one of the regions hardest hit by cost increases. Hall said electricity prices for his Texas constituents would rise about 42 percent, while Colorado would see about a 48 percent cost increase, Eastern Pennsylvania and New Jersey prices would rise by about half, and Southern Illinois and Eastern Missouri could see cost increases of about 61 percent.

Co-ops join defense in treated-pole lawsuit

The National Rural Electric Cooperative Association (NRECA) has come to the aid of Pacific Gas and Electric (PGE) in fighting a lawsuit seeking Environmental Protection Agency (EPA) regulation of treated utility poles under the Clean Water Act.

The action stems from a lawsuit filed in 2009 by the California-based Ecological Rights Foundation, alleging PGE violates the Clean Water Act and the Resource Conservation and Recovery Act by using wooden poles treated with pentachlorophenol, which, the plaintiffs say, runs off into waterways when it rains.

Pentachlorophenol, the lawsuit says, "is necessarily and invariably contaminated with a suite of similar, but even more toxic chemicals" including dioxins.

The case was dismissed by the federal court for the Northern District of California and is now before the Ninth U.S. Circuit Court of Appeals. If the Ninth Circuit reverses the district court, the ruling would initially be effective only in the district but could be used anywhere as precedent.

NRECA is one of 15 organizations, also including the American Farm Bureau Federation and Edison Electric Institute, that filed a friend of the court brief this fall asking that the district court's dismissal be upheld.

The brief notes that the EPA already regulates pentachlorophenol under the Federal Insecticide, Fungicide and Rodenticide Act and re-registered the substance in 2008 as "environmentally acceptable for precisely this [treated utility pole] use."

A ruling in favor of the plaintiffs could subject treated wood poles or other common building materials to National Pollutant Discharge Elimination System permitting requirements under the Clean Water Act or solid waste disposal regulations under the

Resource Conservation and Recovery Act, the brief said.

NRECA said a 2002 industry survey indicated 130 to 135 million treated wooden poles were in use nationwide.

Ratemaking changes key to energy efficiency

In a November report, the Brattle Group projected that energy efficiency practices will probably shave 5 to 15 percent off U.S. electricity consumption over the coming decade.

New ratemaking techniques are expected to play a major role, with between 7 and 20 percent of residential customers likely to participate in "dynamic pricing" programs. Such programs are expected to have a broader impact among big users, with participation rates among commercial and industrial customers likely to reach 10 to 30 percent, the report said.

Job market

Temporary Lineworker (1,000 Hours)—Tri-County Electric Cooperative in Rushford, Minnesota, is seeking applicants for the position of a temporary lineworker (1,000 hours). Qualifications include: legible handwriting, good oral and written communication skills, must be mechanically inclined. Must have a Minnesota Class A CDL driver's license. Requires ability to operate and maintain various types of equipment. Education: high school graduate or GED with the completion of a recognized accredited lineworkers' school and a strong understanding of the theory of electricity and associated principles. To obtain an application packet, please contact the Tri-County Electric office at 800-432-2285 or visit the website at www.tec.coop. Applications will be accepted until the position has been filled.

Cooperative
Network

Capsule

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