



John Villyard, CEO
San Luis Valley Rural Electric Cooperative

Glenn English, CEO of National Rural Electric Cooperative Association (NRECA) praised House Energy and Commerce Committee Chairmen Henry Waxman, Chairman Markey and Chairman Peterson for their willingness to address the concerns of rural electric cooperatives in proposed climate change legislation.

The legislation, H.R. 2454, the American Clean Energy and Security Act of 2009, focussed on controlling carbon emissions. However, as the bill was initially proposed, some utilities would have received more than 100 percent of their share

NRECA Effective in Making Climate Bill Better

of the cap. NRECA calculated that the formula for allocation of carbon allowances within the bill would have created regional winners and losers.

“We should be protecting utility consumers from unnecessary costs under the cap-and-trade system, and not rewarding others for some other rationale not related to reducing carbon emissions,” English said in prepared testimony.

To remedy the problem, English recommended, and the committee approved, allocating emission allowances to local distribution cooperatives based on the carbon content of the fuel used to produce the electricity sold by the utility and in proportion to the utility sector’s share of emissions.

In a letter to the committee, English said, “Electric Cooperatives want to thank you and the House leadership for addressing the ‘fairness’ issue. Providing language that no utility should receive allowances in excess of

100 percent of their needs deals with an inequity that would have cost consumers.”

The bill now proposes distributing allowances above the 100 percent level to all LDCs (investor-owned utilities, cooperatives and municipals) based on emissions. An additional 0.5 percent of all allowances would be provided to small utilities (utilities with less than 4 million MWH sales per year). These allowances would be distributed to cooperatives and municipals based on emissions, and must be used for efficiency, renewable electricity, or low-income assistance programs.

English still sees opportunities for improvement, but notes that the legislative process will offer that opportunity. He said, “With this in mind and while we still have concerns about the bill, the National Rural Electric Cooperative Association and its members will not stand in the way of passage of this legislation.”

The grass roots efforts of people like you, our employees and our members had a very positive effect on the legislative process. NRECA and Glen English worked tirelessly on this effort. Because of their efforts and your support, some of the more onerous sections of this bill have changed in our favor.

The House leadership would like to see this bill move quickly while they have the votes to get it through. After the bill leaves the House it will go to the Senate. Many senators are favorable to our way of thinking. We are optimistic that with your continued support, any enacted climate legislation will help all Americans without hurting rural communities and without favoring some regions of the country. Thank you for speaking out!

**SAN LUIS VALLEY
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