The National Resolutions Committee Report and 2015 Compendium of Proposed Resolutions

The National Resolutions Committee met on June 19, 2015, at NRECA in Arlington, Virginia. NRECA members were able to watch the meeting live on Cooperative.com as the Committee discussed various proposals submitted by the membership.

Submissions were considered in light of the existing policy resolutions adopted by voting delegates at the 73rd NRECA Annual Meeting in Orlando. The Committee voted to forward three new resolutions and amendments to three existing resolutions for consideration at the 2015 Regional Meetings. The Committee supports these proposals as presented in the attached Compendium.

The Committee also spent considerable time discussing a proposed amendment to the existing Greenhouse Gas Emissions resolution. This amendment was originally approved by Region 7 during the 2014 Regional Meetings, after several Regions had already met. It was debated at the NRECA Annual Business Meeting in Orlando, but failed to reach a majority vote for approval. The amendment was then submitted for the Committee to consider at the June meeting – the beginning of the 2015-2016 member resolutions process.

A director from the cooperative offering the amendment attended the meeting and addressed the Committee. The director explained that they offered the amendment again to allow all 10 Regions to consider it at the 2015 Regional Meetings. During the discussion, the director and the Committee clarified that the intent of the amendment is not to impede NRECA’s primary objective of supporting regulatory and legal efforts to protect our ability to provide reliable, affordable electricity to member-owners. However, the Committee believes the amendment will detract resources and staff attention from current efforts opposing EPA’s proposed regulations on existing power plants.

The Committee asked NRECA staff to investigate the cost of implementation if the amendment is approved by the membership, and noted that there are more than 12,000 peer-reviewed studies on climate change. The Committee believes that NRECA’s limited resources would be better spent pursuing other avenues to achieve the goals of the Greenhouse Gas Emissions resolution.

The Committee recommends against the adoption of the amendment. However, the Committee is forwarding the proposal now, at the beginning of the resolutions process, to allow all 10 Regions to review it and provide input. The Committee hopes the membership will take time to understand this proposal, discuss it with your boards and state associations, and then engage in a robust conversation during the Regional Meetings.
Under the former resolutions process, there was no reporting system for NRECA member submissions that were not advanced to the Regional Meetings. The Committee now includes these brief explanations on why the following proposals are not included in the 2015 Compendium of Proposed Resolutions. As a reminder, any NRECA member may re-introduce these concepts at a Regional Meeting. The Committee encourages members to work with regional resolutions committees in Regions 1 and 4 to insert proposals early in the process and allow for input from all Regions. Regional committee rosters are available on the member resolutions process section of Cooperative.com.

*Electric Infrastructure Protection, submitted by Lorain-Medina REC and North Central Electric Co-op, Ohio; reviewed by the Ohio Rural Electric Cooperative Association* – The existing resolution “Responsibility to Protect Electric Infrastructure” adequately covers this proposal. The Committee asked staff to incorporate language from the proposal into the policy background of the existing resolution. To help members better understand NRECA’s ongoing work, staff will give specific examples of efforts and achievements in infrastructure protection. The revised background statement will be available for voting delegates and members to review prior to the 2016 NRECA Annual Business Meeting in New Orleans.

*Proposed amendment to the existing resolution “Developing New Consumer-Centric Business Models” (p. 14 & 66), submitted by New Hampshire Electric Cooperative* – The Committee discussed the amendment and agreed generally with the language. The Committee declined to forward the proposal, and instead referred it to the NRECA Board of Directors and management since it addresses how to implement the existing resolution which was recently approved at the 2015 NRECA Annual Meeting.

**In Conclusion**

The Committee hopes that the membership finds this report informative. We encourage you to add your cooperative’s input to these proposals and the member resolutions process by participating at your upcoming Regional Meeting. If you have not yet certified a voting delegate for the Regional Meeting, there’s still time. Please contact the NRECA Membership Department at (703) 907-5868 or VotingDelegates@nreca.coop if you have questions.

*Dave Wheelihan*

Chair
# National Resolutions Committee

**Chair:** Dave Wheelihan, Region 9  
**Vice Chair:** Jim Compton, Region 3

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The National Resolutions Committee current term runs until the conclusion of the 2016 NRECA Annual Meeting. The committee is comprised of the chairs and vice chairs of each of the three NRECA Member Standing Committees – Legislative; Regulatory; Cooperative Management, Employment and Community (CMEC). To ensure each Region is represented, the NRECA President appoints additional individuals from the Standing Committees. To contact the committee, please email resolutions@nreca.coop.
2015 Compendium of Proposed Resolutions

Proposed Amendment – Forwarded with Recommendation Against Adoption

(1) Proposed Amendment to Existing Resolution, Greenhouse Gas Emissions (p. 9 & 50)

The Resolutions Committee forwards this proposed resolution with a recommendation against adoption. Please see the explanation following the proposed resolution.

Proposed New Resolutions – Forwarded with Recommendation for Adoption

(2) Unmanned Aerial Systems (UAS)

(3) Regulatory Reform

(4) Development of a Plan to Meet the Fuel Requirements of the New Natural Gas Fleet and Comply with the Clean Power Plan

Proposed Amendments – Forwarded with Recommendation for Adoption

Deletions are shown as strikethroughs, and new language is underlined. Page numbers refer to the 2015 Member Resolutions booklet.

(5) Nuclear Power (p. 8 & 44)

(6) Demand-Side Management Programs (p. 8 & 45)

(7) Impact of Regulations on NRECA Members (p. 17 & 71)

Please note, Policy Background statements accompany each policy resolution and are intended to provide additional information to educate voting delegates and the membership. Only the resolutions are voted upon.
(1) Proposed Amendment – Forwarded with Recommendation Against Adoption
Submitted by Sedgwick County Electric Cooperative Assoc., Kansas

Greenhouse Gas Emissions (p. 9 & 50)

If Congress or the Administration considers legislation or regulations to address greenhouse gas emissions, we urge NRECA to be actively engaged to ensure that any plan protects the interests of, and minimizes the economic impacts to, electric cooperatives and our member-owners, and allows cooperatives to continue to provide affordable, reliable, and safe electric power.

We also urge NRECA to support research and technology development for projects that can help to mitigate carbon emissions.

We also urge NRECA to examine the research and determine whether the effects of climate change are caused by natural trends and/or man-made actions.

Policy Background for the Proposed Amendment

Please note, the policy background for the existing resolution is available at page 50 of the 2015 Member Resolutions booklet. The above background information was provided by the amendment author and is intended to provide explanation to the proposed amendment only.

Why do we need to look closer at the research? The government has only presented the case that climate change is caused only by man-made actions. Many people are suspicious of the governments finding, having a hard time believing their assumptions.

Rightfully so. Congress gave EPA, by 293 words, the authority to regulate greenhouse gas emissions. It brought about 800 pages of regulations last year, 1600 pages of proposed regulations this year. How many next year? Based on what?

All of us know the fallout. EPA estimates a shutdown of 19 percent of US coal fired generators. 20-30 percent increase in electric retail prices. Bringing safe, reliable, reasonable, electricity to our members is becoming much harder, if not impossible. Never before in recent history has an issue become more important to the lively hood of our nation, and our co-op.

We have been told that our staff at NRECA works every day, on mitigating EPA rules. Looking at the data and facts, why we have climate change, should also be part of the responsibility of NRECA. Not just mitigating. EPA should have to prove scientifically how they base their rules.

Hundreds of scientist, Economists, policy experts, and researchers question whether man is solely responsible for climate change. Some have spent decades studying and researching other possibilities for climate change. But our government and media is not interested in listening to them. It is time for NRECA, and many other affected groups, to join in asking for facts about what is causing climate change.

John F. Kennedy said “we are not afraid to entrust the American people with unpleasant facts, foreign ideas, alien philosophies, and Competitive values. For a nation that is afraid to let its people judge the truth and falsehood, in an open market, is a nation that is afraid of its people.”
Are we afraid of our government and EPA? Is congress really helping us? As elected co-op board members are we fulfilling our due-diligence?

Let us join together demanding scientific facts, to be able to continue, bringing reasonable reliable affordable electricity to our members.

National Resolutions Committee Action: This amendment was originally approved by Region 7 during the 2014 Regional Meetings, after several Regions had already met. The amendment was discussed on the floor of the 2015 Annual Business Meeting but failed to achieve a majority vote and did not pass. The amendment was submitted again in June 2015. The Committee discussed the resolution at length, and believes that NRECA’s limited resources would be better spent pursuing other avenues to achieve the goals of the Greenhouse Gas Emissions resolution. The Committee believes NRECA should be focused on the regulatory and legal issues associated with the Clean Power Plan, which could impose significant direct costs on electric cooperatives. The Committee also noted that it would likely require a significant expense (both in terms of funding and time) to hire an independent, qualified, and respected environmental scientist to review the more than 12,000 peer-reviewed studies on climate change. Additionally, the Committee noted that whenever an organization funds such research, the results of the research are almost always perceived to be biased, regardless of the outcome, which could impact the reputation of NRECA and electric cooperatives. Therefore, the Committee recommends against the adoption of this amendment. However, the Committee forwards the proposal to allow all 10 Regions to review it and provide input. The Committee will review the actions taken by the Regions and the Member Standing Committee in January 2016.

Region Actions:
(2) Proposed New Resolution – Forwarded with Recommendation for Adoption
Submitted by Kiwash Electric Cooperative, Inc. and Oklahoma Assoc. of Electric Cooperatives

Unmanned Aerial Systems (UAS)

We urge NRECA to seek any congressional legislation and regulatory action necessary while monitoring Federal Aviation Administration (FAA) rules and guidelines that will allow the UAS industry to grow and prosper in rural America as a tool for the electric industry. The commercialization of the UAS industry requires regulators, legislative leaders and electric cooperatives to work in cooperation by integrating small unmanned aerial systems into the national air space. We request NRECA support in nurturing the use of this technology by the electric cooperative industry to the benefit of member-owners.

Policy Background

The continued success of electric cooperatives and the agricultural industry relies with adapting to new technological advances. A technology known as Unmanned Aerial Systems (UAS) which includes similar technology solutions for power-line surveillance and GIS system mapping will require NRECA assistance with positive, industry supporting legislative and regulatory action. The rural electric industry business applications of UAS includes such things, but not limited to, storm damage assessment, outage restoration, power-system inspections, troubleshooting and diagnostics, system planning, corridor mapping, vegetation management, inventory pole attachments, thermal imaging, and structural integrity. A remotely piloted vehicle has the ability to examine power-lines from a unique aerial perspective at greater speeds with digital recording capability and thermal imaging options.

This industry is in its infancy and will require proper research and development to achieve its ultimate goal of power-line inspection. It will require aerial vehicles of limited weight and size at low altitudes that can be piloted remotely while using multiple sensing device to guide, direct and carryout the mission of the electric industry. It will also require an educational effort to ensure member-owners understand why a cooperative may choose to use UAS and are as comfortable as possible with the choices that a cooperative may make regarding use of this technology.

NRECA recognizes that use of UAS by cooperatives and by others presents both opportunities and risks. For example, there are safety, security and privacy concerns associated with increased operations of UAS, but NRECA believes there is huge cost-saving and stronger grid-resiliency potential through the use of the technology by electric cooperatives NRECA seeks to balance the risks and opportunities to ensure a safe and efficient framework for UAS operations.

Electric utilities are not the only industry sector considering ways to adopt the UAS technology. UAS can also assist agriculture with various stages of crop analysis solutions such as inspections of soil types with regard to fertilizers, plant growth, insecticides applications, and crop yields. Endorsing this resolution will also assist the electric cooperatives and agricultural industry in providing new opportunities for these industries with a focus on benefiting cooperative member-owners. The UAS industry has the potential to encourage new job creation in rural America.

National Resolutions Committee Action: The Committee supports the approval of this resolution as submitted. The Committee added a paragraph to the background to acknowledge
potential threats that third parties or other unauthorized use of drones present to co-op infrastructure and facilities.

Region Actions:
We support reform of the federal regulatory process to make the development of regulations more accountable and balanced to the best interests of the country by better recognizing costs imposed by regulation, weighing costs against benefits and improving the checks and balances within the process. We believe regulations should not stifle innovation and cause excessive and unjustified financial and other burdens on those affected by them and should have the costs and benefits reviewed and affirmed in an open and transparent process.

Policy Background

The following are examples of reforms that we support:

- Congress should establish a process to review existing rules and regulations, with the goal of eliminating existing rules and regulations that are overly burdensome.
- Regulations should be based on sound economics by evaluating them against their projected costs and benefits to make sure they are cost effective compared to other alternatives that may be available. Alternatives should be sought out and evaluated in an open and transparent process before settling on a proposed regulatory solution.
- Regulations should be based upon sound science, which includes the following principles:
  - All science and technical data must be made available for independent review. The Scientific Method requires transparency including disclosure of any potential conflicts of interest so that all results are reported for the purpose of independent testing, reproducibility and verification. Transparency is also a requirement of honest and open government.
  - Dissenting scientific views must have an opportunity to be heard and considered.
  - Scientific studies should be peer reviewed using the “double blind” method where the author’s name is removed to mitigate reviewer bias.
  - Uncertainties in scientific findings and conclusions must be communicated and considered in the process.
  - Scientific risk assessment procedures should address risks that are proven to be real and significant rather than remote and hypothetical.
  - Private sector science and technical input should be sought out and included in the process.
  - Simulation models used to develop regulations should be validated through the normal rigorous process of comparing the many aspects of model predictions to physical data to determine their accuracy and utility for critical decision making.

National Resolutions Committee Action: The Committee supports the approval of this resolution as submitted. The Committee updated the background statement for accuracy.

Region Actions:
(4) Proposed New Resolution – Forwarded with Recommendation for Adoption
Submitted by Old Dominion Electric Cooperative, Virginia, and South Mississippi Electric Power Assn., Mississippi

Development of a Plan to Meet the Fuel Requirements of the New Natural Gas Fleet and Comply with the Clean Power Plan

We urge NRECA to work with the EPA, FERC, DOE, the natural gas industry, and other industry stakeholders to develop a plan that adequately considers the time required to implement the infrastructure necessary to meet the fuel requirements of the new fleet of natural gas generation, as well as meet the desired level of carbon emission reduction in the Clean Power Plan or other regulations.

Policy Background

Between 2015 and 2019, retirements of coal-fired generation will outpace the installation of new natural gas-fired generation capacity. Some of these retirements of older, less efficient coal plants were expected. However, the early retirement of coal units resulting from Environmental Protection Agency (EPA) regulations may create reliability risk if operationally flexible natural gas infrastructure cannot be constructed prior to the early plant retirements or conversions to natural gas.

The EPA’s proposed Clean Power Plan (CPP) and the Mercury and Air Toxics Standards (MATS) rule will accelerate a comprehensive shift in the United States electric generation resource mix. The power industry’s reliance on natural gas for generation will increase significantly due to the low cost of natural gas, coal plant retirements, and the intermittent nature of wind and solar generation which requires gas for back-up. However, under the EPA’s proposed carbon reduction deadlines, there is not sufficient time to adequately plan, design, and build new generation, transmission, and natural gas infrastructure required to maintain reliability.

Lead times to construct new facilities are longer than ever, and continue to face siting and construction challenges. According to the Energy Information Administration (EIA), an interstate natural gas construction project will take approximately three years from the time it is first announced until the new pipeline is placed in service and large, complex projects can take even longer to complete. The timeline to identify a generation need, receive regulatory approval, and place the new generation in service can take between six and eight years (Figure 1). In addition, NERC has estimated that it can take up to 15 years to build a new 500 kV electric transmission line.

In order to accomplish the goal of reduced carbon emissions of the CPP while maintaining national grid reliability, NRECA should work with industry stakeholders and regulators to develop a plan that realistically considers the time required to install the necessary new natural gas-fired generation and associated pipeline infrastructure.
### National Resolutions Committee Action:

The Committee supports the approval of this resolution as submitted.

### Region Actions:
(5) Proposed Amendment – Forwarded with Recommendation for Adoption

Submitted by Mountain View Electric Assoc.; Reviewed by Colorado Rural Electric Assoc.

Nuclear Power (p. 8 & 44)

We urge NRECA to undertake legislative and regulatory initiatives to support the continuation and expansion of nuclear power, including increased funding for research and development such as advanced designs of nuclear reactors capable of reusing spent nuclear fuels, and timely licensing and permitting for both large-scale and modular units.

Policy Background

Nuclear power plants currently operating in the U.S. supply a critical portion of the electricity generated. In 2012, for the first time since the early 1980s a new plant with cooperative anticipation received a combined Construction and Operating License and in 2014 there were three new nuclear plants under construction that would benefit electric cooperatives and other cooperatives are considering nuclear development options.

Additionally and importantly, nuclear power plants contribute greatly to reduction of certain airborne emissions, including greenhouse gas carbon dioxide emissions. Also, the nation’s nuclear power plants have continued to operate with increasing availability and safety, substantially contributing to keeping fuel costs for the generation of electricity as low as possible. We also have the technical ability to reprocess used nuclear fuel either for long term storage or reuse in advanced molten salt reactors.

As a consequence, we urge NRECA to undertake appropriate federal legislative and regulatory initiatives designed to:

- Ensure development of federal policies to ensure existing generation I and II nuclear generating plants will continue to provide clean, reliable, safe and affordable electricity, and to facilitate the appropriate expansion of and investment in the next generation of new nuclear power plants;
- Provide regulatory certainty in the timely permitting and approval of new generation III+ modular nuclear plant construction;
- Ensure that cooperatives have the right to participate in the next generation of nuclear facilities, that RUS will have/make appropriate funding available for same, and that energy legislation, including climate change legislation with nuclear provisions, includes cooperative nuclear incentives comparable to those extended to IOUs and municipals;
- Appropriately increase funding of research, development and demonstration of clean, safe advanced nuclear technologies, including contributing federal funds for construction of the initial round of next generation III+ nuclear generating facilities, and support for research and development of advanced generation IV nuclear generation technologies – such as the passive safe molten salt reactor that may would be able to reuse spent lightwater reactor nuclear fuels or operate on fresh thorium fuel.
- Adequately fund the Department of Energy loan guarantee program and ensure that cooperatives, including those that have or intend to obtain undivided interests in jointly owned nuclear units, have access to the loan guarantees.
- Support the development of scalable, modular nuclear technology including federal support to move this technology to commercial availability and enable timely accelerate federal regulatory approval for licensing and operation.

We urge our federal government to develop a strategic plan to accomplish the above including timing, dates and accountability.
National Resolutions Committee Action: The Committee supports the approval of this resolution as presented. The Committee moved the amendments that address specific nuclear technologies into the background statement to avoid narrowing the scope of the resolution. The Committee determined that presenting the amendments in the background more appropriately addressed the authors’ intent to support new technologies while not abandoning existing nuclear facilities.

Region Actions:
Proposed Amendment to Existing Resolution – Forwarded with Recommendation for Adoption

Submitted by the National Resolutions Committee

Demand-Side Management Programs (p. 8 & 45)

Electric cooperatives strongly support utility-operated demand-side management programs. We urge NRECA to seek modifications to the Department of Energy’s energy conservation standard for residential electric resistance water heaters issued in March 2010 to preserve cooperatives’ ability to use large capacity (above 55 gal) electric resistance water heaters in demand-side management programs.

Policy Background

Cooperatives support demand-side programs because such programs can improve cooperatives’ load profiles, reduce their exposure to market risks, and lower costs for all member-owners on the system.

In March 2010, DOE issued a new energy conservation standard for residential water heaters. The new standard for electric water heaters required that water heaters with a storage capacity larger than 55 gallons utilize a heat pump in order to reach an efficiency of 200 percent. It was effectively a ban on large electric resistance water heaters.

More than 250 electric cooperatives use hundreds of thousands of large capacity water heaters as part of demand-control programs to delay the construction of expensive power plants and transmission lines by reducing peak demand and increasing efficiency of power delivery. DOE’s intent was to create energy savings nationwide by making millions of newly installed water heaters more efficient. However, this action would have terminated the programs electric cooperatives have implemented using large capacity water heaters. These programs help improve system efficiency, save member-owners money, and protect the environment.

NRECA worked with other utilities, water heater manufacturers, and energy efficiency and environmental groups on consensus legislation that would preserve the use of electric resistance water heaters over 75 gallons in size. S. 535, the Energy Efficiency Improvement Act that included regulatory relief for grid-enabled water heaters passed the House and Senate unanimously, and signed into law on April 30, 2015 (P.L. 114-11).

National Resolutions Committee Action: The Committee supports the approval of this amendment. The issue is moot since President Obama enacted the Energy Efficiency Improvement Act in April 2015, as explained in the background.

Region Actions:
(7) Proposed Amendment to Existing Resolution – Forwarded with Recommendation for Adoption
Submitted by the National Resolutions Committee

Impact of Regulations on NRECA Members (p. 17 & 71)

We urge NRECA to support regulatory actions that are consistent with the intent of the law, offer net benefits, and are in the best interests of NRECA member systems. We also urge NRECA to support agency compliance with the Small Business Regulatory Enforcement Fairness Act, and urge NRECA to work to ensure that all distribution cooperatives and the maximum number of G&T cooperatives can qualify for “small utility” designation under the Act.

Policy Background

NRECA member systems are confronted daily with burgeoning regulatory requirements, new proposed workplace rules, and new interpretations of existing rules, many of which could adversely affect operating costs and efficiencies of the systems.

As agencies such as the Environmental Protection Agency draft rules, NRECA should be actively engaged to ensure the interests of electric cooperative members are heard. The drafting of proposed regulations is often critical to the eventual definition of final rules. Effective early input in the writing of rules can be important in shaping the final language of those rules and their future impact on member systems.

NRECA, statewides, and member systems need to share resources and coordinate efforts to influence the writing of proposed rules, to communicate the importance of proposed rules to all member systems and to coordinate responses to regulations in conjunction with other affected entities to ensure the best possible outcomes for NRECA member systems.

The Small Business Regulatory Enforcement Fairness Act (SBREFA), which was enacted in 1996, establishes enforcement mechanisms to ensure that agencies analyze the impact of new regulations on small businesses and consider less costly and onerous alternatives for regulating small businesses. Most electric cooperatives meet the criteria as “Small Utilities” as defined by the Small Business Administration (SBA).

In December, 2013, SBA published its revised size standard for utilities. The revised standard incorporated the analysis that NRECA staff had performed on the proposed standard and reflected the numerous meetings that NRECA held with SBA to help the agency recognize our view on the size standard. Consistent with NRECA analysis and recommendations, the revised standard is employee number based (replacing the MWh volume basis of the prior version). Under the revised standard, all distribution coops qualify as small and many G&T’s fall under the small category as well. We urge NRECA to continue to monitor the cycle under which the SBA reviews and revises size standards to ensure that all distribution cooperatives and as many G&T cooperatives as possible continue to qualify for that designation.

National Resolutions Committee Action: The Committee supports the approval of this amendment. The SBA’s revised size standard for utilities includes all NRECA distribution members and nearly all G&T members, as explained in the background.

Region Actions: