

ELECTRIC COOPERATIVE MUTUAL ASSISTANCE



August 2017

Introduction

The National Rural Electric Cooperative Association (NRECA) is the national service organization dedicated to representing the more than 900 consumer-owned, consumer-governed, not-for-profit cooperative electric utilities and the consumers they serve. Our member cooperatives were formed to provide reliable electric service to their member-owners at the lowest reasonable cost. More than simply a service, electrification transformed nearly every aspect of the lives of millions of rural Americans, literally uplifting them from darkness by bringing quality of life and innumerable health benefits, eliminating household drudgery, and vastly increasing productivity and economic well-being.

Today, our member cooperatives provide electricity to over 42 million people in 47 states, and they do so in an environment of ever-increasing regulatory mandates, geographical constraints, and demographic challenges. Rural electric cooperatives serve large, primarily residential, low-density geographic regions where the costs of infrastructure and of providing service are high and the revenues are low. The low population density of rural areas affects not only the cost of providing electricity, but also electricity demand, making rural Americans even more vulnerable to rising electricity costs.

Compounding these challenges is the fact that many rural areas are also economically depressed – NRECA’s member cooperatives serve 327 of the 353, or 93%, of the “persistent poverty” counties in the U.S. These counties are defined as those where the poverty rate has exceeded 20% of the population for the last 30 years. Together, these forces combine to establish rates that are higher compared to those charged to customers of nearby investor-owned utilities, forcing already-disadvantaged rural customers to spend an even higher percentage of their income on electricity.

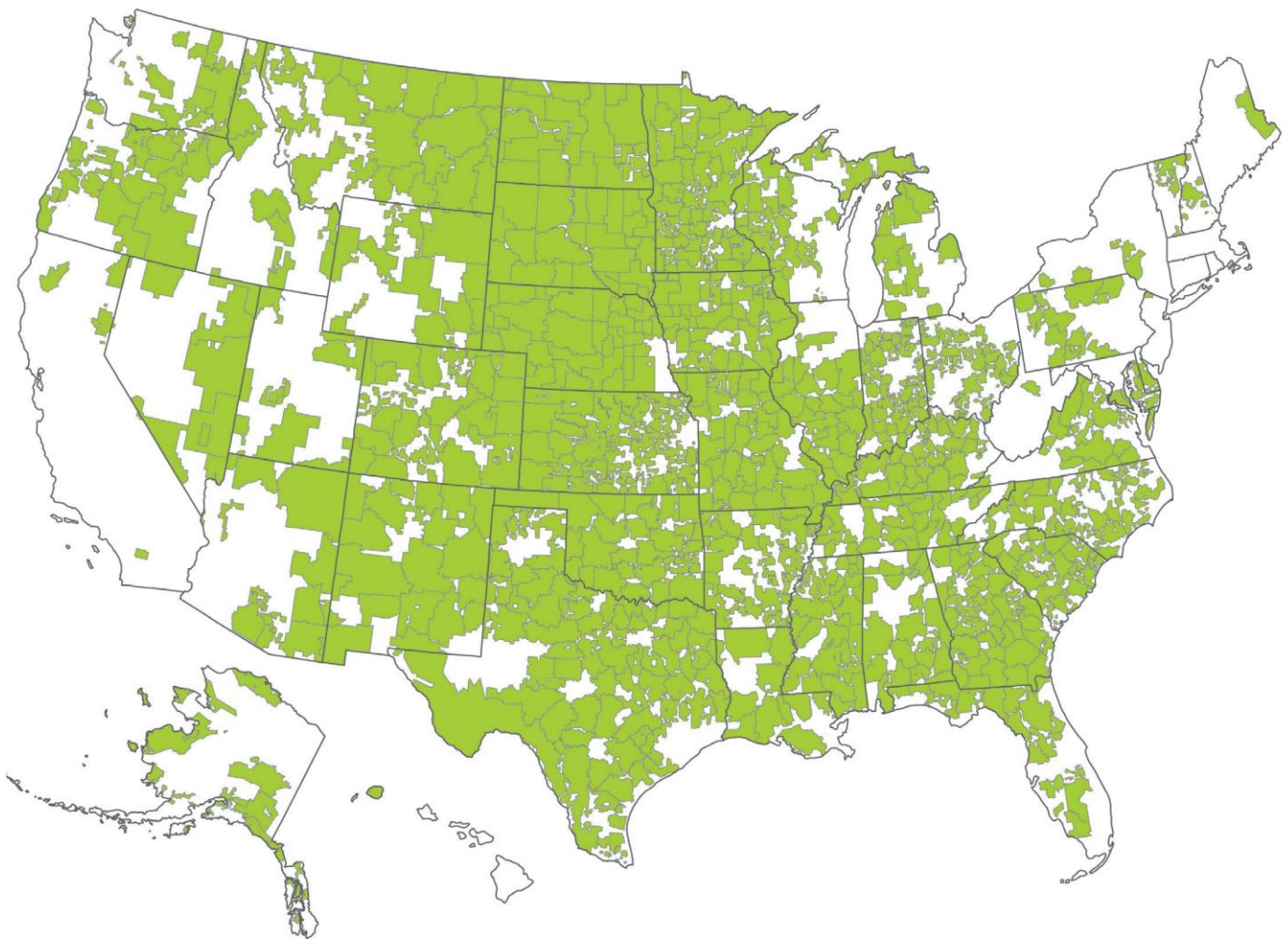
Because many rural residents do not have access to natural gas and must depend on electricity and expensive propane and heating oil for warmth during the cold winter months, rural Americans lack practical, affordable alternatives they can turn to when their electric rates rise.

Electricity is not a luxury. It is vital for business and an essential element of modern residential life. For isolated rural residents, reliable electricity service can be a matter of life and death.

NRECA’s member cooperatives include 65 generation and transmission (G&T) cooperatives and 840 distribution cooperatives. The G&Ts are owned by the distribution cooperatives they serve. The G&Ts generate power for distribution cooperatives, using a mix of generation type (coal, natural gas, nuclear, and renewables) and size (from units smaller than 1 MW to the 1,346 MW Hugh L. Spurlock Generating Station in Kentucky). G&T’s transmit the power generated over 69,568 miles of transmission facilities rated at 7 kV to 500 kV; distribution co-ops provide that power to the end-use member through nearly 2.6 million miles of line, or 42% of all U.S. distribution lines, the majority of which is between 5 and 35 kV. Both distribution and G&T cooperatives share an obligation to serve their members by providing safe, reliable, and affordable electric service.

In 38 of the 45 states in which electric cooperatives operate, statewide associations (“statewides”) serve as a forum for its electric cooperative members – both distribution and G&T cooperatives – to exchange information and ideas, a platform for coordinating activities and programs such as mutual assistance, and as a unified voice that speaks to the general public, regulatory bodies and state legislatures on behalf of their members. These associations are voluntarily supported, governed by representatives of the member cooperatives and offer commonly desired services. These statewides are in turn members of NRECA.

Electric Co-ops of the United States



Electric Cooperative Mutual Assistance

Electric cooperatives, like all other cooperatives, operate according to seven principles.¹ Principles 6 and 7 (Cooperation among Cooperatives and Concern for Community) are most relevant to the concept of Mutual Assistance. From the very beginning of the rural electrification program in the 1930's, electric cooperatives have relied on other cooperatives to assist in times of disasters.

Disaster response and mutual assistance is executed and managed by NRECA members. Coordination is provided by the statewide organizations (see Disaster Rhythm chart) — statewides manage the coordination between states and cooperatives in need and states and cooperatives providing personnel and equipment. Because the national network of transmission and distribution infrastructure owned by electric cooperatives has been built to federal standards, line crews from any co-op in America can arrive on the scene ready to provide emergency support, secure in their knowledge of the system's engineering.

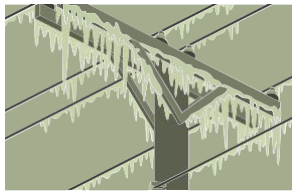
In the early 1990's, NRECA, its members, and the American Public Power Association (APPA) and its members developed a Mutual Assistance Agreement. This Agreement was developed in coordination with the Federal Emergency Management Agency (FEMA) and is an important aide in the electric cooperative Mutual Assistance Program. Mutual assistance is encouraged by FEMA regulations, by the National Incident Management System that provides the framework for disaster response across the country, and by FEMA policy.

Electric cooperatives (and municipally owned electric systems) are eligible for Stafford Act funds administered by FEMA. The damages suffered by electric cooperatives are included in the damage assessment that forms the basis for the affected Governors' request for a federal disaster declaration. Therefore, electric cooperatives work closely with FEMA, and state emergency managers to perform an initial damage assessment. Electric cooperative personnel from statewide organizations are situated in the state Emergency Operations Centers during disasters and maintain close communication with other disaster relief organizations as disasters occur and mutual assistance is activated.

Beginning with Hurricane Andrew in 1992, the statewide organizations in Louisiana, Alabama and Mississippi began to meet annually to discuss and plan for mutual assistance. Over the years, other statewides have joined the group and the statewides began to develop a more formalized approach to manage mutual assistance.

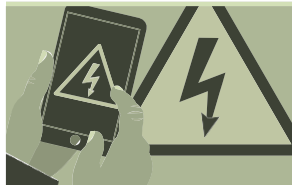
¹ These principles are: 1. Voluntary and Open Membership. 2. Democratic Member Control. 3. Member's Economic Participation. 4. Autonomy and Independence. 5. Education, Training and Information. 6. Cooperation Among Cooperatives. 7. Concern for Community.

Disaster Rhythm



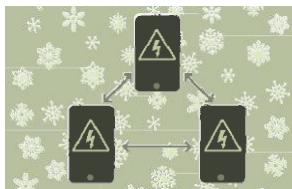
Step 1

Increased awareness of incoming storm.



Step 2

State(s) that may be impacted call for a pre-event conference call.



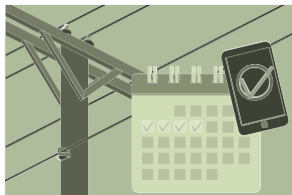
Step 3

Pre-event conference call is held to develop situational awareness.



Step 4

Daily conference calls are held to report on the situation and discuss needs for crews or equipment.



Step 5

As disaster abates and electric service is restored, conference calls are decreased and crews begin to return to their homes.

Annual Mutual Assistance Meeting

In addition to regular communications during disasters, the statewide associations meet in August to discuss issues in mutual assistance and to plan for the upcoming storm season. Recent meetings have included presentations by FEMA and DOE's Emergency Support Function #12 (ESF-12) staff. The group has also developed software to further automate the movement of personnel and equipment during a disaster.

Disaster Response Plans and Exercises

Individual co-ops and statewide organizations develop, maintain, and exercise emergency response plans on a regular basis to ensure that all is in readiness when a disaster strikes. Annual meetings of statewide emergency response personnel are also held to review the lessons learned from the prior years' disasters, and also to plan for the year ahead.

NRECA’s Role in Mutual Assistance

NRECA’s role in mutual assistance is one of coordination, not operation. NRECA provides staff support to cooperative CEO members of the Energy Sector Coordinating Committee and participates in DOE ESF-12 coordination calls during disasters.

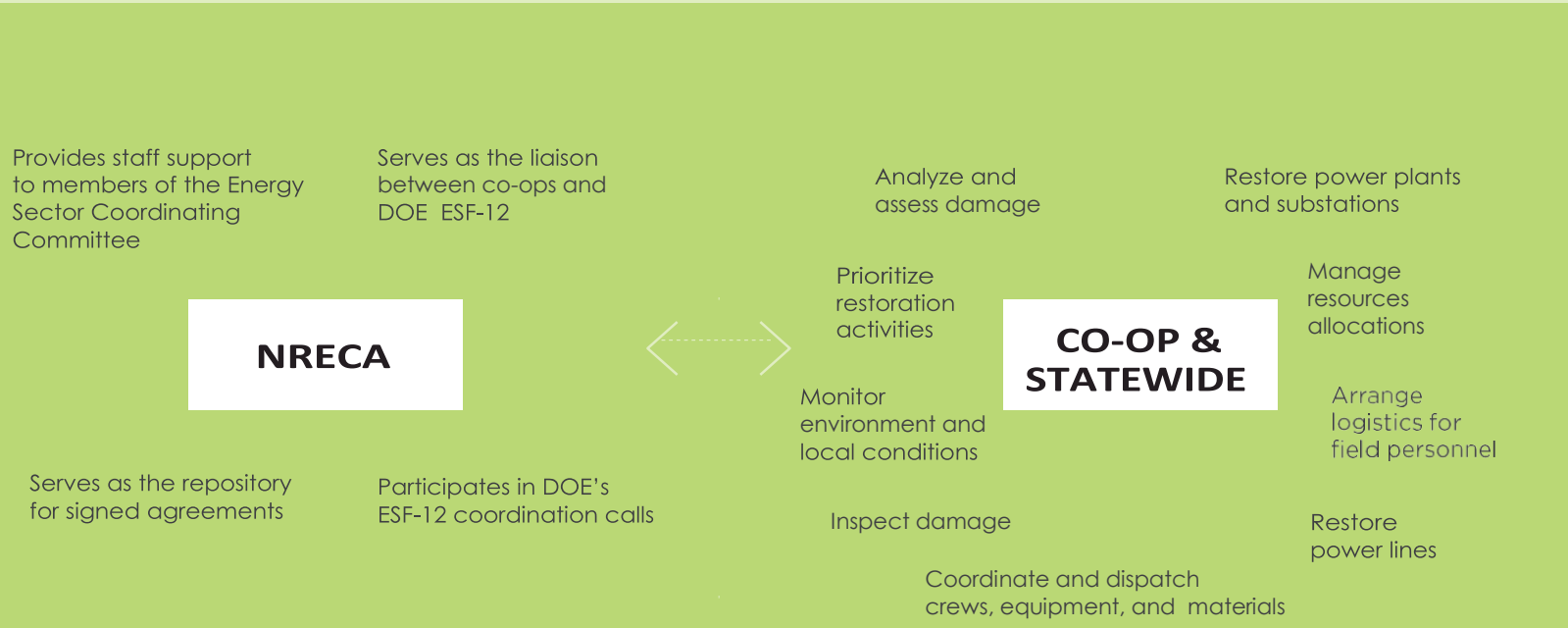
As discussed above, NRECA makes available a model mutual aid agreement that meets FEMA policy requirements. NRECA encourages all cooperatives to

sign the model agreement and to update signatories as applicable. In addition, NRECA serves as the repository for the signed agreements and maintains a list of signatories.

NRECA staff attends the annual August Mutual Assistance meeting hosted by the statewide organizations.

Finally, NRECA serves as the liaison between our members and DOE ESF-12.

ROLES OF NRECA & CO-OP/STATEWIDE



Mutual Assistance in Action²

In December 2013, a massive storm spread heavy ice and snow across the country and hammered electric cooperative systems as another storm promised more mayhem.

“At the height of the storm, nearly 30,000 electric cooperative customers in parts of northeastern Texas, western Arkansas and southeastern Oklahoma were without power,” said Sid Sperry of the Oklahoma Association of Electric Cooperatives.

The Dec. 1 storm dumped more than 6 inches of snow over parts of Washington and Oregon. Snow accumulations from the Mountain West to the western Great Lakes totaled 12 to 40 inches by week’s end.

“Here in Oklahoma, the big problem has been ice,” Sperry told ECT.coop, Dec. 9. “Crews from at least eight electric co-ops across Oklahoma have sent material, men and equipment to assist in the repair and restoration at Choctaw Electric Cooperative.”

Crews working in Hugo-based Choctaw EC’s service territory whittled down outage numbers from 10,000 to about 4,000 as of midday, Dec. 9, Sperry said. “Some outages could extend until Friday or Saturday.”

In Texas, mutual aid crews from United Cooperative Services spent Dec. 8 rebuilding a three-phase line for Paris-based Lamar Electric Cooperative, which suffered major ice damage. “The line is about 200 feet off the road and with the ice melting it’s very hard to get around,” said Ted Gebhardt, a foreman from Cleburne-based United Cooperative Services. “We teamed up with a co-op crew from Mid-South Synergy, based in Navasota. They had equipment that had tracks, in place of wheels, which we were thrilled to see.”

Teamwork and mutual assistance were also making a difference as co-ops in Mississippi, Arkansas and Tennessee repaired more ice damaged lines. “We had about 35,000 members without power, Dec. 6,” said Rob Roedel, manager of corporate communications for the Electric Cooperatives of Arkansas. Many of the state’s 17 electric distribution cooperatives were affected by the storm.



"There were still about 6,500 outages reported across Arkansas, Dec. 9, but crews from across the state were helping to restore power," Roedel said.

In Mississippi, outages affecting about 8,000 co-op meters were reported Dec. 8. Crews from at least two co-ops worked with Olive Branch-based Northcentral Electric Power Association to repair damaged lines south of Memphis, Tennessee.

In anticipation of the storm, statewide associations representing co-ops east of the Mississippi requested mutual aid crews from the southeast to send personnel and equipment north before ice storms began. Crews from South Carolina, Georgia, North Carolina, Tennessee and Maryland were in the field helping Virginia's electric cooperatives, Dec. 9. "Precipitation has caused trees heavily laden with sleet and snow to fall on power lines," said Ann Lewis, director of communications and public relations for Rappahannock Electric Cooperative.

The Fredericksburg Va.-based co-op reported about 11,000 outages on its system, Dec. 9, and co-op crews along with contractors were busy making repairs.

Crewe-based Southside Electric Cooperative brought in 125 contract lineworkers with 70 vehicles to assist their 65 line crew

members with repairs for 9,500 affected members, Dec. 9. By late afternoon, outage numbers were reduced to about 2,000.

Eight Virginia electric cooperatives, including Rappahannock EC, reported about 34,000 meters out as of midday, said Mary Howell, manager of member and public relations for the Virginia, Maryland and Delaware Association of Electric Cooperatives. "Approximately 150 crew members from sister cooperatives in five other states and unaffected co-ops in Virginia are assisting with electricity restoration."

As repairs continued in many areas, another winter storm, the fourth in recent weeks, is spreading even more ice and snow from the central Plains to Appalachia