

August 13, 2018

Submitted Electronically

Hon. Andrew Wheeler
Acting Administrator
Environmental Protection Agency
William Jefferson Clinton Building
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

Dear Acting Administrator Wheeler:

Subject: **Comments of the National Rural Electric Cooperative Association on the U.S. Environmental Protection Agency's Advance Notice of Proposed Rulemaking, "Increasing Consistency and Transparency in Considering Costs and Benefits in the Rulemaking Process"**
Docket No.: EPA-HQ-OA-2018-0107

The National Rural Electric Cooperative Association (NRECA) appreciates this opportunity to comment on the U.S. Environmental Protection Agency's (EPA) Advance Notice of Proposed Rulemaking (ANPRM), entitled "Increasing Consistency and Transparency in Considering Costs and Benefits in the Rulemaking Process." 83 Fed. Reg. 27,524 (June 13, 2018).

NRECA is the national service organization for America's electric cooperatives. The nation's member-owned, not-for-profit electric co-ops constitute a unique sector of the electric utility industry – and face a unique set of challenges. NRECA represents the interests of the nation's more than 900 rural electric utilities responsible for keeping the lights on for more than 42 million people across 47 states. Cooperatives serve an average of 7.4 consumers per mile of line and collect an annual revenue of approximately \$16,000 per mile of line, as compared to the industry average of 34 customers and annual revenue of between \$75,500 per mile of line for investor-owned and 48 consumers and \$113,000 per mile of line for publicly owned utilities or municipals.

NRECA's member cooperatives include 63 generation and transmission (G&T) cooperatives and 834 distribution cooperatives. The G&Ts are owned by the distribution cooperatives they serve. The G&Ts generate and transmit power to nearly 80 percent of the distribution cooperatives, those cooperatives that provide power directly to the end-of-the-line consumer-owners. Remaining distribution cooperatives receive power directly from other generation sources within the electric utility sector. Both distribution and G&T cooperatives share an obligation to serve their members by providing safe, reliable, and affordable electric service.

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Electric cooperatives are private, independent electric utilities, owned by the members they serve. Most are small businesses (as defined by the Small Business Administration) and do not have investors to help defray the costs of regulations. The costs are borne directly by the farmers, ranchers, small businesses and other residents of the nation's rural communities – including those in 93 percent of the nation's persistent poverty counties – who write a check each month to their co-op to pay for their electric service.

NRECA believes all Americans value and deserve a healthy environment. In the context of this rulemaking and considering the unique economic challenges the electric cooperatives face, NRECA believes environmental goals can be best achieved by utilizing a consistent and transparent method when weighing regulatory costs and benefits.

NRECA supports and hereby incorporate by reference the comments submitted by the Utility Air Regulatory Group (UARG.)

NRECA supports the arguments presented by UARG in its comments. We encourage EPA to consider the detailed technical analyses contained in the two economic reports submitted by UARG with its comments as the Agency continues to assess the important goal of increasing the consistency, transparency, and utility of cost-benefit analysis in general, and Regulatory Impact Analysis more specifically. The reports supplied by UARG provide considerable support for excluding or, at the least, more carefully restricting the use of co-benefits from criteria pollutants regulated under the NAAQS program and other provisions of the CAA.

NRECA appreciates EPA's efforts and thoughtful approach to addressing these important issues. We look forward to commenting on the Agency's future proposal on these matters.

Please contact me at Daniel.Chartier@nreca.coop if you have any questions regarding these comments.

Sincerely,



Daniel L. Chartier
Regulatory Director, Environmental Policy