



## August Recess Talking Points

July 2018

NWPPA represents 155 not-for-profit electric utilities: municipalities, cooperatives, and public/peoples' utility districts in nine Northwestern states (Alaska, California, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming) and British Columbia, Canada. Our member utilities serve communities large and small, and we value local decision-making.

### **Support for all Hydropower and Licensing Reform**

**Background:** NWPPA supports legislation to recognize all hydropower as renewable resources and that would establish FERC as the lead agency for hydro licensing and relicensing. This legislation is still pending after House passage. Few vehicles remain to advance this important legislation. Recently, a smaller hydro package passed the Senate – S. 724. This legislation would authorize FERC to extend existing licenses and preliminary hydropower permits without a case-by-case Act of Congress, and addresses issues specific to 9 FERC-licensed projects.

- As you know, NWPPA strongly supports Congressional efforts to streamline hydro relicensing and to recognize all hydropower as renewable.
- We appreciate the House action on comprehensive hydro relicensing legislation (H.R. 3043, “the Hydropower Modernization Act” (McMorris Rodgers)). We urge the Senate will quickly follow suit.
- NWPPA supports S. 724 and urges passage in the House.

### **Pole Attachments**

**Background:** The Senate Commerce Committee Chairman has introduced a bipartisan bill aimed at streamlining broadband and small cell deployment, but it does so at the expense of municipal and public/people’s utility district customers.

- NWPPA members support the development of broadband and small cell, but we have serious concerns with S. 3157, “the STREAMLINE Small Cell Deployment Act” (Thune-Schatz).
- S. 3157 – The Senate broadband bill – would do away with the not-for-profit utility exemption from federal regulation for municipal and public/people’s utility districts under current law. NWPPA strongly supports the exemption and opposes elimination of it.
- S. 3157 also requires utilities to process pole attachment requests within a certain timeframe (60-90 days). If the timeline is not met, a request is deemed granted within 31 days of the date of the request. NWPPA opposes arbitrary time limits that disregard safety.
- There is no widespread evidence that communications companies are being prohibited from attaching their technology to municipal- and public utility district poles. We do insist that those attachments be done safely – which often takes time to ensure – and without forcing our customers to subsidize their costs when electric facilities have to be modified to accommodate communications attachments, or to be forced to an artificial timeline for responding to requests.

- S. 3157 would overrule the local control of poles owned by public power utilities and impose a top-down, one-size-fits-all process based on oversight of facilities in public right-of-ways by the FCC. While we welcome partnership with telecommunications companies to install these facilities, we cannot accept legislation that compromises local utility control on this important infrastructure.

### **Endangered Species Act Reform**

**Background:** Senate Environment and Public Works Chairman John Barrasso (R-WY) has unveiled a comprehensive ESA reform bill, and the House Natural Resources Committee is advancing several pieces of legislation targeting discrete reforms.

- We appreciate that congressional committees are tackling the difficult problem of Endangered Species Act reform. We understand reforms must be balanced with the goal of species conservation and appreciate the careful consideration of policies that impede utility operations with little to no benefit for conservation.
- NWPPA supports common sense reforms to the ESA that will allow its members to support species preservation while more effectively meeting reliability and affordability goals.
- In particular, NWPPA supports H.R. 6360, “the PREDICTS Act” (Norman), which would prevent the addition of new conservation requirements after a project developer and resource agency have reached an agreement on conservation measures. We strongly support codifying this common sense, “no surprises” policy.
- NWPPA also supports policies that increase local and state participation in species conservation and allows for voluntary conservation measures.

### **CAPITAL FUNDING: RUS and MUNI BONDS**

#### **Protect the Rural Utilities Service Cushion of Credit Program**

**Background:** The Senate Farm Bill, S 3042, “the Agriculture Improvement Act” (Roberts), includes cuts to the Rural Utilities Service cushion of credit program, which allows funds intended for loan repayments to earn 5% interest. The bill would cut the interest to the Treasury average (2.74 as of June 22) and phase out the program by the end of 2018. The House Farm bill does not phase out the cushion of credit program under the RUS. So, the Senate language will be an issue for conference on the bill.

- NWPPA supports the Rural Utilities Service (RUS), which enables building and maintaining electric infrastructure.
- Under current law, RUS borrowers may maintain interest-bearing accounts to make their loan repayments. The Senate Farm Bill slashes the interest earned and phases out the program that allows interest to be earned on these deposits.
- We urge conferees to allow the program to continue.

#### **Restore Advance Refunding of Municipal Bonds**

**Background:** Congress eliminated the ability to advance refund (or refinance) municipal bonds in the 2017 tax reform bill. A technical corrections bill expected in the lame duck session may be an opportunity to reconsider this policy.

- The continued availability of tax-exempt municipal bonds is critical to NWPPA’s municipal members’ ability to maintain electric reliability and affordability.

- NWPPA members urge Congress to restore municipal utilities' ability to refinance bonds through advance refunding, which was eliminated in the tax reform bill.