



Northwest Public Power Association

## August Recess Talking Points

August 2019

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. Many NWPPA members operate federally licensed hydro power facilities and/or receive federal hydropower from Bonneville Power Administration or Western Area Power Administration.

### **FCC Overreach on Pole Attachments**

**Background:** The FCC issued an order in 2018 to regulate pole attachments on equipment owned by municipalities and public utility districts. The FCC order ignores an express exemption for not-for-profit utilities from federal regulation of pole attachments in the Communications Act. Recently, Senators Thune (R-SD) and Schatz (D-HI) reintroduced legislation similar to the FCC Order. Also, California Congresswoman Anna Eshoo and Senator Dianne Feinstein introduced legislation to vacate the FCC order – H.R. 530 and S.2012.

- **NWPPA supports local control over pole attachments and opposes the FCC order and S. 1699, the STREAMLINE Small Cell Deployment Act (Thune-Schatz)- as each mandates a one-size-fits-all approach to utility pole attachments that:**
  - **Threatens reliability of member electric systems and safety of utility workers** by limiting the response time to an attachment request (shot clock); and
  - **Transfers the costs of installing broadband technology from telecom customers to electric customers** by limiting fees for attachment requests and leases.
- **NWPPA urges opposition to the Thune-Schatz bill (S. 1699)** as there is no evidence that communications companies are being prohibited from attaching their technology to municipal- and cooperative-owned utility poles and the bill will threaten reliability and safety.
- **NWPPA urges support for H.R. 530 and S.2012, and thanks those Members of Congress and Senators who have signed on in support of these bills.**
- **While we welcome partnership with telecommunications companies to install these facilities, we cannot accept legislation or regulation that compromises local utility control of this important infrastructure to ensure safety and reliability.**

### **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. NWPPA appreciates legislation that passed the Congress last year including provisions authorizing FERC to give credit to licensees for early action, to extend preliminary hydropower permits, and to address issues specific to nine FERC-licensed projects.

- **NWPPA strongly supports Congressional efforts to streamline hydro relicensing and to recognize all hydropower as renewable.**

- We appreciate Congress' work to pass hydro provisions last year including the direction to FERC to give credit for early action.
- **We urge continued work on bipartisan licensing reform legislation** much like H.R. 3043, the Hydropower Modernization Act (McMorris Rodgers) and the hydro provisions included in S. 1460 of the Energy and Natural Resources Act of 2017 (Murkowski-Cantwell) from the 115<sup>th</sup> Congress.

## **Financing for Rural Co-ops and Public Power: MUNI BONDS and 85/15**

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

Background: Congress eliminated the ability to advance refund (or refinance) municipal bonds in the 2017 tax reform bill. House Municipal Finance Caucus Co-Chairmen Dutch Ruppersberger (D-MD) and Steve Stivers (R-OH) introduced legislation – H.R. 2772 – the Investing in our Communities Act – to reinstate the ability to issue tax-exempt advance refunding bonds.

- The continued availability of tax-exempt municipal bonds is critical to NWPPA's municipal members' ability to maintain electric reliability and affordability. Advance refunding municipal bonds is a tool that saves ratepayers and taxpayers money and enables allows utilities a greater degree of financial flexibility.
- **NWPPA members urge support for H.R. 2772 and thanks those Member of Congress that have already signed on in support of the bill.**

### **85/15 – Protect Co-op Tax Exempt Status**

Background: Recent tax law changes created an unintended consequence placing the tax-exempt status of rural electric co-ops at risk. Under current law, rural electric cooperatives must comply with the 85 percent - 15 percent rule when it comes to income. No more than 15% of an electric co-op's gross income may come from non-member sources. Government grants, such as disaster relief assistance or rural broadband deployment grants, may now be considered non-member income under the tax law changes. Legislation has been introduced – HR 2147 and S. 1032, the RURAL Act – that would amend the Internal Revenue Code to modify the definition of income for purposes of determining the tax-exempt status of certain corporations.

- **NWPPA urges support for the RURAL Act (H.R. 2147 and S. 1032) as the unintended consequences of tax law changes are dire for rural electric cooperatives, and thanks those Members of Congress and Senators who have signed on to the bills.**

### **Continued Support for Wildfire Prevention and Suppression**

Background: Congress has addressed wildfire funding issues for the federal land management agencies and continues to support emergency funding for fire suppression. The federal land management agencies are also working to implement the vegetation management law passed in 2018, mandating a more timely and consistent permitting of vegetation management on utility rights-of-way on federal lands. In addition, the US Forest Service has proposed an administrative change to its NEPA rules to allow categorical exclusions for removal of diseased or bug-ridden trees to prevent wildfires.

- NWPPA supports continued funding for wildfire prevention and suppression and supports administrative efforts to finalize regulations to help prevent wildfires on federal lands.