



## 2018 Benton REA Legislative Positions

### I. Carbon Policy Principles

When considering carbon reduction policy, Benton REA encourages legislators and stakeholders to focus on methods to achieve the most carbon reduction at the lowest cost. Studies such as the recently released E3 study should be used to guide all carbon reduction policy. Below are Benton REA's Carbon Policy Principles:

- a. Policies and regulations should be complementary, across all sectors, toward achieving the primary goal of carbon reduction, which in turn will promote new renewable resources, energy efficiency, and new energy technologies.
- b. Electric system reliability must be the cornerstone of any carbon policy.
- c. The timing and scale of investments in new resources and technologies should be aligned with each utility's needs for resources.
- d. Regulate carbon uniformly at the broadest scale possible and be technology neutral. Include compliance flexibility for utilities that pursue cross sector carbon reductions.
- e. Allocate allowances or distribute revenues associated with carbon regulation in a way that fairly allocates costs and distributes benefits to the areas with the most needs and sustainability; specifically, back to utilities for renewable development and to rural communities for broadband expansion

### II. Local Control Essential for Rural Co-ops

Given the rural areas that rural electric cooperatives like Benton REA serve, cooperatives have unique challenges, including very low density and difficult terrain. These challenging circumstances are not shared by other forms of utilities. As a result, it is critical that Benton REA and electric cooperatives are not included in legislation that uses the one size fits all mandates. It is essential that the locally elected boards, which understand the unique challenges that each cooperative faces, be allowed to make important utility decisions.

### III. Rural Broadband

Benton REA is a strong advocate for expanding and improving internet connectivity (broadband) in rural, unserved areas. Benton REA will work with the legislature and various stakeholders to find practical solutions. In the past, pole attachments have been cited as a possible issue obstructing the expansion of broadband services, but that is not the case. Benton REA's pole attachment rates are strictly cost based and we work with various telecommunication companies in a cooperative fashion.

## **2018 Benton REA Standing Legislative Positions**

- I. Maintain Local Control for consumer-owned utilities**  
Benton REA strongly believes that policy decisions should be left to the authority of the locally elected governing boards, especially in regards to rate setting, power supply, renewable energy investments and conservation and efficiency programs.
- II. Small Utility Exemptions**  
The smaller electric utilities' ability to provide cost-effective, reliable and safe utility services to their customers should not be jeopardized by unnecessary mandates or regulations. Electric cooperatives by their nature serve the less densely populated areas of the state and generally areas that are under very difficult financial environments. The negative financial impacts of mandates and unnecessary regulations are amplified for electric cooperatives and its members. Therefore, Benton REA will seek and support legislative and regulatory provisions that, when appropriate, provide small utilities with exemptions or less restrictive compliance alternatives.
- III. Renewable Portfolio Standard**  
allow incremental power generated as a result of efficiency improvements at federal hydro facilities to count towards a utility's RPS requirements.
- IV. Coordination of Danger Tree Removal Permissions and Liability with the Department of Natural Resources**  
Utilities must have the right to proactively manage trees that are outside of standard Rights-of-Way, or must be able to easily obtain a waiver from liability if access permissions are not granted
- V. Feed in Tariffs**  
Feed in tariffs could force local utilities to purchase resource output from local electricity generation that is not cost-effective or that does not comply with their integrated resource planning efforts. Therefore, Benton REA opposes any legislation which includes feed in tariff provisions.
- VI. Resist any legislative efforts to implement or increase utility taxes**  
Benton REA will continue to provide reliable and affordable electricity to its membership, and, as part of these efforts, will resist any effort to give local or county government new legislative authority to tax utility services or to allow the state to increase the state utility tax.
- VII. Resist or Reduce Regulations that Inhibit Employee Productivity or Complicate Labor Relations**  
Benton REA prides itself with regard to service reliability and efficiency, and will work with WRECA and other utilities to resist or reduce state regulations that place undue regulation, requirements, or oversight on employees and their work functions that ultimately reduce productivity, increase costs of performance, or complicate labor relations.
- VIII. Retain net metering statute.**  
Benton REA finds no need to amend the current net metering statute. Any amendments would need to consider the cost shift that currently exists with net metering.

**IX. Ensure there are Options to Meet Future Electricity Generation Needs Reliably and Cost-Effectively**

Benton REA supports legislation to ensure electric energy demands will be met through development of new base load generation (all types) within the state. Benton REA receives about 95% of its power from non-carbon emitting resources and therefore any significant investment in intermittent renewable resources would only increase costs, reduce reliability, and displace non-carbon emitting resources.

**X. Concerns with Oversupply Costs Assigned to Preference Utilities**

As intermittent resources, such as wind, are integrated into the region's power supply, a serious problem of oversupply has been created, particularly during the spring when wind is more prevalent and river water levels are high. Benton REA opposes any policies that assign preference customers of BPA to carry the monetary burden from an oversupply event caused by excessive generation, ESA restrictions and state and/or federal subsidies. Preference customers already forego future secondary revenue benefits by the allocation of free power, and should not have to additionally pay actual costs for the loss of subsidies. These costs should be assigned based on causality to those entities that cause the event to occur and not be borne by preference customers.