
Key Federal Issues List for 2012

Environmental Protection Agency Oversight: We remain concerned about the number and scope of different EPA proceedings (e.g., CASPR, MACT, water cooling, coal ash disposal, etc.) moving forward as well as the speed with which EPA is requiring compliance. Our two primary concerns with EPA actions are potential reliability problems in the MISO regional power markets based on plant retirements and retrofits taking place in a compressed timeframe, and the challenges of planning for future power generation needs in a time of uncertainty as to what the final regulatory suite will look like. ***Congress should continue to provide active oversight of EPA initiatives, rein in proposed EPA rules that need further review, and at a minimum enact legislation that would create an electric reliability “safety valve” under new EPA regulations.***

Balanced Approach to Cyber Security: We believe that a cyber security bill can and should be passed this year. It should include emergency authority to direct industry to act when an imminent threat is known and allow more information sharing between government and industry. The electric industry stands alone among industry groups in that we already have mandatory cyber standards in place. We are concerned that most proposals on the table at this point would require a costly and duplicative regulatory regime and would do little to enhance our nation’s cyber security. We urge Congress to consider legislation that is narrowly crafted and targeted to address the issues involving cyber security without placing a costly burden on small electric utilities that is duplicative of current FERC/NERC system of mandatory, enforceable cyber security standards (Section 215 of the Federal Power Act) and which may achieve only limited results. We also strongly support enhanced information-sharing from the federal government to the industry. ***Congress should keep their eye on the eight ball with this issue – preserving the integrity of the bulk power supply system – and not overly burden small electric systems that have no impact on that system.***

Preserve Tax-Exempt Financing: As units of local government, public power utilities are authorized to issue tax-exempt bonds to construct and improve the infrastructure necessary to distribute electricity in a reliable and safe method to customers. Over the last few years, recently there have been several proposals to weaken or eliminate the tax-exemption for municipal bonds. A fundamental principle of tax-exempt financing is the ability for local governments to determine what services are needed to serve their citizens and to finance such projects free from federal taxation on the interest on the bonds they issue. ***Community-owned electric systems in Wisconsin rely on tax-exempt financing for system improvements which is critical to our ability to keep rates low – a direct benefit to consumers. We support preserving this infrastructure financing tool.***

Comparable Incentives for Public Power: Congress typically enacts energy policy, in part, through the Federal Tax Code. ***Consumer-owned utilities (i.e., public power systems and rural electric cooperatives), which are operated on a not-for-profit basis, need comparable incentives to build renewable and clean energy generation as those tax code based incentives utilized by investor-owned utilities and private developers.*** The Clean Renewable Energy Bond (CREB) program established in 2005 is a wonderful example of this, and the CREB program cap should be lifted. The Qualified Energy Conservation Bond program (authorized in 2008), is similar to CREBs and another good example of how Congress can help meet this goal of parity.

Relief for Captive Rail Shippers: Excessive monopoly freight rail rates for coal imported from Western States mean higher electric rates for all Wisconsin customers. Along with all of the other organizations and companies in BadgerCURE, ***we support bipartisan reforms in federal freight rail policy and procedural improvements at the Surface Transportation Board as proposed in the bipartisan legislation (S.158) authored by Senator Rockefeller and others on the Senate Commerce Committee, making sure that it includes critical rail antitrust reforms being advocated by Senator Kohl and others (S.49).***