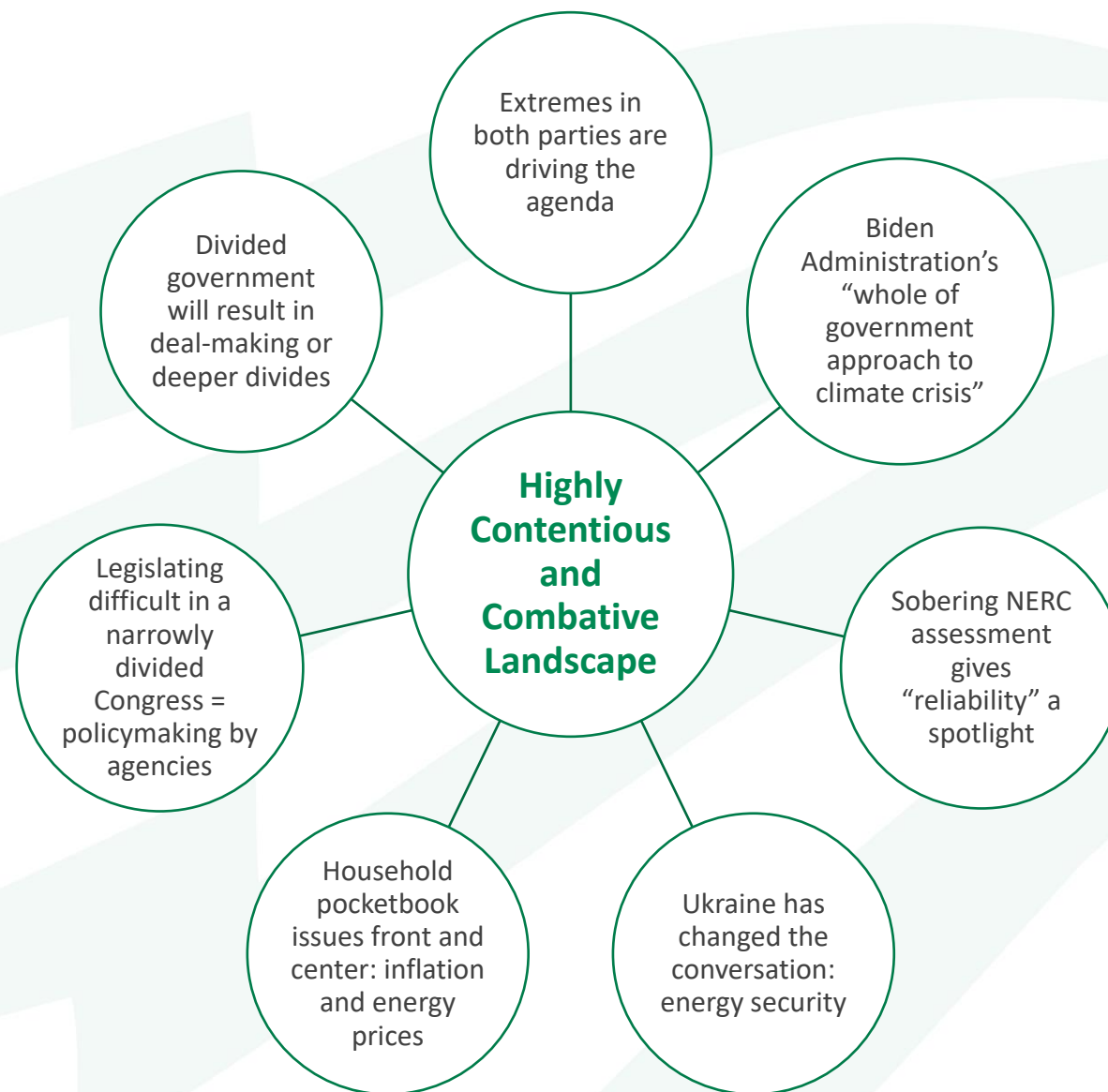


# The Biden Administration's Policy Agenda and its Impact on Coops

Ashley Slater, VP, Regulatory Affairs

# Political & Policy Landscape



# A Historically Ambitious Climate Agenda



“Greenhouse gas pollution, through its contribution to global climate change, presents a significant threat to Americans health and to the environment upon which our economy and security depends.”

- - Gina McCarthy, Former Executive Office of the President



“We don’t have time to sit on our hands as our planet burns. For young people, climate change is bigger than election or re-election. It’s life or death.”

- - Alexandria Ocasio-Cortez, D-NY

# The Co-op Message

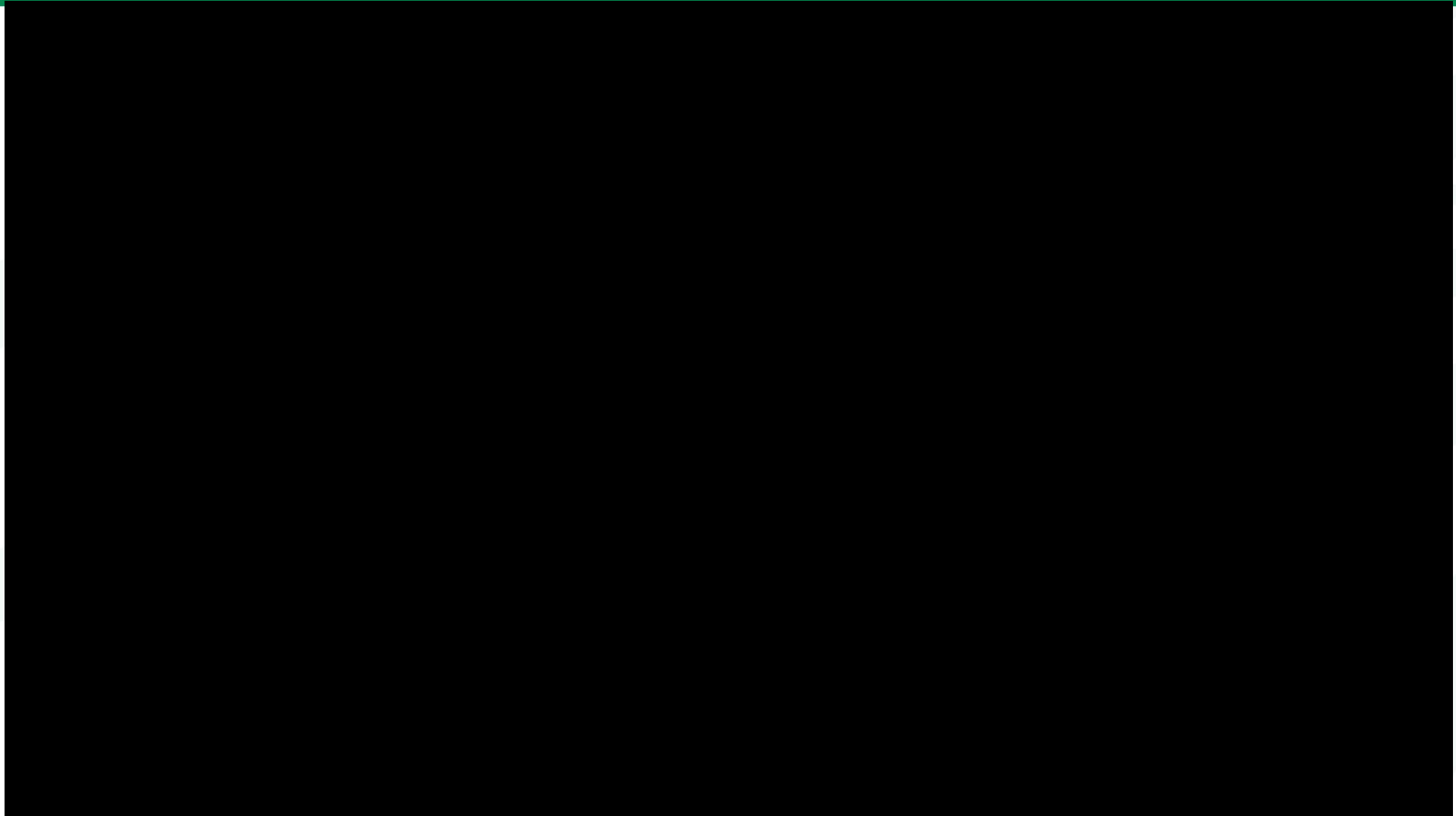


“A **resilient and reliable electric grid** that affordably keeps the lights on is the cornerstone of American energy security and the national economy.”

“Intermittent resources such as wind and solar must continue to be complemented and supported by always available baseload energy resources such as natural gas, coal, and nuclear energy. A recent long-term reliability assessment by NERC highlights the **critical need to maintain baseload generation...**”

“Achieving 100% carbon-free electricity generation by 2035 is an **overly ambitious goal.**”

# The Co-op Message



# Pressures Impacting Reliability

# EPA Rules and the Disorderly Retirement of Generating Assets

**CCR Legacy Surface Impoundments**

**Effluent Limitation Guidelines Supplemental Rulemaking**

**Federal Coal Combustion Residuals (CCR) Permit Program**

**Mercury Rule Residual Risk and Technology Review (MACT RTR) EGUs**

**New Source 111(b) and Existing Source 111(d) Rules for power plants (directly focused on GHGs)**

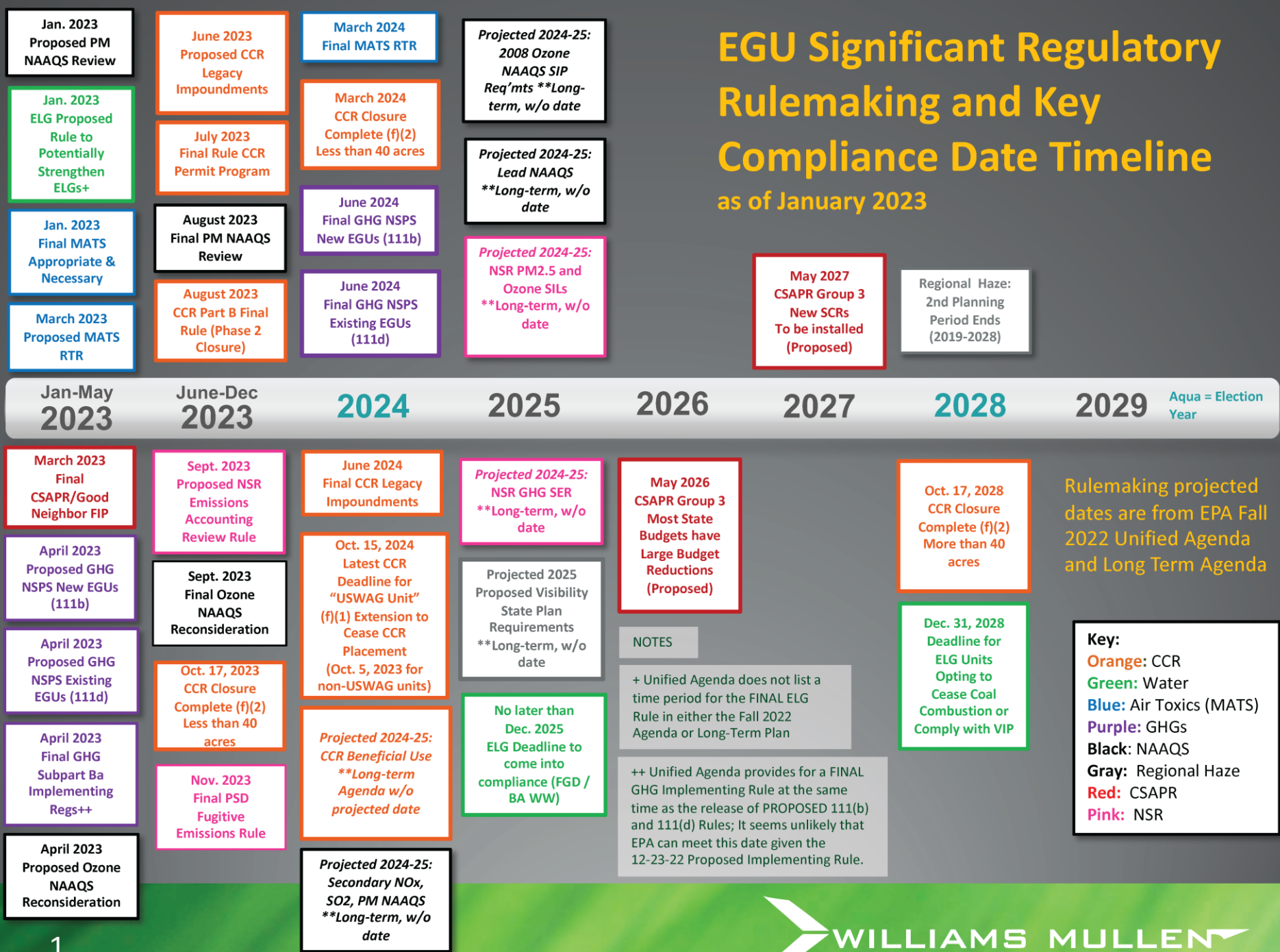
**PM National Ambient Air Quality Standards (NAAQS)**

**Regional Ozone Transport for the 2015 Ozone National Ambient Air Quality Standard Proposed Rule**



# “Death by a Thousand Cuts”

## EGU Significant Regulatory Rulemaking and Key Compliance Date Timeline as of January 2023





# Permitting Timelines and Delays

## What Triggers NEPA?

- A federal agency's decision on proposed actions – funding, permitting, or approving projects and activities

## Timelines and Delays

- **EIS should be less than 150 pages** (300 pages for actions of unusual scope and complexity) and the timeline for an EIS, even for a complex project, should not exceed 1 year
- Final EIS Timelines 2010-2018: **4.5 years on average**
- Final EIS Lengths 2013-2018: **661 pages on average**



# Supply Chain Challenges

## Proactive Outreach to White House, DOE on Co-op Needs



- **Problem:** Cooperatives are facing unprecedented lead times to secure basic materials and equipment (distribution transformers in particular).
- **Our Response:** NRECA raised attention among federal policymakers throughout the executive and legislative branches to ensure policymakers understand how these supply chain challenges are impacting the electric sector.
- **Outlook:** The Electricity Subsector Coordinating Council convened a Tiger Team in 2022 that developed and recommended short- and long-term actions to address these supply chain issues. These recommendations inform our ongoing advocacy throughout 2023.
- **Cooperative Leadership:** The Tiger Team is chaired by Arkansas Electric Cooperatives' CEO Buddy Hasten.





# Electrification

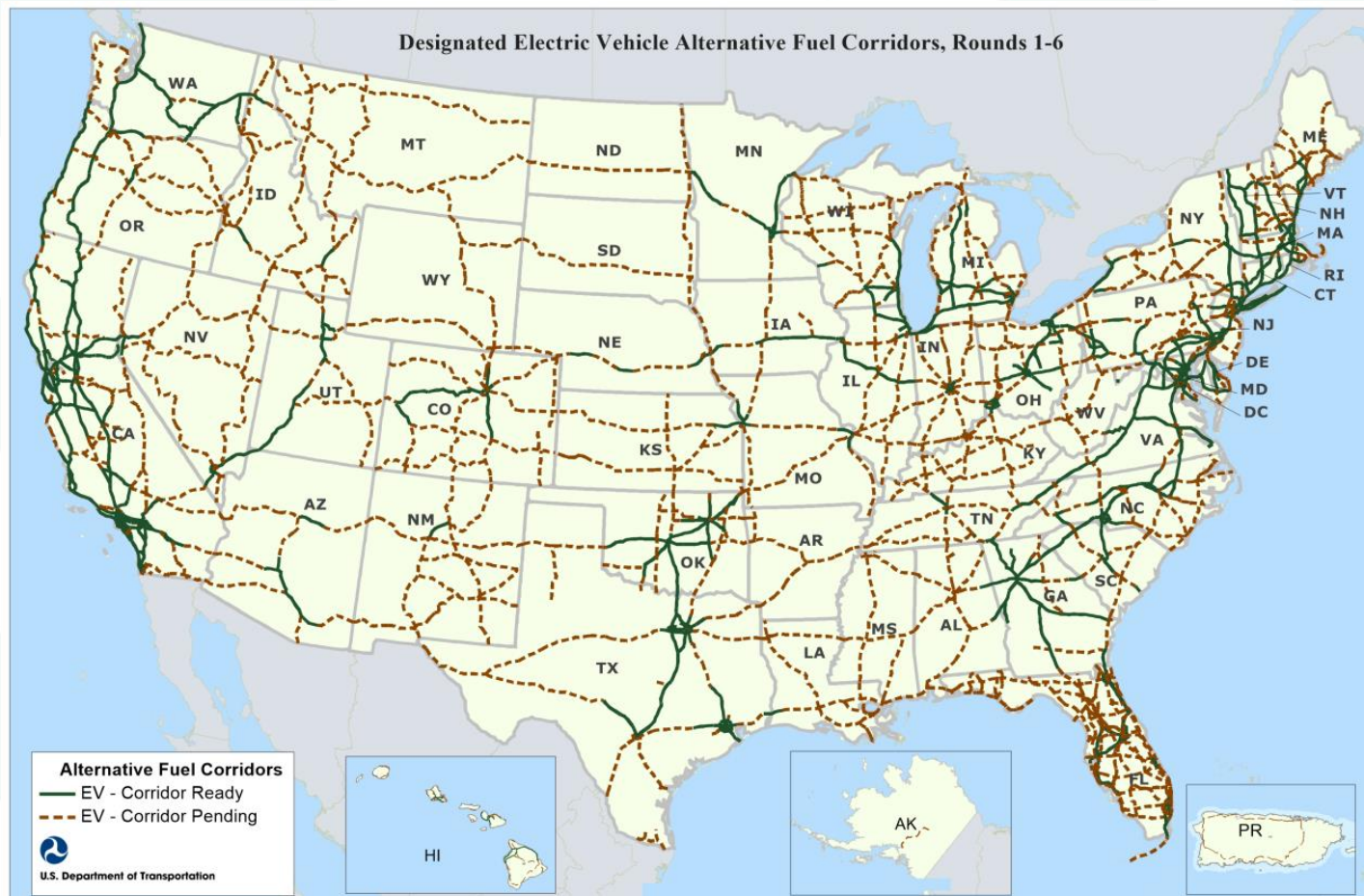
Electrification will require total electricity generation to increase by up to 170% by 2050 alongside a more than a three-fold expansion of the transmission grid, according to a recent National Academies of Sciences study.

Significant influx of \$\$ in Infrastructure Law to build nationwide network of EV chargers:

- Every 50 miles on AFC corridors, within 1 mile of exit or highway intersection
- 4 chargers per site (150 kW each), 600 kW total per site

Open questions:

- Transformer availability
- Buy American requirements
- Network connectivity of EV charging infrastructure



# Transmission

## Antiquated electric infrastructure

- DOE found that 70% of U.S. transmission lines are more than 25 years old in its 2015 infrastructure review. Lines typically have a 50-year lifespan.
- The average age of large power transformers, which handle 90% of U.S. electricity flow, is more than 40 years. (source: reuters.com)

**Moving renewable resources to population centers**

**Complex regulatory structure made up of state, local and regional decision-makers**

**Rapid growth in intermittent renewables**

**Load growth due to electrification**

# Grid Security

## Government and Industry Partnership: A Successful Framework



### CEO-led Electricity Subsector Coordinating Council

Serves as the principal liaison between the federal government and the electric power sector, with the mission of coordinating efforts to prepare for, and respond to, national-level disasters or threats to critical infrastructure

- Its government counterparts include senior administration officials from the WH, relevant Cabinet agencies, federal law enforcement, and national security organizations

### Electric Information Sharing and Analysis Center (E-ISAC)

The ESCC also serves an advisory role with the Electricity Information Sharing and Analysis Center (E-ISAC). The E-ISAC collects and promptly disseminates threat indicators, analyses and warnings from a variety of private sector and govt. resources to assist electric sector participants in taking protective action

- The information is handled confidentially and distributed through the North American Electric Reliability Corporation's (NERC) secure portal directly to industry asset owners and operators

### Development of Security Risk Management Resources for Asset Owners and Operators

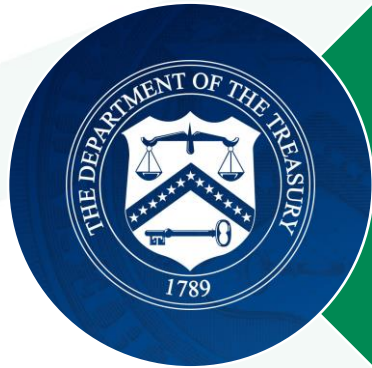
Industry and government collaboration on tools and resources to provide utilities with a simple framework for risk management which is tailored to the electricity industry and its diverse set of assets, operators, and vulnerabilities

# Implementing Legislation



# IRA: NRECA Priority Program Overview

In August 2022, the President signed into law the Inflation Reduction Act. Contains 2 major co-op priorities:



**Direct pay tax incentives** allow electric cooperatives—for the first time—to have direct access to energy tax credits that have previously been available only to for-profit companies



**USDA voluntary \$9.7 billion grant and loan program** designed specifically for electric cooperatives that purchase or build new clean energy systems

# Bipartisan Infrastructure Package

## Historic Investments, Billions in Funding Opportunities for Cooperatives



EV Infrastructure



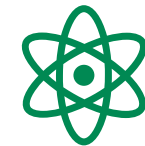
Grid Modernization  
and Resiliency



Cybersecurity

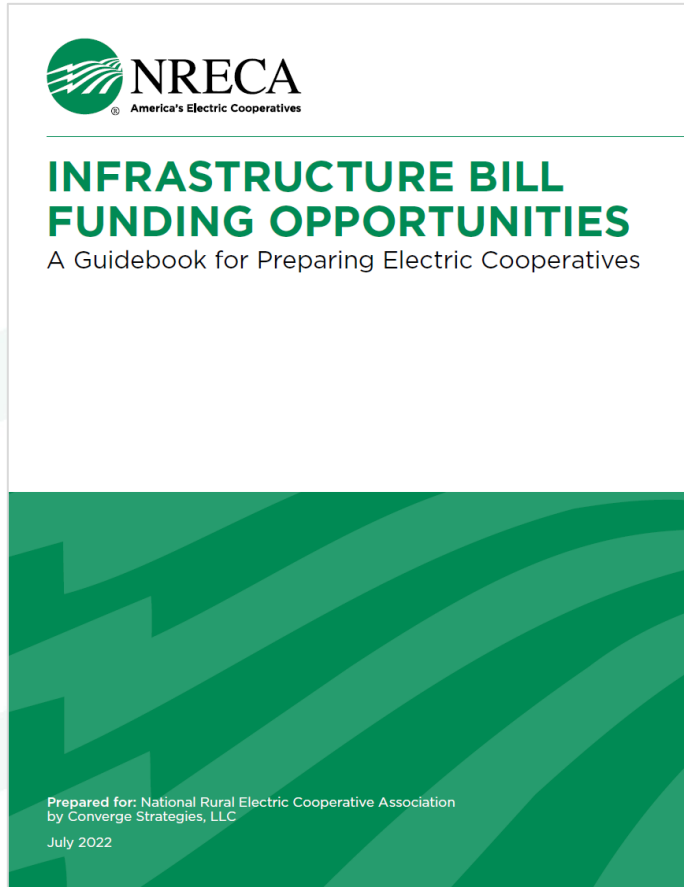


Broadband



Energy Research  
and Development

# NRECA Resources for Members



5 co-op consortia on these issues:

- Electric vehicles
- Microgrids
- Cyber and physical security
- Natural hazards
- Smart grids and data

Grant writers assistance portal

Guidebook

Infrastructure Hub at cooperative.com

Member conversations at NRECA regional meetings