

# Legislative Policy Statement

106th Legislature



2019

*Nebraska Rural Electric Association*

# **Legislative/Regulatory Policy Statement**

## **Climate Change**

### **Opposition to Measures to Arbitrarily Increase the Cost of Coal-Fired Generation**

- NREA opposes regulatory and legislative proposals which would artificially increase the cost of coal-based electricity, or measures that would inhibit the use of coal-based electricity without providing a commensurate benefit to consumers.

- NREA supports the funding of research and development of new technologies that would provide economic and/or environmental benefits to electric consumers and ensure all citizens have access to affordable, reliable and safe electric power.

- NREA supports a common-sense approach to a replacement for the EPA's Clean Power Plan

- NREA supports the development of the Affordable Clean Energy rule that provides utilities with the necessary flexibility and local control to ensure success.

### **Climate Change**

- NREA supports investment in the development of cost-effective technologies to reduce or mitigate adverse impacts by the electric power industry.

- NREA supports the development of state and federal policy that provides incentives to all segments of the utility industry.

- NREA supports voluntary greenhouse gas initiatives that maintain adequate and reliable supplies of reasonably priced power.

- NREA supports the use of cost effective new and emerging technologies for the management of greenhouse gases.

- NREA opposes a mandate to use commercially unproven technologies for the management of greenhouse gases in new or existing generation facilities.

- NREA supports the continued research of new and

emerging technologies, including the capture and sequestration of carbon dioxide from power plants. New technologies will be critical to addressing this complex issue, but cost-effective, commercially-available technologies are still in development and are years or decades away from large-scale commercial application. Every effort must be made, and appropriate funding provided, to accelerate the research development, demonstrations, and commercialization of these technologies before they are mandated for new or existing power plants.

- NREA supports the inclusion of measures to protect the U.S. economy from significant negative impacts of CO2 regulations.

- NREA supports the use of energy efficiency and conservation as a tool for mitigating greenhouse gas emissions if utilities are not penalized for the inaction of the end use customers. NREA opposes the use of multiple provisions of state and federal law to regulate greenhouse gas emissions.

## **Communications**

### **Rural Telecommunications**

- NREA opposes any attempt to prohibit or limit the uses of Nebraska's publicly-owned electric utility infrastructure for the deployment of any telecommunication services used for utility operations.

- NREA supports policies that will ensure that rural consumers have equal access to telecommunication, cellular, and broadband services. We oppose any efforts that would limit the availability of any form of technology to rural consumers.

- NREA supports legislative authority allowing public power districts and electric cooperatives to partner with private entities to facilitate deployment of broadband in rural areas.

- NREA supports removing barriers prohibiting public power districts and other government subdivisions from providing broadband services where adequate coverage has not been provided by the private sector.

- NREA supports modifying statutes that restrict leasing of dark fiber to remove the requirement that the Public Service

Commission must approve rates and that 50 percent of revenues must be submitted to the Internet Enhancement Fund.

- NREA supports state and federal legislation that provides incentives for the installation of the infrastructure necessary to support broadband and wireless communication technologies in rural areas ensuring rural consumers have equal access to technologies readily available in urban areas.

- NREA supports a definition of broadband that sets a consistent minimum standard that meets or exceeds the current FCC definition for Broadband. Such definition should ensure rural consumers have equal access to technologies readily available in urban areas.

### **Duplication of Facilities**

#### **NREA Opposes Attempts to Duplicate Facilities**

- NREA opposes activities that include other power suppliers competing for towns and consumers served by rural power suppliers when such activity violates the philosophy of public power and will result in duplication of power resources and excess power generation costs to be borne by rural consumers.

### **Economic Development**

- NREA supports the promotion of economic growth and development in Nebraska. Nebraska's low, cost-based electric rates represent a major competitive advantage and economic incentive for development in Nebraska.

#### **Concern for Rural America**

- NREA supports efforts to develop farm and rural policies which will benefit family-type farmers and strengthen our rural communities.

## **Affordable Electric Power**

- All citizens should have access to affordable, reliable, and safe electric power.

## **Keystone XL Pipeline**

- NREA supports the development of the Keystone XL Pipeline. NREA Believes the pipeline will provide positive economic benefit by providing jobs and contributing to the State's tax base while safely transporting needed oil products to domestic refineries with minimal risk to the environment.

## **Eminent Domain**

- NREA supports existing eminent domain authority and opposes modifications which weaken the condemnation authority of public utilities.

- NREA supports allowing an electric utility to forgo their right of eminent domain through a contractual relationship with a renewable energy developer through a power purchase agreement.

- NREA supports federal "backstop" authority for the condemnation of new transmission rights-of-ways when approval for such construction has been arbitrarily denied by a state or local regulatory authority.

## **Private Property Rights**

- No person should be deprived of the use of private property without due process of law and no private property should be taken or damaged by governmental action without just compensation having first been made. We support actions by governmental agencies that ensure the Constitutional protection of private property rights and just compensation for a taking.

## **Endangered Species Act**

•NREA supports the following principles be applied whenever Congress considers amendments to the Endangered Species Act (ESA) of 1973:

1. Good science: continue to follow the law that requires every ESA action to be based on scientific information on a species or its habitat.

2. Citizen participation: private citizens and communities directly affected by conservation decisions should have a greater stake and more prominent role during the ESA decision-making process. The Act should provide for earlier and more meaningful opportunities for citizens to participate, more citizen involvement in recovery plans, and a more prominent role in the consultation process for applicants for federal licenses and permits.

3. Equal Access to the Courts: Private citizens should have the right to be granted standing to file an ESA “citizen suit.”

4. The Act should be amended to provide incentives for property owners to conserve rather than destroy habitat and to provide regulatory certainty to property owners who voluntarily participate in conservation plans.

## **Energy Conservation and Efficiency**

•NREA supports programs to encourage public power entities and electric consumers to install/or promote the installation of high-efficiency and economically affordable electrical equipment and appliances through rate incentives or favorable tax treatment. NREA also supports cost-effective energy conservation programs and incentives that will help reduce electricity demand and defer the need for new generation.

### **Load Management**

•NREA supports the development and implementation of load-management programs to defer the need for development of new generation.

## **Beneficial Electrification**

- NREA supports the conversion of less efficient technologies such as diesel irrigation, gas engines for transportation, and propane/natural gas water heaters to electricity because of the environmental and local economic development opportunities.

- NREA supports the use of technologies that use demand more efficiently to manage future generation needs and to more effectively integrate variable generation resources.

## **Advanced Meters/Advanced Grid Technology**

- NREA supports advanced grid technology and the use of advanced meters. The deployment of advanced grid technology that includes automated metering infrastructure and advanced two-way communications will provide for enhanced system reliability, improved electrical system efficiency and consumer resources such as smart thermostats and residential demand reduction programs that will reduce energy use at the consumer level. Advanced meter technology empowers customers with additional information and resources to save money and conserve energy use.

- NREA supports educating the public on the benefits and the safety of employing advanced metering technology

- NREA supports protecting consumer data and keeping the data confidential between the consumer and the rural electric system unless the consumer authorizes a release of their protected information.

## **Pre-paid Metering**

- NREA supports the implementation of pre-paid metering for customer accounts and the voluntary subscription to pre-paid metering by distribution system customers.

## **Energy Sales**

### **Electric Vehicle Charging Stations**

- NREA supports private sector entities recovering their associated costs for providing electric vehicle charging equipment if the cost is bundled within the total fees charged and not on a per kilowatt hour or metered basis. A per kilowatt hour charge would constitute a sale of electricity which is statutorily limited to Nebraska's public power utilities.

## **Federal Power**

### **Marketing of Federal Power**

- NREA opposes any changes in the practices and procedures for repayment of the federal investment of the Power Marketing Administration's federal hydro-electric power facilities at rates above the cost to produce the power. We oppose any changes designed to make a profit for the government or to reflect current market values.

### **Operation, Maintenance and Repair of Federal Power Facilities**

- NREA supports action by Congress that will direct the Secretaries of Energy, the Interior and the Army to cooperate with federal preference power customers on proposals for the improvement of operations, maintenance, repair, rehabilitation, and replacement of federal power facilities.

### **Payment of Non-Reimbursable Costs**

- NREA opposes any administrative changes or legislation that requires payment of non-reimbursable costs at federal multipurpose water projects by power and water consumers. Charges for power and water from federal multi-use water projects should be based on the cost of providing service.

- NREA believes that the costs associated with the lease of power privileges should be paid by those that benefit.

### **Sale of Federal Assets to Reduce Budget Deficit**

- NREA opposes the sale of federal assets and using the revenues to reduce the annual budget deficit or to balance the current federal budget.

### **Support for the Preference Clause and Continued Access to Hydroelectric Energy Generated at Federally-Owned Dams**

- NREA supports the continued preference principle which provides preference rights for public entities and cooperatives in the allocation of federal power.

- NREA opposes changes in the allocation or sale of federal or state preference power that would expand rights to this power to non-traditional customers.

### **Hydroelectric Power**

- NREA opposes restrictions on hydroelectricity such as the imposition of surcharges on electricity generated at federally-owned and operated hydroelectric facilities.

## **Financing**

- NREA opposes any efforts to eliminate or limit the use of tax-exempt bonds by state and local governments.

- NREA supports the removal of private-use restrictions on tax-exempt debt issued for generation and transmission facilities so that Nebraska's public power providers can make maximum use of their electric facilities to the benefit of Nebraska's ratepayer owners.

- NREA opposes any new limits that reduce the potential investor market for tax exempt debt issuance.

## **Generation Technology**

### **Coal and Nuclear Power**

- NREA supports the continued use and development of baseload generation such as nuclear energy and solid fuel technologies, including coal.
- NREA supports the reintroduction and use of technologies to reprocess and reclaim nuclear fuel for future use.
- NREA supports including nuclear energy in the definition of “renewable” or “clean” energy resources.

### **Hydroelectric Power**

- NREA supports the development of hydroelectric power resources and the inclusion of hydropower in the definition of “renewable” or “clean” energy resources.

### **Renewable Energy Development**

- NREA supports a thoughtful process to implementing new legislation and regulations relating to renewable energy development. NREA supports a process to develop a Nebraska Energy Plan that considers public power’s role in providing low cost, reliable, and environmentally responsible energy development.

## **Public Power**

### **Affirming Authority of Elected Board of Directors (Local Control)**

- NREA supports the current structure of public power and elected boards of directors and will oppose any attempts to reduce the role or authority of those boards of directors who are accountable to their consumers.

## **Local Control/Public Ownership**

- NREA supports the continued control of the state's publicly-owned utilities by elected or appointed boards. NREA will oppose any attempts to privatize individually or all of Nebraska's public power systems.

- NREA supports a right of first refusal for incumbent Nebraska electric utilities to construct transmission facilities mandated by a Regional Transmission Organization in Nebraska.

- NREA opposes any action for promoting deregulation which would allow competition across service territory boundaries weakening the state's public power model and local control.

## **Take-Overs, Sell-Outs or Involuntary Mergers of Public Power Systems**

- NREA opposes any take-over or sell-out of a public power system to a private corporation or the involuntary merger of two or more public power systems and will actively oppose any action which would weaken the state's public power model and local control.

## **Power Review Board Generation Approval Requirements**

- NREA opposes the broadening of the Nebraska Power Review Board's generation resource approval process to require the analysis of unverifiable externalities which go beyond the current economic and environmental requirements for approval and expand into health and environmental variables already regulated by the EPA for generation facilities. Such a requirement would add time and cost to all generation applications, including those for renewables.

## **Rail Roads**

### **Coal Freight Rates**

- NREA supports policies to ensure that rail customers receive competitive rates for movements between various points on a railroad's system, free regional and short line railroads to provide

access to additional major systems, encourage competition among rail shippers to create solutions to ongoing bottlenecking issues, provide captive rail customers access to arbitration, and direct the Surface Transportation Board to adopt a more realistic and workable rate reasonableness standard.

- NREA supports legislation to repeal the anti-trust exemption for the freight rail industry.

- NREA opposes efforts by railroads to embed acquisition premiums into the regulatory rate base, artificially increasing rates for shippers without any appreciable benefit. The Surface Transportation Board is the only federal agency that permits passing these premiums onto rate payers. Congress should adopt legislation excluding acquisition premiums from the regulatory rate base to protect shippers from higher rates.

### **Railroad Crossing Agreements**

- NREA supports actions that will prevent unreasonable demands by railroads as a condition of obtaining a railroad crossing agreement and urge the Nebraska Public Service Commission to expeditiously process applications by power suppliers to construct lines over railroad right-of way.

## **Regulation**

### **Opposition to Excessive Regulations**

- NREA opposes any state or federal over-regulation that has or will have a damaging and negative effect on small businesses in Nebraska.

### **Congressional by-pass Using Regulation**

- NREA opposes federal regulation being used to bypass the appropriate Congressional process for the development of a national energy policy

## **Cost Justification**

•NREA opposes the imposition of regulations that impose costs not justified by their benefits. Nebraskan's enjoy the benefits of some of the lowest cost power in the nation. This status is the direct result of the State's long-standing policy of approving the lowest cost generation resource. NREA supports the continued application of the aforementioned criteria for new generation and will resist the further deterioration of the Nebraska Power Review Board oversight process.

## **Renewable Energy**

### **Customer-owned Generation and Net Metering**

•Net metering laws should provide for the safety of the public and utility employees and ensure the integrity and reliability of the distribution system.

•NREA supports net metering for small customer-owned renewable energy generation that has a generating capacity of 25 kw or less, that will allow a customer to offset their energy use with their own generation at a one-to-one ratio, and allows for excess generation to be purchased by the utility at a rate comparable to what the utility would pay for energy from their wholesale supplier.

•NREA supports net metering policy that allows the utility to recover all costs that would not be in place would the net metering facility not be installed. Net metering projects should not be subsidized by customers who are not able to, or who chose not to participate.

### **Hydroelectric Power**

•NREA supports the development of hydroelectric power resources and the inclusion of hydropower in the definition of "renewable" or clean energy resources.

## **Nuclear Power**

- NREA supports including nuclear energy in the definition of “renewable” or “clean” energy resources.

## **Renewable Energy Development**

- NREA supports a thoughtful process to implementing new legislation and regulations relating to renewable energy development. NREA supports a process to develop a Nebraska Energy Plan that considers public power’s role in providing low cost, reliable, environmentally responsible energy development.

- NREA opposes federal or state mandates that would impose minimum levels of alternative energy capacity, such as a Renewable Energy or Portfolio Standard.

- NREA supports the thoughtful development and implementation of state and federal incentives that support the development and installation of all types of renewable energy resources at all levels of production and customer use.

- NREA supports the education of the end use consumer in understanding the role that renewables serve as part of the electric grid in Nebraska and the country as a whole.

- NREA supports the development of cost effective energy storage technology that will allow better utilization of renewable resources

- NREA opposes legislation requiring utilities to offer feed-in tariffs or similar contracts that require incentive compensation to customers who install renewable energy facilities. Such incentives or tariff decisions should be left to the local utilities.

## **Rural Electrification**

### **Support for the Rural Electrification Program**

- NREA opposes any changes in the mission of the U.S.D.A. Rural Utilities Service (RUS) that changes the once rural, always rural focus. We oppose administrative changes that seek to impose new qualifications on borrowers. We further oppose any

administrative changes that would prohibit the use of RUS funding for generation projects.

- NREA opposes any effort to eliminate RUS programming as a means to reduce the federal deficit since RUS loan programs provide positive cash flow for the federal government.

## **Safety**

### **General Safety**

- NREA supports federal and state policies which acknowledge the inherent dangers of the electric industry. NREA supports efforts to educate and protect its member-system employees and the public from the dangers of electrical contact and to promote a safe working environment and a responsible use of electricity.

### **Support for the One Call Notification Act**

- NREA supports the One-Call Notification Act to protect the safety of Nebraska residents and to protect the integrity of buried electric facilities.

- NREA opposes any changes that create additional exemptions under the One-Call Notification Act, including extending the agricultural exemption to third party operators or contractors.

## **Service Territory**

### **Compensation for Territory Acquired by Another Electric System and Right to Serve Zoning Area of City**

- NREA supports the current state statutory compensation formula for determining the amount of compensation that one electric system must pay another when acquiring territory from that system through annexation or by other means. We oppose any effort to weaken or undermine the statutory compensation formula.

## **Territorial Protection**

- NREA opposes any change in state law that would weaken the state's territorial protection statutes. Rural electric utilities should be able to continue to serve areas in which they have previously been and are presently lawfully authorized to render electric service and to actively support, financially and otherwise, all efforts to protect and defend against any usurpation or infringement on this right.

## **Deregulation**

- NREA opposes any action for promoting deregulation which would allow competition across service territory boundaries creating financial uncertainty for rural electric providers and their customers.

## **Technology Advancement**

- NREA supports the adoption of legislation and regulatory policies which will allow the unmanned aerial systems (drone) industry to grow and prosper in rural America as a tool for the rural electric industry for the benefit of rural electric consumers.

- NREA supports a utility exemption so that line of sight restrictions will not apply to utility applications.

## **Water Resource Management**

### **Support for the Platte River Recovery Implementation Program**

- NREA supports the State of Nebraska's participation in the Platte River Recovery Implementation Program, including the offsets to new depletions to the Platte River beginning on July 1, 1997, and further supports the Nebraska Legislature's appropriation of needed state funding and the dedication of other necessary resources.

- NREA supports efforts that do not cause undue harm to local economies and agricultural producers and encourages programs that have as minimal negative impact as is possible.

## **Support for Funding River Basin Management by NRDs**

- NREA supports legislation and positions developed which provide local funding methods for the Natural Resource Districts in river basins that require additional dollars to fund various methods to augment stream flows to allow them to meet compliance with River Basin compacts, decrees, or other designations affecting a basin, sub-basin or reach.

- NREA supports management methods to help avoid reducing the number of irrigated acres and/or reducing water pumping allocations which will have a significant negative economic impact on the region and state.

## **Water Budget/Balance**

- NREA supports a comprehensive water budget/balance approach in the management of water resources in the state of Nebraska; the development of educational materials for the purpose of providing information to all stakeholders in the state to include producers, businesses, associations, regulators and policy makers; and will actively promote the inclusion of comprehensive water budget/balance management processes in the development of future legislation and regulation in the state.

**Notes:**

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1244 K Street, Box 82048  
Lincoln, Nebraska 68501  
402.475.4988 FAX 402.475.0835  
[www.nrea.org](http://www.nrea.org)