

Taylor Report



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N1831 State Highway 13, Medford, WI 54451 • 715-678-2411 • www.taylorlectric.org

Electric Co-op Policy Priorities for the New Congress

By Dan Riedinger

Every time a new Congress convenes, electric cooperatives have the opportunity to educate new lawmakers on issues that matter most to their consumer-members and the communities they serve. The 116th Congress kicked off in January with more than 100 new members in the House and Senate.

Since then, co-ops have been working with the National Rural Electric Cooperative Association (NRECA), the national service organization that represents more than 900 not-for-profit electric cooperatives, to introduce ourselves to new members on Capitol Hill. Here are several priority issues that we're bringing to lawmakers' attention.

Energy Policy and Infrastructure

The potential for energy and infrastructure legislation presents a significant opportunity as electric cooperatives work to meet the growing needs of their local communities. NRECA will work to ensure that any infrastructure package focuses on more than roads and bridges, including opportunities to modernize the electric grid and expand rural broadband access. This is critical to ensuring that rural America is not left behind in the 21st century economy.

Environment

NRECA will promote and encourage bipartisan support for renewable energy research and development programs—including programs that focus on finding a viable use for carbon capture, utilization and storage, which comprise a suite of technologies for reducing greenhouse gas emissions from power plants. Cooperative renewables use has increased substantially in recent years, more than doubling since 2010.

Broadband

Expanded rural broadband access remains a priority for NRECA. As electric co-ops engage the new Congress, we will work to ensure that all rural broadband discussions include the electric co-op perspective on the need to expand high-speed internet service in rural areas. According to the Federal Communications Commission, 23 million rural Americans lack access to broadband — millions of them are members of an electric co-op. That's why roughly 100 electric cooperatives are working to close the digital divide by bringing broadband to their communities, and more are exploring the option.

Tax Policy

The 2017 tax reform law included a provision that treated federal grants as income. This threatens the tax-exempt status of some electric cooperatives, because many co-ops rely on government grants to maintain and expand their infrastructure and provide services to their local communities. America's electric cooperatives will seek to fix this unintended consequence of the tax law.

Grid Resilience

Protecting our nation's vast power grid is a national priority and focus for electric cooperatives. Ensuring appropriate information sharing and preserving existing partnerships and structures are essential to these efforts. We will advocate for resources and technologies that meet the unique cybersecurity and recovery needs of small and medium-sized utilities to help protect our systems.

With such a large freshman class of lawmakers, educating them about electric cooperatives and the issues we care about will take time and perseverance. Advocating for the interests of our consumer-members and the communities in which they live is at the very heart of our business.

Dan Riedinger writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives. From growing suburbs to remote farming communities, electric co-ops serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.

Energy Efficiency Tip of the Month

Is your hot water tank warm to the touch? Consider insulating it to save 7 to 16 percent annually on water heating costs. Follow the manufacturer's recommendations.

Source: energy.gov



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Board Report – December 2018



- Approved November disbursements totaling \$741,684.08, reviewed the month's credit card charges, accepted 14 new member applications, and September construction in the amount of \$25,830.21.
- Reviewed financial results through November 30, 2018 with year-to-date margins of \$532,237. There was discussion of options for 2018 margins with no action taken at this time. Seven outages occurred in November, with a total of 122 for the year, totaling just over 0.6 hour per member of outage time.
- 49 accounts were processed for collection in November owing just over \$18,500. They were given notice of intent to disconnect service if not paid in full within 10 days.
- Five applications for discounted early retirement of capital credits to estates were approved with total capital credits of \$4,044.66 to be paid out at the net present value of \$1,959.64.
- The Dairyland Power report included: the financial report showing year-to-date Operating Margins are \$5.6 Million compared to \$11.8 Million in 2017. Total YTD Margins are \$14.1 Million compared to \$20.8 Million in 2017; potential of writing off the Regulatory Asset of the 7-Mile Creek Landfill project which would help lower the 2019 wholesale rate increase; a tentative settlement with the union workforce; the N-Tec generating plant being "on-schedule"; and, a Minnesota co-op issue regarding "transparency" in co-op operations, leading to a discussion of what's appropriate to be posted on a co-op's website. The 2019 Dairyland budget meeting report included the average wholesale power cost projected to increase 1.53% on May 1, 2019 to 7.609¢ per kWh compared to 7.494¢ per kWh for the previous rate year. Taylor's wholesale rate is estimated to increase from 7.363¢ per kWh to 7.517¢ per kWh for the May 1, 2019 to April 30, 2020 rate year or 2.09%.
- The Board reviewed the member complaint log; two dealings involving members and upgrading their meters to the new AMR meter; delinquent accounts; an update on the Taylor County Broadband Committee's efforts; new USDA Farm Bill offering broadband grants and loans; and, accumulated patronage investment in National Information Solutions Cooperative, Taylor's software provider, in the amount of \$51,300 as of year-end 2018.
- Approval was given to write-off as 2018 depreciation, the remaining balance of \$5,971.39 on a server that was purchased in early 2015 and is planned for replacement in early 2019.
- A 3-year extension of the current labor agreement with IBEW Local 953 was ratified.
- 2019 scholarship offerings were renewed: six \$500 awards for high school graduating seniors, and seven \$200 awards, one by each director, paid from their meeting per diems.
- Appointments were made for the Cooperative's representatives to 2019 Wisconsin Electric Cooperative Association committees.
- The 2019 incentives were approved.
- Director Waldhart reported on the WECA Legislative Committee meeting held on December 5th which included: a review of November mid-term elections; anticipated legislative initiatives of interest to electric co-ops; Operation Roundup and DFI registration requirements; broadband; electric vehicles; and, it was noted that lobbyist Beata Wierzba was leaving WECA to work for the National Rural Electric Cooperative Association.

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