



2017

MID-WEST ELECTRIC
CONSUMERS
ASSOCIATION

RESOLUTIONS

MID-WEST ELECTRIC CONSUMERS ASSOCIATION RESOLUTIONS

FOREWORD

Mid-West Electric Consumers Association (Mid-West) was founded to preserve and strengthen rural electric cooperatives, municipal electric systems, public power districts, and the communities they serve. Mid-West's primary mission has always been to support the consumer-owned electric systems serving rural areas and communities in the Missouri River Basin, and to collaborate with like-minded organizations focusing on other river basins, and to support federal hydroelectric and water development programs throughout the nation that serve the public interest. Mid-West works to preserve and to optimize cost-based development of the waterpower and other energy resources of the Great Plains, for the benefit of the people of this region and of the nation. Our members are responsible for, and committed to, safe, reliable and economical utility service.

Mid-West prides itself in being democratically governed, ultimately by Mid-West members, and by the communities and individual consumers of rural America. Our members believe that the primary strength of a nation is in its people. Mid-West thus establishes its policies through democratic processes, discussing potential resolutions and then proposing them to its members for adoption. Given the commitment of the Association and its members to an activist and pluralistic democracy, it is hardly surprising that Mid-West's policies extend well beyond what would seem to be its members' parochial interests. Mid-West and its people take positions and make recommendations to appropriate officials and elective bodies on a wide range of national and state issues. Mid-West and its members, for instance, have always taken strong stances to protect the nation's environment and to preserve our vital national resources. These positions—a commitment to wise use and preservation of water, a belief in the peoples' ownership of the peoples' resources, in favor of clean air, a willingness to spend the time and money to reclaim mined lands—are not really all that surprising. It has long been recognized that family farmers and ranchers are the best guardians of the land on which they live and work.

Mid-West, similarly, believes strongly in fair and equal opportunities for all of the families and citizens in our region. We are concerned that so many young families are deciding to leave the High Plains region. We are strongly committed to an independent and family-based business, the best anchor for rural America's way of life. We are committed to a fair and stable financial return to farmers and ranchers for the production arising from their labors. We also work to preserve and to foster small and local businesses, with profound respect for decent wages and working conditions for the laborer. The prosperity of farmers, small business owners, and other workers is tied to fair and balanced federal and state tax structures. Mid-West is also committed to institutions and opportunities free of prejudice, open to the advancement of all individuals, and dedicated to the human values that bind a democratic society and make it strong.

Another important part of Mid-West's commitment to public and consumer-owned electric systems and to rural America is Mid-West's commitment to women, to young people, and to the crucial roles they play at the local, state, regional and national levels. Mid-West's activities and functions provide a forum for women to participate in advancing the principles of public power. Mid-West similarly seeks advice and representation from a new generation of rural advocates. Mid-West encourages its members to promote full participation by women, and by younger citizens, in their activities and programs.

Finally, Mid-West is strongly bound to the time-honored congressional mandate that public and consumer-owned systems have first call upon federally generated hydroelectric power. That commitment alerts us to the attempted exploitation of our country's natural resources by special interest groups. This is an issue on which we all, unquestionably, agree. These resources belong to our citizens and should be used by our citizens through their consumer-owned systems, at cost and without profit, and using traditional repayment terms. It is upon these basic principles and with these objectives that Mid-West adopts and publishes these resolutions.

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I. ENERGY POLICY RESOLUTIONS

1 **A. AVOIDED COSTS MANDATED BY PUBLIC UTILITY REGULATORY**
2 **POLICIES ACT**

3
4 WHEREAS, Congress, in 1978, passed the Public Utility Regulatory Policies Act (PURPA); and

5
6 WHEREAS, continued pressures to change the avoided cost calculations could impact the ability of
7 consumer-owned electric utilities to plan for power supply at the lowest possible rates for their consumers;
8 and

9
10 WHEREAS, currently the changes to PURPA will continue to require utilities purchase power from
11 qualifying facilities (QFs) at the cost, which the utility would have incurred had it purchased or generated the
12 power themselves, i.e., their avoided cost, unless certain market conditions are met;

13
14 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association
15 (Mid-West) urges that as the 2005 Energy Policy Act (EPA) is implemented, the rights of utilities continue to
16 include provisions that assure a utility need only pay a capacity charge for the power when the utility requires
17 additional capacity within its system and that the capacity charge takes into account such factors as availability
18 and reliability while evaluating the utilities cost in purchasing or constructing the plant themselves; and

19
20 BE IT FURTHER RESOLVED, that Mid-West urges the Federal Energy Regulatory Commission
21 (FERC) to prohibit the subsidization of QFs by electric consumers through higher rates, by prohibiting the
22 establishment of rates for the purchase of power from QFs at rates which exceed the actual cost which the
23 purchasing utility would have incurred in purchasing or generating the power themselves.

B. EFFICIENT RESOURCE USE

1
2
3 WHEREAS, the electric power supply provided by the members of Mid-West Electric Consumers
4 Association (Mid-West) is generated from abundant domestic coal, natural gas, wind energy resources and
5 renewable hydroelectric sources; and
6

7 WHEREAS, Mid-West members strongly promote and encourage optimal resource use through
8 application of high efficiency energy conversion devices such as ground source heat pumps; and
9

10 WHEREAS, energy efficiency includes power plant improvements that generate more electricity
11 with less fuel; and
12

13 WHEREAS, existing federal regulations regarding existing power plants are a significant deterrent to
14 power plant upgrades that could provide the efficiency improvements that lead to increased environmental
15 benefits; and
16

17 WHEREAS, there is a concerted effort by some in the environmental community to shut down coal at
18 any cost, which severely limits the ability to maintain and operate their power plants in an efficient manner; and
19

20 WHEREAS, state and federal policies should give utilities the flexibility to make fuel decisions based
21 on sound business practices and their obligation to serve electric consumers;
22

23 NOW, THEREFORE, BE IT RESOLVED, that the members of Mid-West support research,
24 development, and deployment of sound conservation policies that provide cost-effective solutions for
25 efficient energy use while striving to provide reliable and efficient power generation; and
26

27 BE IT FURTHER RESOLVED, that Mid-West encourages the development and dissemination of
28 educational programs that are designed to provide the public a clear understanding of the benefits of using
29 high efficiency, electric devices designed to use domestically produced and controlled coal and hydroelectric
30 resources more efficiently; and
31

32 BE IT FURTHER RESOLVED, that Mid-West believes state and federal energy policy should promote
33 efficiency improvements at existing electrical generating facilities by eliminating the current disincentives to
34 those efficiency improvements.

1 **C. FEDERAL POWER MARKETING ADMINISTRATIONS**

2
3 WHEREAS, energy generated at federal hydroelectric facilities of the Pick-Sloan Missouri Basin
4 Program (Pick-Sloan) is essential to thousands of municipal and rural consumers, including farms, businesses,
5 and industries within the nine states of the Mid-West Electric Consumers Association (Mid-West); and
6

7 WHEREAS, the power portion, with interest and nearly all of the irrigation portion of the federal
8 capital investment in these multipurpose facilities is being systematically repaid, on schedule, to the U.S.
9 Treasury by these federal preference power customers; and
10

11 WHEREAS, Pick-Sloan power revenues also pay for the annual power system's share of the operation
12 and maintenance costs; and
13

14 WHEREAS, substantial investments have been made by preference customers in partnership with the
15 federal government to develop the region's integrated transmission system, thereby optimizing benefits to
16 preference customers and the federal government; and
17

18 WHEREAS, members of Mid-West hold direct power supply contracts for a substantial portion of the
19 Pick-Sloan power supply resources; and
20

21 WHEREAS, the sale, transfer or other disposal of the federal power marketing administrations or the
22 federal power plants and related facilities would:
23

- 24 a. Threaten consumer-owned utilities with uncertainty of supply and significantly higher
25 power rates; and
26
- 27 b. Undermine the ability of consumer-owned utilities to provide reliable electric service at
28 competitive rates and thereby increase monopoly in the electric utility industry; and
29
- 30 c. Abandon existing repayment agreements between the United States and federal power
31 users;
32

33 WHEREAS, other proposals to transition the sale of federal power from its current cost-based rates
34 to market-based rates as a way to reduce the federal deficits and the national debt would have the same
35 devastating impacts as sale of the federal power marketing administrations;
36

37 NOW, THEREFORE, BE IT RESOLVED, that Mid-West vigorously opposes the sale of the federal
38 power marketing administrations; or divestiture of their power and transmission facilities; and
39

40 BE IT FURTHER RESOLVED, that Mid-West reaffirms its support for the longstanding
41 congressionally approved standard of cost-based rates for electric power generated at federal projects;
42 and
43

44 BE IT FURTHER RESOLVED, that Mid-West will, under all circumstances, work to improve the
45 efficiency of federal power operations, protect the contractual federal power supply rights of its
46 members, and resist any unjustifiable increases in electric rates to the ultimate consumers.

1 **D. FEDERAL POWER REGULATION**

2
3 WHEREAS, Mid-West Electric Consumers Association (Mid-West) opposes full Federal Energy
4 Regulatory Commission (FERC) oversight for municipal electrics, public power districts, rural
5 electric cooperatives, and the federal power marketing agencies and supports the provision in the
6 Energy Policy Act of 2005 that exempts “small utilities,” defined as those selling less than 4 million
7 megawatt-hours annually;

8
9 NOW, THEREFORE, BE IT RESOLVED, that Mid-West supports the following principles and
10 urges the FERC to utilize them in their regulatory actions:

- 11
- 12 a. Purchasers of electric energy should be protected from market power abuse in order
13 to assure the ultimate consumer fair and reasonable prices.
 - 14
 - 15 b. Inclusion of Construction Work In Progress in wholesale power and transmission
16 rates should be prohibited.
 - 17
 - 18 c. Pursuant to the Energy Policy Act of 2005, membership by a federal power
19 marketing agency in a Regional Transmission Organization does not subject the
20 federal utility or any of its electric generation assets, electric capacity, energy, or power
21 sale activities to the jurisdiction or the authority of the FERC.
 - 22
 - 23 d. Discriminatory rate increases, which place wholesale customers in a "price
24 squeeze" situation, whereby high wholesale rates may prevent them from
25 competing at retail with other wholesale suppliers, should be rejected.
 - 26
 - 27 e. Jurisdiction over wholesale power and transmission sales and rates should not be
28 transferred to the various state utility commissions.
 - 29
 - 30 f. The development of Exempt Wholesale Generation, as provided under the National
31 Energy Policy Act of 1992, should be closely monitored to insure that there are no
32 abuses as protected under the original Public Utility Holding Company Act.

1 **E. FEDERAL TRANSMISSION INVESTMENTS**

2
3 WHEREAS, upgrades and additions to the Western Area Power Administration (WAPA)
4 transmission system must be routinely considered to: ensure adequate delivery of federally generated power
5 ensure maintenance of system reliability at an adequate level; and aid in the utilization of the optimum federal
6 energy sources as a part of a responsible national energy policy; and
7

8 WHEREAS, thorough and timely joint system planning with preference customers and regional
9 transmission partners is a very important precursor to the addition to any transmission facility; and
10

11 WHEREAS, the U.S. Congress has provided funding for transmission facilities in the past, and
12 preference customers repay with interest funding provided for such facilities; and
13

14 WHEREAS, the Energy Policy Act of 2005 expanded the ability of WAPA to finance a project by
15 allowing the Secretary to accept and use funds contributed by another entity for the purpose of carrying out a
16 project;
17

18 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-West)
19 urges the federal government to continue to provide adequate funding to support, timely joint planning
20 studies, adequate staffing levels and construction of WAPA transmission facilities needed for delivery of
21 Federal power; and
22

23 BE IT FURTHER RESOLVED, that Mid-West encourages Congress in consultation with WAPA's
24 firm power customers to continue to look for ways to expand WAPA's ability to finance projects that will
25 increase the construction of transmission facilities that are needed and supported by WAPA's firm power
26 customers to provide for their contracted requirements; and
27

28 BE IT FURTHER RESOLVED that Mid-West encourages WAPA to partner with their customers on
29 funding, constructing and owning transmission additions; and
30

31 BE IT FURTHER RESOLVED, that Mid-West calls on Congress and the Administration to ensure
32 any federal transmission incentives would require a study that shows a need for federal power delivery
33 prior to federal funds being used to build transmission; and
34

35 BE IT FURTHER RESOLVED, that Mid-West supports the development of transmission by
36 WAPA in such a way that, at a minimum, the beneficiaries of the additional transmission bear 100% of
37 the incremental transmission costs.

1 **F. ENVIRONMENTAL EXTERNALITY COSTS TO ENERGY**

2
3 WHEREAS, environmental, regulatory, alternative energy, and other groups are promoting the
4 development of a “social cost of carbon” which would assign additional costs on energy production
5 because of the perceived effects of carbon emissions on society; and
6

7 WHEREAS, these costs would be assessed against fossil fuel-fired generating capacity either, in
8 the context of plant operations or in the dispatch of electricity generated by such power plants even if
9 the plant meets all applicable state and federal requirements for environmental compliance; and
10

11 WHEREAS, the use of a social cost of carbon is arbitrary and presupposes negative impacts from
12 the use of coal and other fossil fuels rather than focusing on realistic solutions that will actually reduce
13 carbon dioxide emissions;
14

15 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association opposes
16 the use of arbitrary metrics, such as social cost of carbon, in regulatory reviews when their primary purpose
17 is to artificially inflate the cost of coal and other fossil fuels at the expense of real, meaningful, and realistic
18 carbon reductions.

1 **G. HYDROELECTRICITY - A RELIABLE RENEWABLE RESOURCE**

2
3 WHEREAS, hydroelectric power facilities provide economical, reliable, emission free, renewable energy
4 for many consumers throughout the country; and

5
6 WHEREAS, defining renewable resources becomes crucial to electric utilities as the federal government,
7 state governments and others look at mandated resource portfolio standards; and

8
9 WHEREAS, hydroelectricity is being rejected as a classifiable renewable resource by some federal
10 agencies, state governments, and other groups for political reasons, even though a definition of renewable
11 energy is: a perpetual, naturally occurring form of energy that can be successfully harnessed to produce electric
12 power, without the creation of waste, greenhouse gas emissions, or byproducts, and clearly, electricity
13 generated by the force of falling water meets this definition;

14
15 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association urges
16 Congress, the Administration and states to take action to classify hydroelectric power from projects both large
17 and small, existing and future as a renewable resource and that hydroelectric power be treated equal to other
18 forms of renewable energy such as that produced from wind and solar if mandated renewable portfolio
19 standards are adopted.

H. SUPPORT FOR RENEWABLES

1
2
3 WHEREAS, the members of Mid-West Electric Consumers Association have a power supply mix
4 of hydroelectric, other renewables, and fossil fuel generated electricity; and
5

6 WHEREAS, the members of Mid-West are committed to a diversified energy generation portfolio
7 that is cost-based and affordable; and
8

9 WHEREAS, interest from consumers in distributed generation, such as rooftop solar, means public
10 utilities will need to make certain that the policies of integrating renewable energy into their portfolios
11 are fair and consistent to ensure consumers who do install distributed generation at their residence or
12 place of business do so in a manner that does not adversely affect electric service or shift costs onto
13 the utility's other consumers; and
14

15 WHEREAS, Pick-Sloan Missouri Basin Program federal power is under long-term contracts to the
16 consumer-owned electric utilities in the region, as well as Native American tribes and some federal and state
17 agencies; and
18

19 WHEREAS, some developers have proposed using federal hydropower to firm renewable
20 generation;
21

22 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association supports the
23 development of economically feasible renewable energy sources that can be integrated into
24 existing power supply system without compromising the transmission grid's system performance,
25 reliability, or costs and similarly do not compromise the value of the Missouri River Pick-Sloan Program's
26 hydroelectric resources; and
27

28 BE IT FURTHER RESOLVED, that Mid-West calls on Congress and the states to ensure incentives for
29 energy generation are applied uniformly to public power utilities and rural electric cooperatives as they are
30 provided to other utilities; and
31

32 BE IT FURTHER RESOLVED, that although Mid-West does not support the use of already contracted
33 federal hydropower resources to provide firming power for renewable energy projects, Mid-West is willing,
34 however, to consider studies to explore how renewable power might be integrated into the regional power supply,
35 so long as the costs of those studies are not borne by the Pick-Sloan Program's federal power customers.

I. NET METERING

1
2
3 WHEREAS, the Mid-West Electric Consumers Association (Mid-West) supports its members who
4 pay the avoided cost for energy received from non-utility sources; and

5
6 WHEREAS, net metering generally requires utilities to pay retail rates for electricity produced; and

7
8 WHEREAS, such customer generation should be no larger than the customer load; and

9
10 WHEREAS, the payment of more than the utilities' avoided costs for this energy represents an unfair
11 subsidy of some electric consumers by other electric consumers; and

12
13 WHEREAS, the availability of net metering is a local option and decision that should be made in the
14 cooperative or municipal board room; and

15
16 WHEREAS, net metering must be safely interconnected;

17
18 NOW, THEREFORE BE IT RESOLVED, that Mid-West opposes government-mandated net metering
19 that result in subsidization and cost shifting between customer

II. AGRICULTURE POLICY RESOLUTIONS

1 **A. RURAL ECONOMY**

2
3 WHEREAS, the Mid-West Electric Consumers Association (Mid-West) believes a strong farm and
4 ranch economy is essential to the economic health of this country and its members are beneficiaries of this
5 economy and future success; and
6

7 WHEREAS, the members of Mid-West are vital suppliers to and supporters of rural America's
8 primary industries;
9

10 WHEREAS, the United States needs to put more emphasis on replacing imported petroleum with
11 domestically produced ethanol, bio-diesel and hydrogen; and
12

13 WHEREAS, the American farmer can successfully grow a number of crops that are used to make
14 bio-diesel and ethanol, while using ample wind resources to produce hydrogen; and
15

16 WHEREAS, the Capper-Volstead Act is the major enabling legislation for farmer cooperatives,
17 allowing farmers and ranchers to form cooperative organizations for marketing their products and receive
18 a fair and reasonable return on their investment;
19

20 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association opposes
21 any change in the Capper-Volstead Act, which would restrict the ability of farmers and ranchers to join
22 together to market their products and receive a fair and reasonable return on their investment.
23

24 BE IT FURTHER RESOLVED, Mid-West encourages Congress and the Administration to pursue
25 initiatives that provide a level and fair playing field to export markets around the globe.
26

27 BE IT FURTHER RESOLVED, that Mid-West supports rural development with a special emphasis
28 on the creation of renewable fuels as a way to curb out migration, create jobs, develop rural opportunities
29 and create distribution infrastructure.

1 **B. RURAL COMMUNICATIONS**

2
3 WHEREAS, improvements in communications technologies are important to public power and rural
4 electric cooperatives to best manage the grid, and has a positive impact on the improvement of rural life and
5 the continued development of the areas served by Mid-West Electric Consumers Association (Mid-West); and
6

7 WHEREAS, Mid-West opposes the enactment and/or promulgation of federal, state or local laws or
8 regulations that prohibit the use of publicly-owned infrastructure that could be utilized to provide enhanced
9 communications services to rural areas; and
10

11 WHEREAS, Rural Telco's have significant investments in rural communication infrastructure and
12 federal programs should focus on enhancing infrastructure;
13

14 NOW, THEREFORE, BE IT RESOLVED, that Mid-West supports the continued investment in
15 rural communications and opposes legislation and/or regulatory obstacles which could result in higher
16 communication costs, threaten NRTC's and Rural Telco's competitive position and reduce the availability of
17 communication services in rural areas which include broadband, cell phone coverage and over the air television
18 service.

1 **C. RURAL UTILITIES SERVICE PROGRAM**

2
3 WHEREAS, a strong Rural Utilities Service (RUS) is vital to the financing of the nation's
4 rural electric network of generation, transmission, and distribution facilities; and
5

6 WHEREAS, the rural electric cooperatives within the Midwest region and other rural electric
7 cooperatives all across the country are investing funds to rejuvenate aging electrical systems, working with
8 their communities in rural economic development, and helping to develop the rural water, television, and
9 other services; and
10

11 WHEREAS, there is a problem not only with funding but also available staffing to administer the
12 program; and
13

14 WHEREAS, the RUS continues to provide universally available programs at the lowest cost funding
15 for electrical system improvements, engineering guidelines and standards for construction and operation of
16 the electrical systems, zero based loans for economic development and a base of support for rural
17 infrastructure building; and
18

19 WHEREAS, Mid-West Electric Consumers Association (Mid-West) is deeply concerned about
20 continued financing to an industry as basic as the rural electric program at rates that will assure the continued
21 success of the program without unfairly burdening rural electric consumers and the taxpayer; and
22

23 WHEREAS, the opponents of the program are trying to limit the ability of RUS to issue loans for
24 conventional base load generation;
25

26 NOW, THEREFORE, BE IT RESOLVED, that Mid-West supports:
27

- 28 a. Maintaining loan levels that will meet the necessary credit needs of rural electric
29 cooperatives including G & Ts;
- 30
- 31 b. Continued availability of the Federal Financing Bank funding of RUS guarantees
32 U.S Treasury funding and the availability of five percent insured loans;
- 33
- 34 c. RUS and Office of General Counsel staffing levels that are adequate to allow for
35 timely processing of loans;
- 36
- 37 d. The reinstatement of RUS financing for the construction of all base load electric
38 generation facilities; and
39

40 BE IT FURTHER RESOLVED, that Mid-West reaffirms its continued support for a strong, viable
41 RUS program and reaffirms its commitment to the program's future; and
42

43 BE IT FURTHER RESOLVED, that Mid-West urges Congress to continue to provide adequate
44 funding for RUS's rural development programs, including funds for rural electric systems to provide water
45 and waste services, funds for small business incubators, and funds for rural distance learning and medical
46 links; but these programs should in no way reduce the available funding for the core RUS electric loan
47 program; and
48

49 BE IT FURTHER RESOLVED, that Mid-West continues to oppose any proposals to eliminate or
50 weaken the RUS electric loan program.

III. FEDERAL BUDGET AND TAX POLICY RESOLUTIONS

1 **A. NET ZERO APPROPRIATION**

2
3 WHEREAS, the budget of the Western Area Power Administration (WAPA) is initially funded by a
4 Congressional appropriation; and

5
6 WHEREAS, the annual costs of WAPA are repaid with power revenues deposited into the U.S.
7 Treasury in the year those costs are incurred; and

8
9 WHEREAS, the treatment of WAPA’s annual costs in the Congressional Budget process had
10 traditionally not recognized that those dollars are returned to the U.S. Treasury in the same year and thus do
11 not contribute to the federal deficit; and

12
13 WHEREAS, as a consequence the budget of WAPA was subject to reductions intended to reduce the
14 federal deficit, which threatened the reliability of the federal transmission system and the delivery of federal
15 power; and

16
17 WHEREAS, federal power customers have established work plan review groups in cooperation with
18 WAPA to review expenditures, which ensures federal power customer oversight; and

19
20 WHEREAS, a change in the treatment of WAPA’s annual expenses in the Congressional budget
21 process that recognizes that WAPA’s annual expenses are returned to the Treasury in the same year has been
22 enacted, resulting in a net appropriation at the end of the year of zero dollars (“net zero”);

23
24 NOW, THEREFORE, BE IT RESOLVED, that the Mid-West Electric Consumers Association
25 supports the Congressional budget scoring that allows a “net zero” appropriation for the annual expenses
26 of WAPA.

1 **B. DIVERSION OF FEDERAL POWER REVENUES**

2
3 WHEREAS, since 1902 water and power interests have enjoyed a successful, mutually beneficial
4 partnership under federal reclamation law; and

5
6 WHEREAS, power revenues repay in excess of three-quarters of the reimbursable federal investment
7 at multi-purpose projects built by the United States including 100% of the capital costs of hydropower
8 facilities (with interest) as well as a substantial amount towards repayment on non-power functions,
9 particularly irrigation; and

10
11 WHEREAS, during the past several years a number of proposals surfaced which would divert federal
12 power and/or power revenues for various purposes, including, but not limited to:

- 13
14 a. Subsidization of municipal and industrial water costs;
15
16 b. Altered repayment schedules for irrigation assistance costs;
17
18 c. Re-designation of certain project features as main project works in order to
19 reallocate costs to power users;
20
21 d. Designation of new project uses that take priority over power allocations to
22 preference customers;
23
24 e. Funding for enhancement of fish and wildlife programs;
25
26 f. Funding settlement of Tribal claims;
27
28 g. Funding for rehabilitation of older irrigation project facilities; and

29
30 WHEREAS, these proposals would unfairly single out power users to bear a disproportionate share of
31 the resultant impacts;

32
33 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association urges
34 Congress and the Executive Branch to adhere to principles and policies of federal law governing designation
35 of project uses, allocation of costs and irrigation assistance repayment for existing and future federal projects.

1 **C. LEAD AGENCY POWER MARKETING ADMINISTRATIONS**

2
3 WHEREAS, Power Marketing Administrations (PMAs) are the fully and legally constituted power
4 marketing authorities that are charged by law to ensure that preference rights are upheld; and

5
6 WHEREAS, existing public preference law mandates that first allocations and sales of power from
7 hydroelectric generating facilities at federal projects owned and operated by the Corps of Engineers and the
8 Bureau of Reclamation (federal generating agencies) are to be offered to rural electric cooperatives, municipal
9 utilities and other public power bodies; and

10
11 WHEREAS, non-federal financing of hydroelectric generating facilities at federal projects inherently
12 impacts such basic PMA responsibilities as hydropower allocation repayment and rates, and transmission which
13 should involve customer input and solutions; and

14
15 WHEREAS, the PMAs have built and contracted for an extensive transmission system to assure
16 reliable delivery of federal hydropower to their preference customers, which does not change with a PMA's
17 participation in a regional transmission organization;

18
19 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association opposes any
20 legislation, administrative or regulatory action by the FERC, or any other device that would commingle or dilute
21 the statutory responsibilities of the PMAs and the federal generating agencies, including hydroelectric power
22 development and marketing, reservoir cost allocation and reallocation, repayment and rate responsibilities, and
23 transmission requirements whether or not a PMA participates in a regional transmission organization, all of
24 which must be addressed at the time of financing; and

25
26 BE IT FURTHER RESOLVED, that any power additions at federal hydropower projects by
27 non-federal interests shall only be made if the project cannot be completed by the Corp of Engineers or Bureau
28 of Reclamation with PMA customer support and then only with the full approval of the PMA involved, based
29 on a cost benefit analysis, regional preference customers' needs, and that the added power co-mingled should
30 be marketed by that PMA to preference customers.

1 **D. SECURING ADEQUATE FUNDING AT FEDERAL HYDROPOWER**
2 **PROJECTS**
3

4 WHEREAS, the Western Area Power Administration, US Army Corps of Engineers, and the
5 U.S. Bureau of Reclamation (federal power agencies) are required to obtain funding through
6 appropriation procedures; and
7

8 WHEREAS, the Mid-West Electric Consumers Association (Mid-West) has consistently and
9 strongly supported appropriations for the agencies, as well as legislation which would give greater
10 certainty and stability to WAPA; and
11

12 WHEREAS, continued federal appropriations must remain the primary support for sustaining the
13 federal power program, but should not preclude alternative funding methods to complement those
14 appropriations. In the absence of federal appropriations, alternative financing of federal power projects
15 has been provided by preference power customers, provided that they are within customers' capabilities
16 and for the agencies' core mission, specifically the marketing and delivery of federal hydropower from
17 Corps and Reclamation generating facilities to firm power customers; and
18

19 WHEREAS, the preference customers continue to work with the federal agencies to identify capital
20 projects needs and improvements to their systems, and have a proven record of providing financial
21 assistance to the federal power program through the Western States Power Corporation (WSPC); and
22

23 WHEREAS, the preference power customers, because of their long-term association with and
26 financial participation in the federal power program, are in the best position to provide meaningful
27 advice, guidance, and financial support for replacements and improvements, when necessary, to the
28 Federal system; and
29

30 WHEREAS, Mid-West believes that those who ultimately pay for the federal facilities through
31 their electric rates, and who depend on the reliability and production of the power projects, have an
32 abiding interest in the funding and accountability of the power program; and
33

34 WHEREAS, the Western Area Power Administration (WAPA) regardless of the method and
35 source of funding for the federal power program, must establish rates at their lowest cost consistent with
36 sound business principles, and should also be guided by such principles in their planning process; and
37

38 WHEREAS, any discussion regarding new partnerships or funding sources require different
39 sources of input and advice during the planning process, and federal power customers expect to be
40 involved in this effort through the existing Memorandum of Understanding between the agencies and
41 customers, through the WSPC review processes, and other venues where appropriate;
42

43 NOW, THEREFORE, BE IT RESOLVED, that Mid-West strongly supports federal funding at
44 appropriate levels for the power agencies; however, in the absence of federal funding, Mid-West
45 believes that the needs of the federal power program are best provided by those most closely associated
46 with and affected by it, and that local support by the preference power community through WSPC is the
47 most effective and efficient means of maintaining the Federal power system; and

1 BE IT FURTHER RESOLVED, that, in absence of federal funding, there are circumstances in
2 which the best means to provide for new and additional facilities will be through asset partnerships, and
3 that Mid-West supports the development of these partnerships, where appropriate, between power
4 customers and the Federal power agencies to protect the integrity of the federal hydroelectric
5 generating facilities and transmission system; and
6

7 BE IT FURTHER RESOLVED, that alternative financing by interests who have limited exposure to
8 the federal power system, those who are unlikely to be affected by the condition and cost of federal facilities,
9 or which could force federal power customers to pay for unnecessary costs incurred by the federal power
10 marketing administrations without demonstrated off-setting benefits cannot be supported.

1 **E. RETENTION OF FEDERAL HYDROPOWER**
2 **OPERATIONAL RESPONSIBILITIES**
3

4 WHEREAS, operations, maintenance and replacement (OM&R) of federal power facilities are the
5 largest single component of rates paid by the customers of the federal power marketing administration
6 (PMAs); and
7

8 WHEREAS, the costs allocated to OM&R by the Bureau of Reclamation and the Army Corps of
9 Engineers and the PMAs must be managed so that they minimize rates while at the same time maintaining the
10 reliability of the generating projects; and
11

12 WHEREAS, proposals to transfer control of certain federal power generation and transmission
13 facilities of multi-purpose projects to non-federal agencies beyond a PMA's voluntary participation in a regional
14 transmission organization are expected to continue; and
15

16 WHEREAS, transfer of control of power generation and transmission facilities of multi-purpose
17 federal projects to the control of non-federal agencies could threaten the balance that must prevail among
18 various authorized purposes of such projects and could seriously disrupt the achievement of multi- purpose
19 objectives;
20

21 NOW, THEREFORE, BE IT RESOLVED, that the Mid-West Electric Consumers Association
22 supports the retention of control by federal agencies of federal facilities in multiple-purpose projects that
23 include power generation and transmission facilities dedicated to preference customers, except when such
24 transfers of control to preference customers or not-for-profit organizations comprised of preference customers
25 where there are demonstrated improvements in operating efficiencies and economies, while protecting
26 existing rights.

1 **F. PAYMENT OF NON-REIMBURSABLE COSTS**

2
3 WHEREAS, charges for power and water from federal multipurpose-water projects, historically, have
4 been based on reimbursable costs (the cost of providing service—with other costs incurred through federal
5 appropriations) and have been administratively changed in recent years to cover some non- reimbursable costs
6 in power costs as well; and
7

8 WHEREAS, reimbursable costs are defined as power investment with interest, municipal and
9 industrial investment with interest, and irrigation investment without interest, which are to be repaid by
10 project beneficiaries, including power and water customers; and
11

12 WHEREAS, power investments are repaid through contracts for power sales; and irrigation
13 investments are repaid through supplemental revenues from power sales; and
14

15 WHEREAS, non-reimbursable costs are defined as flood control, navigation, recreation, fish and
16 wildlife, and miscellaneous, which are repaid out of the Federal Treasury without reimbursement by a project
17 beneficiary; and
18

19 WHEREAS, power and water consumers have, historically, accepted and agreed with the division of
20 costs and repayment structure whereby they are required to pay for those costs and investments allocated to
21 their specific benefit and are not required to pay those costs, which benefit the general public— like
22 recreation, fish and wildlife, and security, etc.;

23
24 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association opposes
25 any administrative changes or legislation that requires payment of non-reimbursable costs at federal
26 multipurpose water projects by power and water consumers.

1 **G. PICK-SLOAN RATES**

2
3 WHEREAS, the Western Area Power Administration (Western) is responsible for marketing and
4 setting rates for the hydroelectric resources of the Pick-Sloan Missouri Basin Program (Pick-Sloan); and
5

6 WHEREAS, the rate for Pick-Sloan power is established by law to be the lowest rate to consumers
7 consistent with sound business principles; and
8

9 WHEREAS, Western's rates, by law, must be set at a level to recover the costs of operation,
10 maintenance, and replacements, and to assure timely repayment of the reimbursable Pick-Sloan federal
11 investment with interest, as well as payment of irrigation costs beyond the irrigator's ability to repay; and
12

13 WHEREAS, the hydroelectric rate for Pick-Sloan power is made up of costs of the U.S. Army Corps
14 of Engineers (Corps), the U.S. Bureau of Reclamation (Reclamation) and Western; and
15

16 WHEREAS, Western's rate setting process requires a public participation process, which includes
17 meetings with customers and the public to review the components of the rate and to seek the input of
18 Western's customers; and
19

20 WHEREAS, Mid-West Electric Consumers Association (Mid-West) members view the timely
21 repayment of the reimbursable federal investment and appropriate operational costs in Pick- Sloan as a
22 paramount obligation; and
23

24 WHEREAS, Western makes new investments in Pick-Sloan at current interest rates which puts
25 upward pressure on the Pick- Sloan rate; and
26

27 WHEREAS, Western has additional responsibilities under the Transmission Infrastructure Program
28 (TIP) which will require separation of TIP costs and rates from Western's core mission – the delivery of
29 federal power; and
30

31 WHEREAS, Western has instituted a cost control program to ensure the most effective use of
32 investments; and
33

34 WHEREAS, Mid-West and its members developed a drought adder component to the Pick-Sloan rate
35 in order to ensure more timely repayment of related costs while protecting firm power customers from an
36 inflated rate after those costs have been repaid; and
37

38 WHEREAS, the USBR has been working with Mid-West to develop detailed cost information for the
39 hydropower rates;
40

41 NOW, THEREFORE, BE IT RESOLVED, that Mid-West encourages Western, the Corps, and the
42 Reclamation to continue their efforts and encourages the Corps and the Reclamation to provide timely and
43 standardized financial reports to customers which:
44

- 45 a. Identify all major cost categories (capital and operating) for both current and projected
46 operations;
- 47 b. Compare actual financial operating performance to budgeted amounts; and
48

1 BE IT FURTHER RESOLVED, that Mid-West supports Pick-Sloan hydroelectric rates being set at
2 levels sufficient to assure fulfillment of the repayment responsibilities to the U.S. Treasury and payment of
3 appropriate annual operating expenses while taking into consideration the long-term effects of hydrological
4 conditions; and

5
6 BE IT FURTHER RESOLVED, that Mid-West calls upon each of the federal agencies, which are
7 funded from Pick-Sloan revenues to aggressively pursue cost containment programs and provide periodic
8 reports to customers on such actions; and

9
10 BE IT FURTHER RESOLVED, that Mid-West pledges to work with Western to address rate and
11 repayment issues in an expeditious manner; and

12
13 BE IT FURTHER RESOLVED, that Mid-West supports prudent development of transmission
14 infrastructure under TIP, including transmission used to facilitate renewables, so long as there is no adverse
15 impact on rates of Western's firm power customers.

1 **H. OPPOSITION TO THE DILUTION OF FEDERAL PREFERENCE POWER**

2
3 WHEREAS, it has been proposed that new federal marketing rules be developed which would allow
4 preference power to automatically flow across Investor Owned Utility (IOU) power lines through lease
5 arrangements with new public power entities; and
6

7 WHEREAS, such entities could easily be formed by private power marketers and others bent on using
8 access to federal cost-based power as a means to gain an advantage over their competitors; and
9

10 WHEREAS, any consideration of a change in federal preference power allocations exposes rural
11 America to an onslaught of competing demands from other interests; and
12

13 WHEREAS, there is no comparable precedent for the expansion of preference power eligibility; and
14

15 WHEREAS, federal preference power was created by Congress to protect fragile rural economies
16 from unstable power rates;
17

18 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-
19 West) opposes changes in the allocations of federal preference power which would expand rights to this
20 power to IOU customers or create any other new class of customers not already defined as preference power
21 eligible entities; and
22

23 BE IT FURTHER RESOLVED, that Mid-West calls on the Western Area Power Administration
24 (WAPA) to continue delivering those Western allocations that have been removed for resource pool
25 allocations to the current contract holders until all arrangements for delivery have been approved by all
26 parties; and
27

28 BE IT FURTHER RESOLVED, that Mid-West calls on WAPA to not expand the use of WAPA
29 allocations to any new customer class created by any new resource pool in the future.

1 **I. DAM SAFETY COST ALLOCATION AT FEDERAL HYDROELECTRIC**
2 **PROJECTS**
3

4 WHEREAS, many federal dams were built years ago and as they age, dam safety becomes a more
5 pressing issue. Significant investments are and will be necessary in order to maintain the safety of these federal
6 projects; and
7

8 WHEREAS, Congress established the national policy for the allocation of dam safety investments at
9 U.S. Army Corps of Engineers' (Corps') projects with the Dam Safety Act of 1986 (Dam Safety Act, or, the
10 Act). The Act limits the percentage of dam repair costs that may be assigned to project purposes to 15 % of
11 total modification costs that are "deemed necessary for safety purposes." Primary to this non-reimbursable
12 classification are the provisions that specify safety costs incurred to meet current engineering standards or to
13 accommodate revised hydrology levels developed after the construction of the dam should be non-
14 reimbursable; and
15

16 WHEREAS, the Corps has made dam safety investments of over \$1 billion at two dams that generate
17 power marketed to preference customers by the Southeastern Power Administration (SEPA). The
18 Corps incorrectly interpreted the law by allocating these costs without appropriate consideration of the non-
19 reimbursable provisions of the Act, assigning the modification costs to project purposes. SEPA has proposed
20 preference customer rates that appropriately allocate these costs according to the Dam Safety Act and the Federal
21 Energy Regulatory Commission (FERC) approved SEPA's rate proposal;
22

23 NOW, THEREFORE, the members of the Mid-West Electric Consumers Association support the
24 FERC's decision supporting the proposal by SEPA to allocate the dam safety modification costs in accordance
25 with the non-reimbursable provisions of the Dam Safety Act, thus limiting the allocation of these costs for
26 project purposes to 15%, consistent with the law.

IV. ENVIRONMENTAL POLICY RESOLUTIONS

1 **A. WILDERNESS AREA DESIGNATIONS**

2
3 WHEREAS, many millions of acres of federal lands under the supervision of the U. S. Forest Service
4 (USFS) and the U.S. Bureau of Land Management (BLM) have been considered for re-classification as
5 wilderness by Congress; and
6

7 WHEREAS, re-classification of additional lands as wilderness would take away the availability of
8 these lands for multiple use as coal mines, generator plant sites, water development projects and power line
9 right of ways; and
10

11 WHEREAS, the designation of wilderness study areas in which true wilderness characteristics do not
12 exist, leads to the unnecessary disruption and sometimes abolition of power line locations, plant sitings, coal
13 mine production, water impoundment and other water use projects; and
14

15 WHEREAS, the application of federal reserved water rights through the wilderness designation
16 process represents a preemption of established state water law to the detriment of traditional water use
17 doctrine and is unjustified on the basis of authority specifically held by states to administer the water
18 resources of the states; and
19

20 WHEREAS, power plant operations have already been jeopardized by the presence of Class I air
21 quality requirements superimposed within previously permitted air sheds through designation of wilderness
22 areas after the fact;
23

24 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association strongly
25 opposes the designation or study of any area in which true wilderness characteristics do not exist, opposes the
26 new designation of wilderness areas near existing power plants and coal mines that subsequently would come
27 under current or new mitigation criteria, opposes the establishment of federal reserved water rights through
28 wilderness designation, and urges that the area studied by the USFS and BLM are found not suitable for
29 wilderness designation should be released.

B. ENDANGERED SPECIES ACT

1
2
3 WHEREAS, the Endangered Species Act (ESA) of 1973, the landmark environmental law designed to
4 protect endangered and threatened animal and plant species, has been subject to intense debate since its
5 implementation; and
6

7 WHEREAS, federal officials have debated reauthorization of the ESA for decades, focusing on
8 changes to make the ESA more efficient and effective, and less costly; and
9

10 WHEREAS, the increased use of citizen suits to force the listing of specific species by court order
11 undermines the orderly public process and scientific review that all listing decisions are required to go through
12 under the ESA; and
13

14 WHEREAS, it is essential that officials find a reasonable balance between protecting threatened and
15 endangered species while allowing for continued growth and prosperity;
16

17 NOW, THEREFORE, BE IT RESOLVED, that the Mid-West Electric Consumers Association supports
18 reforming the Endangered Species Act to provide fair, reasonable, science-based decision-making with
19 respect to the protection and recovery of threatened and endangered species; and
20

21 BE IT FURTHER RESOLVED, that the ESA should be amended to provide earlier and more
22 meaningful opportunities for citizens and communities to participate in ESA listing decisions; encourage
23 incentives for private voluntary efforts to conserve habitat and provide regulatory certainty to property
24 owners who participate in conservation plans; and ensure equal access for all parties that could be affected by
25 citizen suits to force an ESA listing decision.

1 **C. ENVIRONMENTAL PROTECTION AGENCY**

2
3 WHEREAS, the members of Mid-West Electric Consumers Association (Mid-West) rely on a variety
4 of fuels for their electricity needs, with coal providing a significant portion of those needs; and

5
6 WHEREAS, Mid-West’s members systems and their power suppliers are routinely confronted with
7 burgeoning regulatory requirements, including interpretations of existing rules, with respect to the use of coal
8 as a generation fuel; and

9
10 WHEREAS, these rules, many proposed by agencies such as the Environmental Protection Agency
11 (EPA), would increase the costs of electricity, affect the efficient operation of coal-based power plants, or
12 adversely affect our rural communities as well as individual consumers, farmers, and ranchers by adding
13 additional and costly burdens on their operations; and

14
15 WHEREAS, Mid-West and its members are committed to maintaining a clean and healthy
16 environment, but also believe that an appropriate balance must be maintained between protecting the
17 environment and sustaining the economy by ensuring that proposed regulations are reasonable, cost-effective,
18 and achievable;

19
20 NOW, THEREFORE BE IT RESOLVED, that Mid-West supports research, legislation, and
21 environmental mitigation efforts at the state and federal level which will minimize environmental degradation
22 while also minimizing economic and social dislocations to the population and encouraging economic
23 development in rural areas; and

24
25 BE IT FURTHER RESOLVED, that Mid-West urges the U.S. Congress to judiciously exercise its
26 congressional oversight of the EPA and other regulatory agencies through appropriate legislation and other
27 actions that provide transparency, encourage public participation in the regulatory process, and ensure current
28 and proposed environmental regulations adhere to the aforementioned goals.

1 **D. REGULATION OF CARBON DIOXIDE**

2
3 WHEREAS, EPA’s Clean Power Plan will have substantial negative financial effects on electric
4 consumers and may have significant reliability issues if implemented; and

5
6 WHEREAS, it must be remembered and emphasized that consumers ultimately pay the taxes and
7 operating expenses associated with electrical generation; and that additional expenses or taxes on carbon
8 dioxide or other aspects of the electric power industry may cause them to pay significantly higher electric
9 bills, obstruct competitive generation, and hinder the competitive status of the entire industry; and

10
11 WHEREAS, regulation of carbon dioxide will disproportionately affect the cost of electricity
12 produced by Mid-West Electric Consumers Association (Mid-West) members who rely on fossil fuels for
13 their power supply in excess of their hydro allocations; and

14
15 WHEREAS, the full development and use of hydroelectric power as a renewable energy resource free
16 of carbon emissions must play a crucial role in the national effort to address global climate change;

17
18 NOW, THEREFORE, BE IT RESOLVED, that Mid-West encourages the congressional delegations,
19 governors, and other public officials in its member region to oppose EPA’s Clean Power Plan; and

20
21 BE IT FURTHER RESOLVED, that any federal plan to control greenhouse gases must maintain a
22 viable path for the future of coal, both to protect consumers and to maintain domestic energy security; and

23
24 BE IT FURTHER RESOLVED, that any policy to reduce carbon dioxide emissions must be source
25 and technology neutral and should not impose unrealistic targets or timelines for carbon dioxide that outpace
26 the development of new technologies that will be needed to capture and sequester large amounts of carbon
27 dioxide from existing and new power plants.

E. COAL ASH REGULATION

1
2
3 WHEREAS, the U.S. Environmental Protection Agency (EPA) on April 19, 2015 promulgated new
4 Resource Conservation and Recovery Act (RCRA) regulations for the management of Coal Combustion
5 Residuals (CCRs); and

6
7 WHEREAS, the EPA appropriately elected to regulate CCRs as a non-hazardous waste under
8 Subtitle D rather than as hazardous waste under Subtitle C of RCRA; and

9
10 WHEREAS, using and recycling CCRs conserves natural resources by replacing materials that would
11 otherwise have to be mined and each ton of recycled fly ash offsets a ton of cement production which
12 eliminates the release of a ton of CO₂; and

13
14 WHEREAS, while the Subtitle D ruling is seemingly favorable to utilities, the new regulations rely on
15 citizen suits for enforcement that could result in significant litigation costs; and

16
17 WHEREAS, the Subtitle D language results in dual federal and state regulatory requirements and
18 applies siting requirements retroactively on existing coal ash disposal sites; and

19
20 WHEREAS, the EPA indicates that there is still a possibility for future regulation of CCRs as
21 hazardous waste, which will only lead to more regulatory uncertainty;

22
23 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-
24 West) supports efforts to rescind or modify the existing EPA Subtitle D rulemaking to make it more flexible
25 and less onerous; and

26
27 BE IT FURTHER RESOLVED, that Mid-West supports the passage of federal legislation that
28 permanently classifies CCRs as non-hazardous waste, eliminates the rule's focus on citizen suit enforcement,
29 and places CCR regulation solely under state control.

1 **F. FEDERAL LAND MANAGERS AIR QUALITY RELATED VALUES**
2

3 WHEREAS, the Clean Air Act gives Federal Land Managers (FLMs) the responsibility to protect air
4 quality and review new sources' emissions impacts on federal lands designated as Class I areas (select
5 wilderness and national parks); and
6

7 WHEREAS, the Federal Land Managers' Air Quality Related Values Work Group (FLAG) was
8 created in 1997 to develop guidance for FLMs to achieve greater consistency in identifying and evaluating air
9 quality related values when a new source of emissions is being sited in a location that may impact a Class I
10 area; and
11

12 WHEREAS, although the FLAG report was developed as guidance, it is being interpreted by FLMs as
13 a rule providing authority to require for a new source stringent controls that would be included in an air permit
14 issued by states or the Environmental Protection Agency; and
15

16 WHEREAS, the guidance states that FLMs may recommend Lowest Achievable Emission Rate
17 controls on new sources and recommend that new sources obtain offsets to its emissions;
18

19 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association
20 recommends that the current administration intervene and develop a guidance document consistent with and
21 within the authority given to FLMs in the Clean Air Act.

V. PUBLIC POLICY RESOLUTIONS

1 **A. FEDERAL POLICY WITH RESPECT TO RAILROADS**
2

3 WHEREAS, a large portion of western coal must be hauled by the nation's railroads so it can
4 reach its point of use, reliably and expeditiously; and
5

6 WHEREAS, since transportation represents a large percentage of the final cost of electricity and
7 the cost of other commodities, market-dominant rail carriers are able to determine the outcome of
8 competition in the electric utility industry not on the basis of the efficiency or the geographic advantage
9 of the particular generating facility, but on the potential for profitability to the railroad itself; and
10

11 WHEREAS, rail dependent shippers faced with potential or actual rail monopoly pricing have
12 very little rail-to-rail competition and no effective regulatory protection and the statute authorizing the
13 Surface Transportation Board (STB) incomprehensibly exempts rail carriers from the reach of most
14 claims that could be brought by shippers under the otherwise-applicable antitrust laws, and
15

16 WHEREAS, utilities are facing increasing rail service problems, which have reduced delivery of coal
17 and coal stockpiles at power plants;
18

19 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association urges
20 Congress to enact legislation which would promote competition between railroads including providing
21 shippers improved access to regional and shortline railroads.

B. SNOW SURVEY PROGRAM

1
2
3 WHEREAS, the Natural Resource Conservation Service under the Department of Agriculture has
4 annually conducted the Federal Snow Survey Program; and
5

6 WHEREAS, the information obtained from these surveys is vital for the optimum operation of the
7 federal dams in the Missouri River Basin;
8

9 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association urges the
10 Secretary of Agriculture to continue the Snow Survey Program and provide the program with adequate
11 funding.

1 **C. PRIVATE PROPERTY RIGHTS**

2
3 WHEREAS, no person or organization should be deprived of the use of private property without due
4 process of law and no private property should be taken or damaged by governmental action without just
5 compensation having first been made; and
6

7 WHEREAS, the taking of private property for governmental purposes has created an uncertainty and a
8 burden on the citizens of the United States through lengthy and costly litigation which many cannot afford
9 and in some instances, property owners' rights to realize value from their property are inhibited or denied by
10 regulation, environmental or other laws;
11

12 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association
13 (Mid-West) urges the government to carefully evaluate laws and avoid proposed regulatory or administrative
14 actions that may result in a governmental taking of private property; and
15

16 BE IT FURTHER RESOLVED, that Mid-West supports property rights of individuals and opposes
17 the use of government eminent domain solely for private economic development; and
18

19 BE IT FURTHER RESOLVED, that Mid-West supports actions by governmental agencies that ensure
20 the Constitutional protection of private property rights, but if it must be public policy to take private property
21 for governmental purposes, then it should be public policy to justly compensate property owners for their
22 losses.

1 **D. FEDERAL LAND RIGHT-OF-WAY FEES**

2
3 WHEREAS, many rural electric cooperatives, municipal electric utilities, and public power districts
4 must procure transmission, distribution and fiber optic line right-of-way permits from departments or agencies
5 of the federal government to cross lands owned by the United States of America; and
6

7 WHEREAS, such essential electrical services serve the needs of both the public and private sector
8 and do foster and maintain the economic and social well-being of the United States of America and its
9 citizens; and
10

11 WHEREAS, right-of-way permits to Rural Utilities Service financed corporations (a Not for Profit
12 Essential Electric Service Provider) have been exempt from annual rental fees under P.L. 98-300 (98 Stat.
13 215); and
14

15 WHEREAS, the U.S. Forest Service, Corps of Engineers and U.S. Department of Agriculture (USDA)
16 have instituted a process of calculating right-of-way fees, requiring Not for Profit Electric Service Providers
17 seeking a right-of-way permit to agree to the fee charges and, only then, waiving the fees;
18

19 NOW, THEREFORE, BE IT RESOLVED that Mid-West Electric Consumers Association objects to
20 and opposes any and all compilations and "waived" or "exempted" rental fees, for the purpose of showing
21 exempted financial benefits to Not for Profit Electric Service Providers or for any other purpose, because the
22 same are inappropriate, inaccurate, serve no useful purpose and in fact are only used as a hindrance or hurdle
23 in the granting of a right away permit to Not for Profit Essential Electric Service Providers.

1 **E. DOMESTIC MILITARY INSTALLATION CLOSURE/PRIVATIZATION**

2
3 WHEREAS, a number of military installations in the nation have been closed, are being consolidated
4 with other locations, or having their electric utilities privatized; and

5
6 WHEREAS, the rural electric organizations which served these loads are experiencing negative
7 economic impacts due to the loss of these loads, in making the necessary line retirements and line
8 conversions; and

9
10 WHEREAS, the sparsely populated rural nature in the areas where these military installations are
11 located is such that the impact of the costs incurred are significant; and

12
13 WHEREAS, in some instances, the Western Area Power Administration (WAPA) power allocations
14 were assigned to certain systems or their power suppliers in an effort to prevent significant rate impact to the
15 other consumers while the military installations were being served; and

16
17 WHEREAS, supplemental power costs for service to the military installations over the years have
18 increased to a level where the loss of the WAPA allocation will cause significant impact to the systems
19 affected;

20
21 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-
22 West) is opposed to military installation closures until savings to the federal government can be proven from
23 previous closures; and

24
25 BE IT FURTHER RESOLVED, those preference systems holding Department of Defense (DOD)
26 hydropower allocations are assigned the allocations to promote economic development in the area
27 immediately surrounding the affected military installation; and

28
29 BE IT FURTHER RESOLVED, that Mid-West opposes any retention of federal power allocations
30 where the on-base electric utility facilities have been "privatized" by being sold to an investor-owned utility or
31 other non-preference entity.

1 **F. UTILITY USE OF RADIO SPECTRUM**

2
3 WHEREAS, the federal power generation and marketing agencies and non-federal utilities have been
4 assigned portions of the radio spectrum for the operation of microwave and land-based mobile
5 communications systems; and
6

7 WHEREAS, the continued use of these frequencies is essential for the reliable operation of the
8 nation's electric utilities; and
9

10 WHEREAS, the health and welfare of the public is directly related to that reliable supply of electric
11 energy twenty-four hours a day, seven days a week; and
12

13 WHEREAS, there have been legislative efforts to reassign frequencies currently reserved for federal
14 government use that includes the frequencies assigned to the federal power generation and marketing agencies
15 and there have been similar regulatory efforts to reassign frequencies currently reserved for non-federal utility
16 use; and
17

18 WHEREAS, the non-federal utilities have already lost portions of their reliable 2 Ghz microwave band
19 to Personal Communications Services and other emerging technologies through spectrum auctions, with other
20 portions yet to be auctioned by federal agencies; and
21

22 WHEREAS, there have been legislative efforts, which would require electric utilities to purchase their
23 required radio spectrum through the auction process, or an equivalent amount in lease fee; and
24

25 WHEREAS, the auctioning of radio spectrum to the highest bidder could eliminate the ability of small
26 electric utilities and municipal agencies to have equal access to much-needed radio spectrum used for reliable
27 service. Additionally, this would pit smaller utilities against larger deep pocket companies competing for the
28 same frequencies, which ultimately would result in substantial cost increases for federal and non-federal
29 utilities and their consumers;
30

31 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association
32 (Mid-West) urges Congress and the appropriate regulatory agencies to not include the frequencies used by
33 utilities for the operation of microwave and land- based mobile systems in any future auctions, or leasing
34 schemes unless and until all applications for licenses for utilities have been accommodated; and
35

36 BE IT FURTHER RESOLVED, that Mid-West opposes any auction that would allow the purchase of
37 large blocks of radio spectrum by commercial entities and the leasing back of that spectrum to the federal
38 power marketing agencies and non-federal utilities on a for-profit basis. Radio spectrum is a natural resource
39 that must be used by those that can make the best use of it for public betterment, not as a resource for a
40 revenue stream; and
41

42 BE IT FURTHER RESOLVED, since the electric service that the Mid-West members provide directly
43 relates to the health and welfare of the public, the electric utilities shall be given the same consideration for
44 their radio spectrum by the federal legislative and regulatory bodies, as for the public safety agencies; and

1 BE IT FURTHER RESOLVED, that Mid-West opposes any current or future effort to move primary
2 users to secondary status and to relocate radio spectrum currently assigned to either federal or non-federal
3 utilities, unless these utilities are transferred, at no cost to them, to frequencies of equal or greater reliability.
4 The cost of relocation must not be borne by the utilities forced to move, utilities must be allowed to continue
5 to own and operate their own private communications systems rather than relying on private contractors, and
6 sufficient time must be allowed to acquire the necessary new equipment that meets or exceeds the system's
7 previous reliability standards.

1 **G. FIRE SUPPRESSION**

2
3 WHEREAS, to serve their customers, consumer-owned electric utilities in the member states of Mid-
4 West Electric Consumers Association (Mid-West) have distribution and transmission lines that cross vast
5 distances of federal lands, including the U.S. Forest Service, National Park Service, Bureau of Land
6 Management, federal monuments land, and U.S. Fish and Wildlife Service; and
7

8 WHEREAS, much of the forested federal lands are densely overgrown and have unnatural, unhealthy,
9 and unsafe fuel buildups; and
10

11 WHEREAS, the U.S. Forest Service has included strict liability for fire suppression cost recovery in
12 granting utility easements; and
13

14 WHEREAS, federal agencies have policies denying consumer-owned utilities timely access to federal
15 lands to perform routine prudent maintenance of electric utility rights-of-way; and
16

17 WHEREAS, prohibitions on consumer-owned electric utilities clearing dry brush from forest floors or
18 trimming and topping trees have resulted in dangerous incidents of electrical arcing, damaging power lines
19 and forest lands;
20

21 NOW, THEREFORE, BE IT RESOLVED, that Mid-West calls upon federal agencies to permit
22 consumer-owned electric utilities to conduct timely routine and prudent maintenance on utility rights-of-way
23 on federal lands; and
24

25 BE IT FURTHER RESOLVED, that Mid-West calls upon federal agencies to change the liability
26 standard to one of ordinary negligence in determining fire suppression liabilities; and
27

28 BE IT FURTHER RESOLVED, that Mid-West supports legislation that:
29

- 30 a. Will reduce the environmental documentation needed for fuel reduction in high fuel
31 loading/insect areas;
- 32 b. Eliminates or severely reduces post-decision appeals;
- 33 c. Expedite judicial review;
- 34 d. Fund the needed fuel reduction treatment; and
35
36
37

38 BE IT FURTHER RESOLVED, that Mid-West supports programs that accomplish fuel reduction.
39

1 **H. APPROPRIATE FUNDING AND COLLABORATIVE PROCESS FOR**
2 **WAPA’S CAPITAL PROGRAM**

3
4 WHEREAS, Federal Power Customers support a robust federal transmission system; and

5
6 WHEREAS, for many years, the President’s budgets have not requested sufficient appropriations for
7 Western Area Power Administration’s (WAPA’s) capital budget even though those appropriations are repaid
8 with interest to the U.S. Treasury by the consumer through their rates; and

9
10 WHEREAS, WAPA’s firm power customers in each region have developed a variety of mechanisms
11 to fund WAPA’s investments, including its statutory core mission – the marketing, including delivery, of
12 federal hydropower from Corps and Reclamation generating facilities; and

13
14 WHEREAS, WAPA has not demonstrated that overall funding mechanisms – both from Congress
15 and its firm power customers – fail to meet its needs; and

16
17 WHEREAS, the Mid-West Electric Consumers Association (Mid-West) supports adequate funding for
18 federal hydropower projects, including appropriate alternative financing mechanisms (Resolution III-D); and

19
20 WHEREAS, WAPA’s marketing areas are in five different regions, each with unique statutory
21 authorities and responsibilities, which makes a WAPA-wide “one size fits all” solution unworkable; and

22
23 WHEREAS, WAPA is not a utility serving retail customers and is not responsible for consumer retail
24 programs; and

25
26 WHEREAS, WAPA does not have load growth responsibility since its allocations to its firm power
27 customers are fixed; and

28
29 WHEREAS, Mid-West supports WAPA’s continued development of their capital budget in
30 conjunction with their customers;

31
32 NOW, THEREFORE, BE IT RESOLVED, that Mid-West customers do support adequate
33 Congressional appropriations for WAPA and remain committed to providing funding from Western States
34 Power Corporation to make up shortfalls in appropriations when necessary; and

35
36 BE IT FURTHER RESOLVED, Mid-West opposes WAPA’s access to receipts and/or funding by
37 third-parties since that would significantly increase the cost of capital investments while limiting vital
38 Congressional oversight and meaningful involvement of customers, who are in fact responsible for repaying
39 these costs; and

40
41 BE IT FURTHER RESOLVED, that Mid-West appreciates WAPA’s latest review of its capital
42 program and urges WAPA to pursue a collaborative process, together with its customers, to develop
43 mutually-beneficial solutions to future funding needs.

VI. ASSOCIATION POLICY RESOLUTIONS

1 **A. EDUCATIONAL PROGRAM FOR PREFERENCE POWER**
2

3 WHEREAS, the preference clause in federal law gives public power systems and rural electric
4 systems first right to federally generated power from federal dams; and
5

6 WHEREAS, there have been attacks on the "public's first right" established by law, including both
7 challenges in first right of access to this power and proposals to increase the cost of this power by means of
8 various rate reform proposals thereby making the first right meaningless; and
9

10 WHEREAS, this problem is of such a serious nature that steps must continue to be taken to address
11 and combat issues which, ultimately, must be decided by members of Congress; and
12

13 WHEREAS, there is a need to communicate to members of Congress the significance of the "yardstick
14 of competition" which the preference clause promotes, the importance of preference to the economic
15 well-being of rural and urban America, and the public benefits, which result from the use of public resources,
16 the energy potential of the nation's rivers, and local control over an essential public service; and
17

18 WHEREAS, the American Public Power Association (APPA) and National Rural Electric Cooperative
19 Association (NRECA) continually work with the Congress and the Administration to preserve preference and
20 cost-based rates for Federal power; and individual consumer-owned utilities have also undertaken local
21 educational campaigns; and
22

23 WHEREAS, we are opposed to legislative and administrative actions, which would undermine
24 preference or arbitrarily increase the cost of federally generated power; and
25

26 WHEREAS, we maintain efforts to educate the public regarding the significance of preference and
27 cost-based rates to broaden grass roots political support for these policies;
28

29 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association urges its
30 members, APPA, and NRECA, to continue to aggressively support major educational and informational
31 efforts to revitalize and build support for the preference clause in Congress, with state and local officials, with
32 the public, and the media.

1 **B. POWER SUPPLY COORDINATION**

2
3 WHEREAS, experience in joint planning of both power supply and transmission facilities has
4 demonstrated that coordination and cooperation is the most economical means to develop such resources in
5 the Missouri Basin for preference customers; and
6

7 WHEREAS, evidence of the value of coordinating power supply and transmission resources has been
8 the successful construction and operation of the Joint Transmission System under the original 1962 pooling
9 agreement, the refinement into the Integrated System in 1998, and now the Upper Missouri Zone (UMZ)
10 of the Southwest Power Pool (SPP) Tariff; and
11

12 WHEREAS, an important element of maintaining strength among preference customers in the
13 Missouri Basin is a willingness to coordinate and cooperate in the development of both power supply and
14 transmission facilities; and
15

16 WHEREAS, the Western Area Power Administration (Western) along with many members of
17 Mid-West Electric Consumers Association (Mid-West) have joined or plan to join the SPP, a
18 Regional Transmission Organization (RTO); and
19

20 WHEREAS, Mid-West supports provisions adopted by SPP that honor Western’s statutory and
21 contractual obligations to sell and market at-cost hydropower to preference power customers, and that permit
22 the long-standing collaborative relationship between Western and its members on power supply planning to
23 continue; and
24

25 WHEREAS, membership in SPP does not eliminate the need for a safe, reliable, and efficient
26 transmission system to deliver electricity to preference customers of Western and other public-utility
27 consumer loads in the region;
28

29 NOW, THEREFORE, BE IT RESOLVED, that Mid-West urges its members, whether part of a regional
30 transmission organization or not, to continue to take advantage of the benefits that come from coordinating and
31 cooperating in the planning, development, and operation of transmission, power supply, and demand-side
32 resources in the region; and
33

34 BE IT FURTHER RESOLVED, that Mid-West supports Right of First Refusal laws in the region that
35 give incumbent utilities the right to construct, own, and operate transmission to serve their customer loads in
36 the region, and that third-party transmission providers should not be permitted to construct, operate, and own
37 such transmission unless the incumbent utility waives its right to do so as authorized under state law.

1 **C. POLITICAL ACTION COMMITTEES**

2
3 WHEREAS, Mid-West Electric Consumers Association (Mid-West) recognizes that we must have a
4 U. S. Congress that understands and is sympathetic to the legislative needs of consumer-owned electric
5 utilities; and
6

7 WHEREAS, the National Rural Electric Cooperative Association's Action Committee for Rural
8 Electrification (ACRE) and the American Public Power Association's Power PAC are dedicated to providing
9 assistance to the election campaign of Congressional candidates who understand and are sympathetic to the
10 legislative needs of public power;
11

12 NOW, THEREFORE, BE IT RESOLVED, that Mid-West hereby urges all eligible consumers,
13 trustees, directors, and employees of consumer-owned electric utilities to participate in the ACRE and Power
14 PAC programs.

1 **D. UTILITY CROSSINGS AND RIGHT OF WAYS ON RAILROAD PROPERTY**

2
3 WHEREAS, public electric systems have a duty to supply service to consumers, which may require
4 the crossing or paralleling of railroad property; and

5
6 WHEREAS, the railroads have sometimes charged excessive and inconsistent rates for crossing or
7 paralleling railroad properties; and

8
9 WHEREAS, abandoned railroad right of ways may make ideal utility corridors; and

10
11 WHEREAS, within the existing regulations, a railroad is under no obligation to provide public utility
12 access upon abandonment of a railroad right of way;

13
14 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association urges the
15 railroads to offer a one-time reasonable fee for utility operations crossing or paralleling railroads; and

16
17 BE IT FURTHER RESOLVED, that upon a railroad's intention to abandon a right-of-way that the
18 railroads give consideration to preserving the right of way for other utility infrastructure.

1 **E. UTILITY POLICIES ON TRIBAL LANDS**

2
3 WHEREAS, the Native American Tribes (Tribes) have been encouraged by Congress to utilize
4 sovereign nation status, under the Indian Self-Determination Act, to become more self-sufficient; and
5

6 WHEREAS, some Tribes have, and some are trying to, assume jurisdiction over utilities and levy
7 exorbitant fees and charges for the use of service territories, right-of-way and crossings; and
8

9 WHEREAS, Tribes are challenging utility territorial rights and are studying with federally
10 appropriated funds the takeover of utility facilities on reservations; and
11

12 WHEREAS, rural electric and municipal utilities operate on democratic principles for service at the
13 lowest possible cost, consistent with sound business principles, and with the cooperatives, rates as approved
14 by the Rural Utilities Service over the past 60 years; and
15

16 WHEREAS, additional charges, territory or facilities and load taken together all add to the cost of
17 service and impact the remaining consumers; and
18

19 WHEREAS, the preference customers of this region should not have to bear the burden of the Tribal
20 claims against the United States government; and
21

22 WHEREAS, the electric utility infrastructure is already in place on the reservations in the form of
23 rural electric cooperatives, public power districts, or municipal electric systems; and
24

25 WHEREAS, splitting or building a new utility system is not a feasible solution nor does it bode well
26 for the interests of either the Tribes or the utilities; and
27

28 WHEREAS, the utilities want and are willing to work with the Tribes to maintain a sound delivery
29 system, which they have done both on and off the reservations; and
30

31 WHEREAS, the Energy Planning and Management Program (EPAMP), which offered contract
32 extensions between Western Area Power Administration (Western) and existing preference customers
33 includes allocations to Tribes in the Pick-Sloan Missouri Basin Program that will depend on an arrangement
34 between the Tribes and preference customers, which will deliver the benefits of the hydropower to Tribal
35 members;
36

37 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association
38 (Mid-West) would support Tribal attempts to become more self-sufficient through means other than:
39

- 40 a. Imposing charges to access and maintain utility property;
- 41
- 42 b. Regulatory actions by Tribal Governments, which are not consistent with prudent
43 utility practices and negatively impact electric utility operations;
- 44
- 45 c. Taking over electric utility facilities and territory;
- 46
- 47 d. Preferential treatment by the federal government in the areas of generation,
48 transmission, distribution and alternate energy development, which would harm
49 existing preference customers;
- 50
- 51 e. Using Bill Crediting revenues to study, procure, or operate electric facilities presently
52 serving the Tribes; and

1 BE IT FURTHER RESOLVED, that Mid-West work with its members to bring about an
2 understanding on the part of the Tribes and Congress of the consequences of their continuing to pursue Tribal
3 claims at the expense of Mid-West member utilities and their customers.

1 **F. RESOLVING TERRITORIAL DISPUTES**

2
3 WHEREAS, rural electric systems and municipal public power systems are dedicated to the principles
4 of consumer ownership and consumer control while providing efficient, reliable electric service at the lowest
5 possible cost; and
6

7 WHEREAS, it is recognized that the natural growth of municipalities served by municipal public
8 power systems will, from time to time, extend into areas served by rural electric systems, generally raising the
9 issue of the source of future electric service for those customers in newly incorporated areas depending on the
10 state laws governing the territorial rights of respective utilities; and
11

12 WHEREAS, it is recognized that, without a mutually cooperative and equitable planning and
13 compensation process, such expansions can lead to economic hardship for rural electric systems concerning
14 territorial matters; and
15

16 WHEREAS, over the years since they came into being, rural electric systems and municipal public
17 power systems have formed a mutually beneficial bond that has resulted in the successful resolution of many
18 matters, including territorial disputes, that are vital to the continued existence of each and that can serve as
19 examples to others; and
20

21 WHEREAS, territorial disputes that are not dealt with in a fair and cooperative manner on the local
22 and state levels threaten the strength of the bond between rural electric and municipal public power systems
23 and, in turn, strengthen the position of investor-owned utilities (IOUs);
24

25 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association
26 (Mid-West) urges the National Rural Electric Cooperative Association and the American Public Power
27 Association to continue to work together to enhance the bond between rural electric cooperatives and
28 municipal public power systems, a bond that has deterred countless threats to their progress from federal
29 officials, IOUs and others; and to disseminate information about the successful resolution of territorial disputes
30 that can serve as examples; and
31

32 BE IT FURTHER RESOLVED, that Mid-West encourages individual municipal, public power and
33 rural electric cooperative systems to work together toward fair and equitable solutions of territorial matters
34 affecting them.

VII. WATER POLICY RESOLUTIONS

1 **A. NATIONAL WATER RESOURCES DEVELOPMENT AND WATER POLICY**
2

3 WHEREAS, water and power development is integral to economic stability and growth in many areas of
4 the nation and in several regions are the foundation upon which whole regional economies are based; and
5

6 WHEREAS, federal water resource development projects are of national importance due to their multi-
7 purpose objectives, rather than local or single interest issues; and
8

9 WHEREAS, the need for an adequate supply of good quality water, including domestic water needs of
10 rural and small town America and that new rural and small town domestic water systems should be given
11 equal priority with other federal resource development programs in federal authorization and funding; and
12

13 WHEREAS, the benefits of development of national resources belong to the people, with the federal
14 government responsible for establishing and maintaining programs that protect the public ownership interest of
15 the nation as fundamental to the maximum development, conservation and utilization of the natural resources;
16 and
17

18 WHEREAS, federally constructed hydroelectric projects pay back their costs, with interest, and are
19 enhanced by significant non-federal investment for the benefit of the projects' beneficiaries and the financial
20 stability of the projects; and
21

22 WHEREAS, Mid-West Electric Consumers Association (Mid-West) believes there must be a well-
23 defined, strong federal role in water resource development;
24

25 NOW, THEREFORE, BE IT RESOLVED, that Mid-West supports a national water policy that focuses
26 on the importance of water resource development, especially western power and water development;
27 provides for the orderly and timely development of projects undertaken for the public benefit; recognizes the
28 conservation value of dams to moderate floods and droughts and provide beneficial uses; ensures repayment
29 of federal investments by project beneficiaries is on a scheduled and equitable basis; and
30

31 BE IT FURTHER RESOLVED, that permitting under Section 404 of the Clean Water Act protects
32 water supplies, and is not used to stifle legitimate and badly needed water resource development; and
33

34 BE IT FURETHER RRESOLVED, that federal policy should provide that non-federal additions or
35 upgrades at existing hydroelectric projects be made only with the full approval of the Power Marketing
36 Administration (PMA) involved, after consultation with the affected customers; those projects be based on
37 regional preference customers' needs; and that any additional power shall be marketed by that PMA to
38 preference customers.

B. CLEAN WATER ACT PROTECTIONS

1
2
3 WHEREAS, the Clean Water Act of 1972 has been one of the most successful environmental laws
4 enacted in our nation's history and, subsequently, that law has led to the restoration of many of our nation's
5 waterways; and

6
7 WHEREAS, the Clean Water Act defines "navigable waters" as "waters of the United States,
8 including the territorial seas"; and

9
10 WHEREAS, state and local governments, businesses, environmental groups, the courts and federal
11 officials have long grappled with the question of how far federal jurisdiction extends to waters not generally
12 considered "navigable" by traditional means, such as isolated wetlands and prairie potholes; and

13
14 WHEREAS, U.S. Supreme Court decisions in SWANCC v. Army Corps of Engineers (2001) and
15 Rapanos v. United States (2006) limited federal jurisdiction over some wetlands and waterways, but did not
16 provide a bright line on what it means to have a "significant nexus" to "navigable waters," which remains the
17 deciding factor in determining federal jurisdiction; and

18
19 WHEREAS, since the SWANCC and Rapanos decisions, some in the U.S. Congress have promoted
20 legislation to explicitly expand federal protection over all waters in the United States; and

21
22 WHEREAS, the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers have
23 jointly proposed a new rule to codify a new definition of "Waters of the United States" in federal regulation,
24 in which they claim will end the debate over what is and isn't considered a protected waterway; and

25
26 WHEREAS, rather than solve the problem, this new regulatory definition could severely impact
27 agricultural operations and other routine business practices if every ditch, furrow, gutter, intermittent stream,
28 wetland, or pothole is suddenly subject to federal permitting and protection; and

29
30 WHEREAS, wetlands provide essential habitat for migratory birds and other wildlife, and provide an
31 invaluable resource for recreation, including hunting; and

32
33 WHEREAS, farmers and ranchers have a vested interest in clean water, and have long taken voluntary
34 land conservation and improvement measures, so an expansion of regulation under this rule could actually
35 hinder rather than help the stated goal of protecting sensitive wetlands and providing clean water;

36
37 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-
38 West) and its members oppose the definition of "Waters of the United States" rule and other attempts to
39 expand federal jurisdiction over waters beyond those that have historically been regulated under the Clean
40 Water Act; and

41
42 BE IT FURTHER RESOLVED, that Mid-West supports efforts to fight the rule in federal court and
43 urges Congress to pass common-sense legislation that ensures that the goals of the Clean Water Act are
44 met without imposing cumbersome regulations on farmers, ranchers, and agriculture.

1 **C. MISSOURI RIVER STABILIZATION**

2
3 WHEREAS, the protection and stabilization of the banks and channel of the upper Missouri River and
4 its tributaries are of vital importance to maximize the life of the six mainstream dams and reservoirs; and

5
6 WHEREAS, riverside development often ignores historic flood plain information; and

7
8 WHEREAS, sediment accumulates in the reservoirs at the approximate rate of 89,700 acre feet per
9 year which is equivalent to 10 square miles of mud slightly more than 14 feet deep; and

10
11 WHEREAS, the continuing buildup of deltas and subsurface sediment at locations such as Bismarck,
12 North Dakota, and Pierre, South Dakota, not only creates very serious local problems such as ice jams and
13 high water tables, but also has led to curtailed power production to prevent flooding of certain areas; and

14
15 WHEREAS, protection of the banks and maintenance of a free-flowing channel on the Missouri River
16 and its tributaries as a federal project purpose under the Pick-Sloan plan, including construction, operation,
17 and maintenance of works by the U.S. Army Corps of Engineers (Corps), is a federal responsibility and the
18 costs for which should be equitably shared by all beneficiaries; and

19
20 WHEREAS, the Corps has decided to use funds intended for riverbank protection to purchase
21 rights-of-way along those banks in order to avoid having to undertake riverbank stabilization; and

22
23 WHEREAS, severe siltation of the Missouri River along major tributaries has resulted in higher costs
24 for power users and introduced the potential for electric system reliability problems; and

25
26 WHEREAS, generation constraints at Oahe power plant have been as much as 400,000 kilowatts in
27 the past, and threaten to be more frequent and long-lasting as sediment continues to build up in the river
28 bottom; and

29
30 WHEREAS, Congress included language and authorized an appropriation in the 1999 Continuing
31 Budget Resolution to provide for the acquisition of lands below Oahe Dam being flooded as a result of
32 unexpected levels of siltation in Lake Sharpe;

33
34 NOW, THEREFORE, BE IT RESOLVED, Mid-West Electric Consumers Association (Mid-West)
35 urges Congress and the Corps to budget and appropriate sufficient funds to control bank erosion and attendant
36 siltation, (thereby completing and maintaining this vital part of the Pick-Sloan plan), prevent interruptions of
37 project operations, reductions in power generation and future land losses; and

38
39 BE IT FURTHER RESOLVED, Mid-West urges the Corps to develop a comprehensive plan to use
40 appropriated funds to deal with bank stabilization and sedimentation not only through land acquisition but
41 through dredging river bottoms to address existing sediment, or working with landowners to reduce the future
42 sediment inflow, as appropriate, in consultation with affected user groups; and

43
44 BE IT FURTHER RESOLVED, Mid-West encourages the Corps to strongly discourage development
45 on historic flood plains; and

46
47 BE IT FURTHER RESOLVED, Mid-West also calls on the Corps to allocate the costs of riverbank and
48 channel protection and cost of addressing siltation problems appropriately to all project purposes for the
49 Pick-Sloan multipurpose projects.

1 **D. PICK-SLOAN ULTIMATE DEVELOPMENT**

2
3 WHEREAS, the Pick-Sloan Missouri Basin Program (Pick-Sloan), originally authorized in the
4 1944 Flood Control Act, envisioned an “ultimate development” in the region to serve the dual purposes
5 of downstream flood control and improved upstream economic conditions by the construction of six
6 main stem Missouri River dams and the development of major federal irrigation projects; and
7

8 WHEREAS, the flood control functions of the Pick-Sloan Plan have averted well over
9 \$50 billion in current dollars in downstream damages; and
10

11 WHEREAS, only a small portion of the extensive federal irrigation to benefit the Upper
12 Basin States has actually occurred, resulting in a substantial unfulfilled commitment for economic
13 development; and
14

15 WHEREAS, all Pick-Sloan states have benefited from and continue to rely upon the cost-based
16 rate principles that govern the marketing and sale of hydropower from Pick-Sloan under federal preference
17 laws; and
18

19 WHEREAS, the preference customers of the Pick-Sloan Missouri Basin Program are
20 committed to the basic principles of ultimate development, which include: i) future federal
21 investment to improve the economic conditions in the Upper Great Plains; ii) marketing of
22 hydroelectric generating resources according to preference at cost-based rates; and; iii) repaying with
23 interest the investment in the power features of Pick-Sloan and meeting other repayment obligations as
24 required by Pick-Sloan; and
25

26 WHEREAS, preference customers have repaid on time and with interest \$1.3 billion
27 (through FY 2014) of the \$3.1 billion investment allocated to the power features in the Pick-Sloan;
28 and
29

30 WHEREAS, preference customers have repaid millions of dollars in additional investments in
31 replacements to the power features, and will repay future replacements with interest as each
32 replacement is projected in the power repayment study; and
33

34 WHEREAS, the preference customers under the current power repayment studies and rate
35 designs will also repay within the allowable time limit an additional \$657 million of existing irrigation
36 investment, which is beyond the irrigators’ ability to repay; and
37

38 WHEREAS, the continuing commitment to the framework of Pick-Sloan is based on providing
39 regional benefits for the all of the system’s users, with all users sharing in the overall project costs and
40 benefits;
41

42 NOW, THEREFORE, BE IT RESOLVED, that Mid-West reaffirms its commitment to the
43 regional benefits and cost-sharing of the “ultimate development” concept defined by Pick-Sloan
44 including cost-based hydroelectric rates, and federal control, ownership and marketing of
45 hydroelectricity according to preference laws; and
46

47 BE IT FURTHER RESOLVED, that Mid-West opposes any proposal to “cherry pick” repayment of
48 the Pick-Sloan investment through reallocation of irrigation costs to power customers and insists that
49 Congress continue to honor the “ultimate development” concept cost allocations by resisting all suggestions
50 that portions of the federal investment be repaid before they are scheduled.

1 **E. WATER RELEASES AT FEDERAL RESERVOIRS**

2
3 WHEREAS, the U. S. Bureau of Reclamation (Reclamation) and the U.S. Army Corps of Engineers
4 (Corps) are required by Section 7 of the Endangered Species Act to consult with the U.S. Fish and Wildlife
5 Service when operation of federal dams and reservoirs may adversely affect threatened or endangered
6 species; and

7
8 WHEREAS, these consultations can and have resulted in changes to water release schedules at federal
9 dams, including altered water releases at Fort Randall Dam to accommodate endangered shore birds and the
10 recommendation of the 1992 Biological Opinion on the Operation of Flaming Gorge Dam to alter water
11 releases to reflect natural flows; and

12
13 WHEREAS, changes in water releases at federal reservoirs can and have adversely affected current
14 direct beneficiaries of these reservoirs; as well as the communities and businesses that have developed as a
15 consequence of the construction and operations of the federal dams and reservoirs; and

16
17 WHEREAS, adverse releases also create severe financial hardships for these communities and
18 businesses, including member-owners whose businesses lie within the Colorado and Missouri River Basins
19 and whose existence depends on the consistent release schedules at federal dams and reservoirs; and

20
21 WHEREAS, administratively-ordered changes in water releases can alter the priorities of water use
22 from those articulated in the original authorizing statutes; can supersede and conflict with state water
23 regulations and allocations processes; can severely disrupt electric power generation and distribution
24 networks; can result in increased carbon dioxide production as the result of increased output from carbon-
25 based generation, can reduce the value of water used by existing beneficiaries without corresponding cost
26 reductions; and can lead to unbalanced water releases that conflict with the public power interest;

27
28 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-
29 West) urges Reclamation, the Corps and other appropriate federal agencies to fully comply with the relevant
30 authorizing statutes and other applicable systems including, contractual commitments, federal regulations,
31 interstate compacts and decrees, and state water laws; and

32
33 BE IT FURTHER RESOLVED, that Mid-West urges Reclamation and the Corps, before making
34 water management decisions, to consider the adverse effect that changes in water releases could have on one or
35 more beneficiaries, including power customers, to ensure that water releases are fair and equitable for all users
36 of the system.

F. OPPOSITION TO DAM REMOVAL OR BREACHING

1
2
3 WHEREAS, the removal of federal multi-purpose dams or other navigational and impoundment
4 facilities is not a silver bullet that would boost native fish populations or solve alleged environmental ills; and

5
6 WHEREAS, this short-sighted policy would create potentially disastrous economic impacts, and new
7 environmental issues; and

8
9 WHEREAS, in addition to depriving the nation of clean, renewable hydropower generated by multi-
10 purpose dams, the breaching of multi-purpose dams would wreak havoc on commerce dependent on barges
11 and other waterway navigation, threaten the potable water supplies of hundreds of towns and cities, unravel
12 decades of wildlife mitigation efforts, and with regard to farmland irrigation, render large sections of the
13 country dependent upon these impoundments barren and unproductive; and

14
15 WHEREAS, removing clean, renewable hydroelectric power from the nation's inventory of electric
16 power resources, especially at a time when the demand for high-quality electricity is rising precipitously,
17 would require the replacement of that electricity with less environmentally friendly combustion generation and
18 likely increase carbon dioxide with increases from carbon-based generation;

19
20 NOW, THEREFORE, BE IT RESOLVED, that the Mid-West Electric Consumers Association urges
21 Congress to reject proposals to remove or breach federally-owned dams; and

22
23 BE IT FURTHER RESOLVED, that federal power customers throughout the nation should examine
24 their dependence—and the dependence of their communities and consumers—on federal multi-purpose and
25 other facilities and tally the adverse economic impact that would result from the breaching or removal of
26 dams so this information could be communicated to community leaders, state legislators, members of
27 Congress and other opinion leaders; and

28
29 BE IT FURTHER RESOLVED, that federal power customers should identify community, state and
30 national organizations for whom dam removal would be equally devastating and enlist their collaboration in
31 advocating opposition to short-sighted proposals to destroy incredibly valuable national resources.

1 **G. OIL DEVELOPMENT WATER SUPPLY IMPACT**

2
3 WHEREAS, the discovery of significant oil and natural gas reserves in western North Dakota and
4 eastern Montana has created an economic boom in those regions; and

5
6 WHEREAS, recovery of the oil and gas resources uses a drilling technique known as “hydraulic
7 fracturing;” and

8
9 WHEREAS, hydraulic fracturing requires significant amounts of water, as much as 3.5 million gallons
10 per well, which equals 15.3 acre-feet; and

11
12 WHEREAS, water withdrawals or “depletions” may be made above and below Lake Sakakawea; and

13
14 WHEREAS, although the total amount of water needed for oil and gas development is unknown, the
15 U.S. Army Corps of Engineers (Corps) anticipates 30,000 to 37,000 acre-feet per year being withdrawn from
16 Lake Sakakawea; and

17
18 WHEREAS, depletions can reduce hydropower generation at Garrison and downstream main
19 stem dams on the Missouri River; and

20
21 WHEREAS, water stored and used for municipal and industrial (M&I) purposes is a reimbursable
22 expense and the Corps has proposed charging for storage and delivery of M&I water in Pick-Sloan reservoirs;

23
24 NOW THEREFORE BE IT RESOLVED, that the Western Area Power Administration (WAPA) should
25 consult with the Corps to determine the value of the power capacity and energy foregone; and

26
27 BE IT FURTHER RESOLVED, that the Mid-West Electric Consumers Association insists that, if the
28 Corps charges M&I water fees for storage, the value of the lost hydropower generation should be included in
29 the determination of those charges; and

30
31 BE IT FURTHER RESOLVED, that, in any event, WAPA should credit the value of the lost generation
32 to hydropower repayment.

H. COLORADO-BIG THOMPSON WATER CLARITY RESOLUTION

1
2
3 WHEREAS, conflicts can exist between authorized purposes of federal hydro projects but should not
4 result in a detriment to those who fund the improvements which made them possible in the first place; and
5

6 WHEREAS, the decades old Colorado – Big Thompson Project (C-BT) was conceived and developed
7 as a multi-purpose project to bring up to 310,000 acre-feet of water from the Colorado River to the Front
8 Range of Colorado; and
9

10 WHEREAS, the C-BT provides water for irrigation, municipal and industrial uses, recreation and
11 approximately 200 MW of critical hydropower generation of which 135 MW is dispatchable generation that
12 would have to be replaced with non-renewable resources if it were lost; and
13

14 WHEREAS, hydropower recipients have paid over 70 percent of the total reimbursable capital costs,
15 including the majority of the costs allocated to irrigation, municipal and industrial water users; and
16

17 WHEREAS, the U.S. Bureau of Reclamation (Reclamation) has begun its NEPA process to examine
18 alternatives for increasing the clarity of Grand Lake;
19

20 NOW, THEREFORE, BE IT RESOLVED, that the Mid-West Electric Consumers Association calls
21 upon Reclamation to accurately assess the impacts of lost hydroelectric generation from the C-BT, including the
22 potential increases in carbon dioxide output resulting from replacing that lost C-BT generation, and to reject
23 alternatives for increasing the clarity of Grand Lake that could result in the reduction of electric generating
24 capacity from the C-BT Project.

VIII. COMMENDATIONS/CONDOLENCES RESOLUTIONS

1 **A. COMMENDATION TO FEDERAL POWER PROGRAM AGENCIES**
2

3 WHEREAS, the Western Area Power Administration (WAPA), U.S. Bureau of Reclamation
4 (Reclamation), and the U.S. Army Corps of Engineers (Corps), have given attention to the needs of the
5 preference customers while at the same time demonstrating a superior stewardship of vital Federal resources in
6 the interest of the general public; and
7

8 WHEREAS, these federal power agencies (WAPA, Reclamation, and the Corps) and the rural electric
9 systems, public power districts and municipal electric systems they serve have worked together in a
10 cooperative and beneficial manner; and
11

12 WHEREAS, this cooperative atmosphere has resulted in a progressive effort in joint planning of
13 present and future transmission needs throughout the service area; and
14

15 WHEREAS, through the public process and in full communication and participation with its
16 customers is essential to the relationship, these federal power agencies uphold the intent of the Congress and
17 discharges its responsibilities in a highly commendable manner; and
18

19 WHEREAS, these elements of cooperation, open working relationships and responsible stewardship
20 have been demonstrated in the process of establishing new rates and of allocating and protecting the
21 preference of Federal power for the preference customers;
22

23 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association supports
24 WAPA, Reclamation, and the Corps as effective and viable partners in the federal power program, and
25 commends the agencies, for their past leadership and their employees for the straightforward, efficient and
26 business-like manner which has characterized the actions of Western, Reclamation, and the Corps.

B. MEMORIAL RESOLUTION

1
2
3 WHEREAS, the public power and rural electric programs have developed because of the strength and
4 conviction of people determined to do for themselves that which otherwise would not have been done in a
5 timely and economic manner; and
6

7 WHEREAS, the public power and rural electric programs not only supply electric power and energy to
8 their consumer-owners but also aim to protect human values and the public interest; and
9

10 WHEREAS, the Mid-West Electric Consumers Association (Mid-West) has been the recipient of the
11 services and wisdom of many such individuals over the years; and
12

13 WHEREAS, during this past year several of these stalwart leaders have passed from our midst;
14

15 NOW, THEREFORE, BE IT RESOLVED, that the members of Mid-West express their condolences
16 to the families of these individuals and signal the warmth and affection of those remaining by standing in a
17 moment of silent prayer in the memory of our departed.

1 **C. COMMENDATION TO RETIRED DIRECTORS AND EMPLOYEES OF**
2 **MID-WEST MEMBERS**

3
4 WHEREAS, since 1958 the major strength of Mid-West Electric Consumers Association (Mid-West)
5 has been the many faithful, dedicated and hard-working, directors and employees of municipally-owned
6 electric utility systems, public power districts, and rural electric cooperatives which support Mid-West; and
7

8 WHEREAS, long hours and dedication of these directors and employees have contributed greatly to
9 the success of Mid-West; and
10

11 WHEREAS, the members of Mid-West recognize that many directors and employees who heretofore
12 have given unstintingly of their strengths and talents to Mid-West have now retired from active service to
13 pursue the joys of retirement;
14

15 NOW, THEREFORE, BE IT RESOLVED, that Mid-West hereby pays special tribute to and offers its
16 sincerest thank you to the directors and employees of Mid-West member systems who have retired during this
17 year.

1 **D. COMMENDATION TO MID-WEST STAFF**

2
3 WHEREAS, Mid-West Electric Consumers Association (Mid-West) staff has been steadfast and
4 faithful in serving Mid-West, its members, its policies and its objectives; and

5
6 WHEREAS, their efforts have always exemplified the highest measure of dedication, care, and
7 concern for all people; and

8
9 WHEREAS, these efforts have often required personal sacrifice while contributing to a better way of
10 life for electric consumers in the Missouri River Basin; and

11
12 WHEREAS, the challenges to Mid-West continue to require the full and complete attention of the staff
13 often above expectations;

14
15 NOW, THEREFORE, BE IT RESOLVED, that Mid-West hereby commends its staff and extends
16 heartfelt thanks to them for their inspiration, farsighted leadership and courage.

1 **E. COMMENDATION OF PICK-SLOAN CONGRESSIONAL DELEGATIONS**

2
3 WHEREAS, Congress periodically debates the sale of the assets of the federal power system,
4 including the power marketing administrations, threatened the power supply and stability of preference
5 customers across the country; and
6

7 WHEREAS, the members of the Pick-Sloan congressional delegation have always immediately
8 perceived the serious nature of the threat and its potential impact on the rural communities in the Missouri
9 River Basin; and
10

11 WHEREAS, the Pick-Sloan congressional delegation has repeatedly mounted a strong defense of the
12 federal power program and opposed any sale of the Power Marketing Administrations (PMAs) or diminution
13 of preference customers rights; and
14

15 WHEREAS, the Pick-Sloan delegation has led the charge to defend the federal power program and
16 have been the backbone of opposition to the sale of the PMAs;
17

18 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association expresses
19 its deep gratitude and thanks to the Pick-Sloan congressional delegation for their continued stalwart defense
20 of the federal power program and their understanding of the important role Pick-Sloan power plays in the
21 economic well-being of the region.