

RURAL ELECTRIC COOPERATION CAMPAIGN



Northern Plains Resource Council's campaign to ensure that rural electric cooperatives work openly with members to achieve affordable power by adopting cleaner, cheaper, faster energy solutions.

Open and democratic governance

Issue: Rural electric co-ops have strayed from their original foundations of democratic member control, and it is often difficult for members to access important and basic information, participate in elections and meetings, and make their voices heard by co-op boards.

Solution: Increase co-op openness and the ability of members to participate democratically as owners of their co-ops.

- Open board meetings with agenda and detailed minutes available to members;
- Opportunity for member comments at board and annual meetings;
- An open records policy;
- The opportunity for members to make resolutions at the annual meeting.

Solution: A fair and open nomination and selection process including:

- Mail-in ballots that allow members who can't attend the annual meeting to vote;
- Nomination by petition and notice of nomination deadlines;
- Annual meetings held in convenient places and at convenient times for members (e.g. on a weekend as opposed to a weekday);
- Board candidate descriptions and questionnaires;
- Term limits for the board of directors;
- Member input on bylaws revisions.

Energy efficiency and renewable energy

Issue: Co-op members' electric bills are becoming unaffordable, and Montana co-ops are falling behind in securing long-term solutions such as energy efficiency programs and renewable power from sources such as wind and sun.

Solution: Encourage co-ops to set achievable clean energy goals and follow through with them.

For example, Delta Montrose Electric Association in Colorado set these goals:

- Demand-side: 25% savings on energy bills by 2025;
- Supply-side: 5% renewable generation by 2010; 25% renewable generation by 2025.

Solution: Encourage co-op energy efficiency programs, reduce energy load, and save money.

- Efficient compact fluorescent lightbulb programs;
- Energy efficiency tips and technical instruction;
- Home energy audits;
- Energy Star appliance rebates;
- Weatherization services and workshops;
- Smart grids that gauge household energy use.

Solution: Encourage co-ops to promote renewable energy where it makes sense.

- Retail net metering that pays people for the excess renewable energy they produce at home;
- Geothermal heating/cooling systems;
- "Green Power" programs that allow customers to buy blocks of wind energy;
- Small hydro where appropriate;
- Solar, wind, and biomass;
- Landfill gas capture.

The principles behind the co-op

Over the last few decades, rural electric cooperatives have become less innovative and open to member participation. Co-ops were the pioneering leaders behind the electrification and modernization of rural America beginning in 1935. They were founded on the cooperative principle of democratic member control, which makes them unique in that their customers are also their member-owners. Montana electric co-ops are falling behind in keeping down the costs of electric bills through the development of efficiency and renewable programs. Opportunities for democratic member participation have also become limited. Our co-ops must return to the principles on which they were founded and support rural economic progress by promoting clean energy.

Montana co-ops and their structure

The stated mission of rural electric co-ops is to provide electricity in rural areas at affordable prices. They are governed by a board of directors that is elected by the membership. The board sets policies and procedures that are implemented by the cooperative's staff.

Montana has 24 distribution co-ops that deliver energy in all 56 counties and provide power to 157,013 members. They are represented on the state level by the Montana Electric



Cooperative Association, which lobbies the legislature, provides co-op trainings, and controls co-op public messaging. The National Rural Electric

Cooperative Association performs similar functions for all co-ops on the national level.

The distribution co-ops rely on other sources for their power generation, including private utilities such as PPL Montana, the generation and transmission (G&T) co-op power supplier Basin Electric, or federal power administrations such as Bonneville Power Administration and the Western Area Power Administration. Most distribution co-ops are members of intermediate G&T co-ops, such as Central Montana G&T. They do not actually generate energy but function as middlemen between the power supply and the distribution co-ops.

Is your co-op living up to its principles?

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions.

3. Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members.

5. Education, Training, and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives.

6. Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together.

7. Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of their communities.

– National Rural Electric Cooperative Association



Why change?

Cleaner, cheaper, faster

Rural electric co-ops have relied on the subsidized and externalized costs of dirty energy such as coal and oil for too long. The stage is set to move toward cleaner, cheaper and faster solutions. Here are just a few of the reasons why:

1. Electric co-op rates are becoming unaffordable. The priority of electric co-ops is to provide affordable electricity for their members. However, co-op rates, particularly in southern Montana, have been rising fast, and in some cases increased by 40% in the last year. Debt payments for the failed Highwood coal plant have contributed significantly to this member rate increase. Co-ops need to keep their members informed and involved in decisions that affect their ability to pay electric bills.

2. The future of coal is too expensive. Coal was the cheapest energy source of the last century, however prices have been rising for a number of reasons. As we consume more energy, the supply of economically recoverable coal is becoming less accessible and more expensive. Coal production is decreasing in eastern states, which is likely to raise prices for coal in the West. These factors, along with likely carbon dioxide regulations, forecast a costly energy future if no action is taken. We need decisive action by the co-ops to secure affordable energy alternatives for their members.

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The Stone Age did not end because they ran out of stones. They found a better way. Likewise, the Fossil Fuel Age shouldn't end so much because we're running out of fossil fuels, but because there is a better way.

– Anne Charter,
a founding member
of Northern Plains

3. Cleaner, cheaper, faster energy solutions are available. The cheapest energy is the energy we don't use. Investing in efficiency measures for homes and businesses is the only way for co-ops to reduce rates and their energy load for the long term. This will save us all money, especially by reducing the need for more costly power plants.

Before another coal-fired power plant is built, we need to take advantage of Montana's abundant wind resources, along with energy from the sun's rays, the water's power, the earth's natural ground heat, and other renewable sources. These options are more prevalent and reliable than ever, and there is also more government support and financial help available. Montana co-ops need to provide incentives and assistance for members interested in

small-scale generation, while also finding ways to invest in their own renewable generation. Our co-ops have a responsibility to their members to keep future energy costs down by promoting cleaner, cheaper, and faster solutions now.

A better way

The good news is that a handful of forward-thinking electric co-ops around the country have already set a precedent for smarter and cleaner energy progress. These co-ops, such as Flathead Electric (MT), Delta Montrose Electric (CO), Bluebonnet Electric (TX), Waverly

Light and Power (IA), and Kit Carson Electric (NM), are making responsible decisions to move toward a cleaner energy future. They are investing in smart grids; efficient lighting; weatherization; solar and wind generation; small hydropower; and landfill gas generation. In doing so, these co-ops have brought multiple benefits to their communities. These long-term benefits include sustainable jobs and small businesses, lower energy bills, keeping money in the community, reduced energy loads, greater energy independence, and cleaner air.

Make a difference: Join Northern Plains

Progress with Beartooth Electric Co-op

Northern Plains is resuming rural electric co-op work we began in the 1980s, aimed at greater transparency and smarter use of energy. Our work has been focused on Beartooth Electric Co-op (BEC) through the efforts of our affiliate members in the Stillwater Protective Association and the Carbon County Resource Council.

Members have been working with their co-op and have accomplished a number of steps toward member education and democratic governance by:

- Forming a member-driven bylaws revision committee that meets every month;
- Consistently attending BEC board meetings;
- Hosting Dan McClendon, the general manager of Delta-Montrose Electric Association in Colorado, to speak about its clean energy programs;
- Holding a public meeting with former Public Service Commissioner Bob Raney as a speaker;
- Working cooperatively with BEC's general manager for measures that allow greater member involvement.

Saving energy and lowering bills with YVEC

Northern Plains is currently working with members of the Yellowstone Valley Electric Cooperative (YVEC). YVEC has a good start on energy-saving incentives, however, members saw their rates go up 21% in 2009 and are interested in actively pursuing further efficiency and renewable options. Northern Plains is organizing this effort to bring members together with their co-op to work toward effective solutions.

In March, Northern Plains organized a tour of YVEC's headquarters and geothermal heat pump with its general manager Terry Holzer. Members had the chance to see not only how the co-op operates, but to have an open discussion with Mr. Holzer. The group learned more about YVEC, its programs, and its plans for the future.

We will continue working with YVEC to involve members and educate them about energy and bill savings, as well as to implement further efficiency and renewable programs.

You can make a difference by becoming a member of Northern Plains, so please join today!

Keep informed! Take action! Join

Northern Plains Resource Council is a grassroots conservation and family agriculture group that organizes Montana citizens to protect our water quality, family farms and ranches, and our unique quality of life.

**220 S. 27th St.
Suite A
Billings, MT 59101
Tel: 406.248.1154**

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