

**REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA`I ISLAND UTILITY COOPERATIVE**

Held Via Zoom Webinar

On February 23, 2023

MINUTES

Meeting called to order by Chair Smith at 1:01 p.m.

1. Roll Call

- 1.1. Directors present: Allan Smith (Board Chair), Jan TenBruggencate (Vice Chair), Calvin Murashige (Secretary), Peter Yukimura (Treasurer), Dee Crowell, Janet Kass, James Mayfield, Teofilo Tacbian, and David Iha; and David Bissell (CEO). A quorum of directors was present

- 1.2. Others present: Stacie Dellamano (CFO), Beth Amaro (Member Services & Communications Mgr.), Lisa Ubay (Mgr. of HR & Safety), Corinne Cuaresma (Controller), Shelley Paik (Public Affairs Specialist), Erin Tsuda (Finance Mgr.), Scott Sato (Energy Services Supervisor), Cameron Kruse (Engineer & Technology Mgr.), Chris Yuh (Mgr. of Finance, Risk & Analytics), Shelsey Francisco (Financial Analyst), Allison Young (Communications & Public Relations Specialist), Laurel Loo (General Counsel), and Teresa Amoy (Executive Administrator); Members of the press (0) and Members of the public (1)

2. Approval of the Agenda

- 2.1. The Board of Directors' Agenda of February 23, 2023 – no action taken.

3. Approval of Minutes

- 3.1. The minutes of January 26, 2023, were approved as circulated.

4. President's Report – David Bissell (CEO)

- 4.1. CEO discussed February's President's Report update (report attached). CEO noted on slide 2 of presentation, under Efficiency, "Average Outage Hours Per Customer" should be "Peak Demand (MW)" – no action taken.

5. Financial Report – Stacie Dellamano (CFO)

- 5.1. CFO discussed the Board Financial Report presented and the January 2023 YTD Financial Scorecard (report attached). New to CFO's report is the Notes, Bonds, and other Long-term Liabilities report. The income statement for the month of January shows a large budget variance related to HCP cost and expense. No action taken.

6. **NRECA Hawai'i Director Report – Director David Iha update:**

6.1. Director Iha provided an update on NRECA's Board of Directors January 2023 Board Meeting Report (presentation and report attached).

6.1.1. NRECA 2023 PowerXchange March 3 – 8, 2023 (Annual Meeting) – over 5,800 registered at this time

7. **Charitable Foundation Board – Director Teofilo Tacbian update:**

7.1. No update for the month.

8. **Public Testimony**

8.1. No public testimony this month.

9. **New Business**

9.1. Director Yukimura introduced the Board Approval Request (BAR) regarding 2023 Budget Variance request on HCP O&M budget line item due to having to find a replacement mitigation site for Upper Mānoa Valley. The F&A committee reviewed and approved the request to forward on to Board for Approval.

9.1.1. **MOTION** to approve Board Approval Request for 2023 Budget Variance on the 2023 HCP O&M Budget Line

[Motion: Yukimura] [Second: Mayfield]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Kass, Tacbian, Iha, Crowell	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

9.2. Director Yukimura introduced the 2022 Corporate Performance Results that were presented in F&A Committee. The committee reviewed the accomplishments and goals for the departments and approved the 97.97% payout and request to forward on to the Board for final approval.

9.2.1. **MOTION** to approve the 2022 Corporate Performance Results

[Motion: Yukimura] [Second: Mayfield]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Kass, Tacbian, Iha, Crowell	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

9.3. Director Yukimura introduced the 2023 Corporate Performance Targets that were presented in F&A Committee. The committee reviewed and approved the request to forward on to the Board for final approval.

9.3.1. **MOTION** to approve the 2023 Corporate Performance Targets

February 23, 2023

David Bissell, President & CEO

PRESIDENT'S REPORT

PRESIDENT'S REPORT

Safety (January)	Month	2023 YTD	2022 YTD
Recordable Incidents	0	0	3
Days Away/Restricted	0	0	1
Availability and Reliability	Month	2023 YTD	2022 YTD
Reportable Outages	3	3	2
Average Outage Hours Per Customer	0.34	0.34	0.96
Efficiency	Month	2023 YTD	
Net Plant Heat Rate	9,069	9,069	
Average Outage Hours Per Customer	73.9	73.9	
Residential Rates			
February 2023	\$0.364/kwh down \$0.010 from January		

UPDATE ITEMS

- KIUC rates remain lowest in state – 10th month
- West Kaua‘i Energy Project
 - Earthjustice has filed suit against DLNR regarding their Finding of No Significant Impact under HRS 343 published 01-08-23
- Rate case filed in December
 - PUC public hearing – TBD
- Endangered species
 - Draft Habitat Conservation Plan has been published for public comment
 - Endangered Species Recovery Committee public meeting at Lihue Public Library at 9:00 am on March 1
- Legislative session (Beth Amaro) – Ongoing testimony submittal and bill monitoring

GRANTS AND FUNDING

- Grid Resilience and Innovation Partnerships
 - Synchronous Condenser Conversion \$2.4 million
 - Utility Solar Grid Forming Technology \$24-\$48 million
 - North Shore Resiliency \$30.6
 - Undergrounding Lines and Pole Replacement \$5.8 million
- Hawaii Pacific Hydrogen Hub – participant
- Federal Earmarks
 - 2022 \$1 million battery grant has been approved for funding by Department of Energy
 - 2023 submittal opportunity under consideration

2023 STATE LEGISLATIVE UPDATE

Bill Number	Summary	KIUC Position	Current Status
HB195/SB781	Creates expedited process for solar contractors to receive county permits	Offered amendments to ensure an interconnection agreement is completed with the utility	HB195 referred to CPC; SB781 referred to CPN/WAM; working with HSEA on amendments that address our concerns
HB588/SB839	Creates reliability standards and interconnection requirements for certain renewable projects	KIUC opposes: the bill addresses issues not being experienced on Kauai	HB588 Deferred; SB839 deferred but could be reposted to include referral to WAM
SB1154	Permits wheeling among governmental entities	Suggested member-owned cooperatives be exempted	KIUC's proposed amendments adopted, referred to CPN/WAM
HB1151	Lowers the dollar threshold for capital projects that must be submitted to the PUC	Watching	Referred to CPC

MAHALO!



Kaua'i Island Utility Cooperative

Your Touchstone Energy[®] Cooperative



Finance Department Board Presentation

February 2023

Finance, Accounting, Regulatory and Warehouse Monthly Summary

Finance and Accounting Update

- **KRS 2 Audit Completed – Reviewing Preliminary Audit Report**
- **Next Week KIUC and KRS1 Audit**
- **2022 Corp Performance Targets Completed and Action Item from Board Needed**
- **2023 Corporate Performance Targets Presented and Action Items from Board Needed**
- **CoBank Signatures Needed for LOC**

Rate Case Update

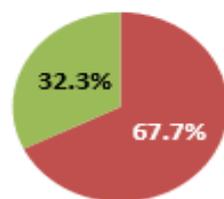
- **January 17th Application Completion by CA**
- **Tariff Notice – Member Bill Notification**
- **Public Hearing Prep once PUC approves completeness of Application – no news yet**

Financial Scorecard - YTD January 2023

MWh Sales

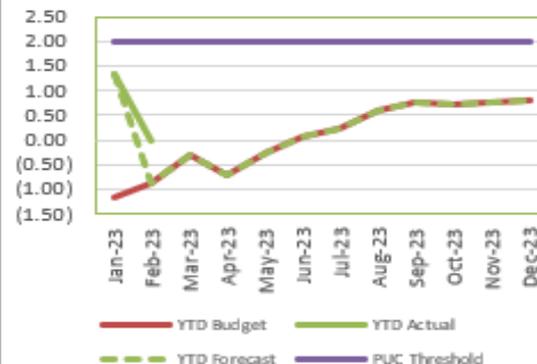
Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	15,589	15,297	↓	-1.9%
Small Comm (G)	4,956	5,063	↑	2.2%
Large Comm (J)	3,915	4,154	↑	6.1%
Lrg Pwr Primary (L)	3,430	3,675	↑	7.1%
Lrg Pwr Secondary (P)	8,169	7,979	↓	-2.3%
Street Lighting (SL)	64	58	↓	-9.6%
Irrigation	65	137	↑	111.5%
Total	36,188	36,362	↑	0.5%

Equity Ratio

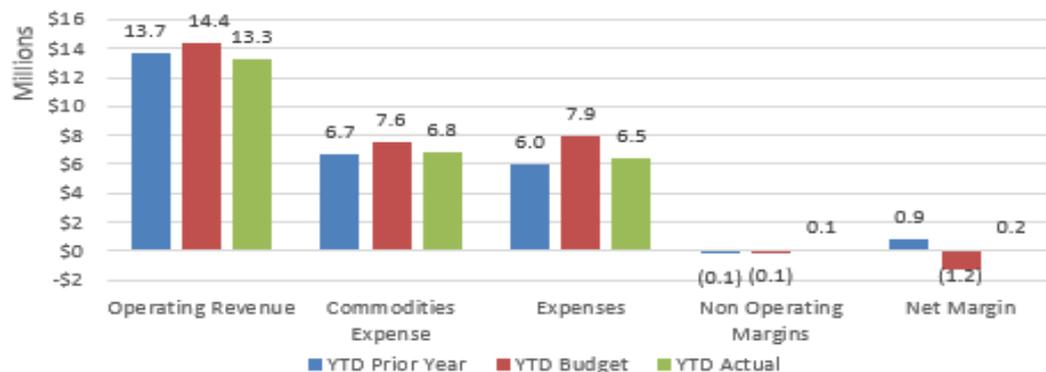


■ Liabilities as a % of Assets
■ Equity as a % of Assets

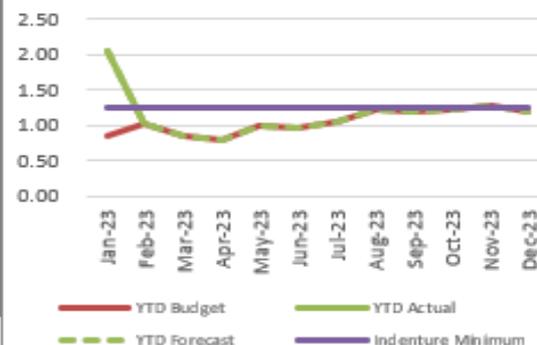
TIER



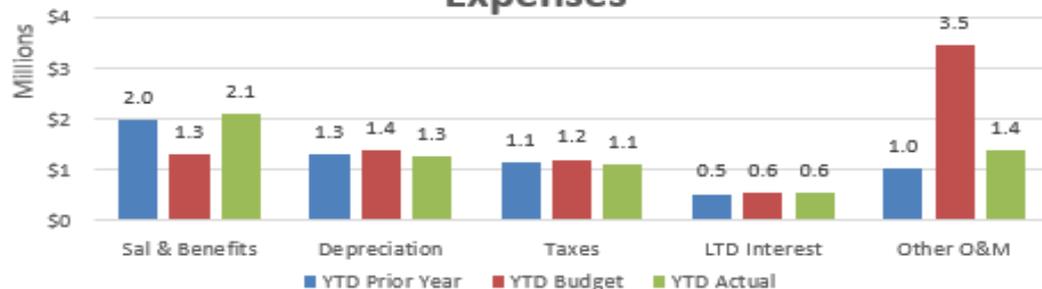
Key Results



DSC



Expenses



Liquidity & Available Funding

	(In Millions)	YTD Actual
Cash		\$0.6
Short-Term Investments		\$40.4
Cushion of Credit		\$6.3
Total Cash & Investments		\$47.3
Line of Credit Available		\$35.0
Line of Credit Drawn		\$0.0

General Ledger

Financial And Operating Report Electric Distribution

*Preliminary***BALANCE SHEET FOR JAN 2023**

ASSETS AND OTHER DEBITS	Last Year	This Year	Variance
1. Total Utility Plant in Service	577,486,064.93	595,456,054.68	17,969,989.75
2. Construction Work in Progress	12,397,017.27	13,457,430.21	1,060,412.94
3. Total Utility Plant (1 + 2)	589,883,082.20	608,913,484.89	19,030,402.69
4. Accum. Provision for Depreciation and Amort.	327,111,513.18	336,641,858.61	9,530,345.43
5. Net Utility Plant (3 - 4)	262,771,569.02	272,271,626.28	9,500,057.26
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	25,872,908.79	24,068,371.55	-1,804,537.24
8. Invest. in Assoc. Org. - Patronage Capital	1,081,142.45	1,171,785.68	90,643.23
9. Invest. in Assoc. Org. - Other - General Funds	841,300.00	831,300.00	-10,000.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	600,000.00	956,943.26	356,943.26
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	28,395,351.24	27,028,400.49	-1,366,950.75
15. Cash - General Funds	15,865,267.57	-3,363,774.08	-19,229,041.65
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-13,336.84	-23,350.91	-10,014.07
18. Temporary Investments	4,138,872.33	45,905,997.65	41,767,125.32
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	10,993,253.85	10,173,025.97	-820,227.88
21. Accounts Receivable - Other (Net)	625,974.58	441,068.30	-184,906.28
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	18,784,652.58	22,794,067.73	4,009,415.15
24. Prepayments	4,113,107.20	1,083,213.78	-3,029,893.42
25. Other Current and Accrued Assets	7,955,596.62	8,455,020.45	499,423.83
26. Total Current and Accrued Assets (15 thru 25)	62,463,387.89	85,465,268.89	23,001,881.00
27. Regulatory Assets	33,902,723.11	33,290,158.80	-612,564.31
28. Other Deferred Debits	8,312.48	219,569.63	211,257.15
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	387,541,343.74	418,275,024.09	30,733,680.35

02/13/2023 12:07:01 pm

General Ledger Financial And Operating Report Electric Distribution

Page: 2

*Preliminary***BALANCE SHEET FOR JAN 2023**

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
LIABILITIES AND OTHER CREDITS			
30. Memberships	584.17	598.94	14.77
31. Patronage Capital	133,559,888.39	131,537,315.82	-2,022,572.57
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	868,402.04	194,316.06	-674,085.98
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	183,519.41	63,734.93	-119,784.48
36. Total Margins & Equities (30 thru 35)	134,612,394.01	131,795,965.75	-2,816,428.26
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	106,027,869.29	117,199,374.53	11,171,505.24
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	120,417,241.55	118,162,742.42	-2,254,499.13
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-12,893,102.82	-6,295,056.36	6,598,046.46
43. Total Long-Term Debt (37 thru 41 - 42)	213,552,008.02	229,067,060.59	15,515,052.57
44. Obligations Under Capital Leases - Noncurrent	0.00	13,583,205.15	13,583,205.15
45. Accumulated Operating Provisions	-242,483.93	-1,182.07	241,301.86
46. Total Other Noncurrent Liabilities (44 + 45)	-242,483.93	13,582,023.08	13,824,507.01
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,150,007.24	6,273,775.48	1,123,768.24
49. Consumers Deposits	1,347,663.40	1,306,817.73	-40,845.67
50. Current Maturities Long-Term Debt	13,911,272.96	13,260,273.37	-650,999.59
51. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
52. Current Maturities Capital Leases	0.00	0.00	0.00
53. Other Current and Accrued Liabilities	7,787,718.35	8,769,990.78	982,272.43
54. Total Current & Accrued Liabilities (47 thru 53)	28,196,661.95	29,610,857.36	1,414,195.41
55. Regulatory Liabilities	194,777.00	0.00	-194,777.00
56. Other Deferred Credits	11,227,986.69	11,046,358.35	-181,628.34
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	387,541,343.74	415,102,265.13	27,560,921.39
Current Assets To Current Liabilities	2.22	to 1	2.89
Margins and Equities To Total Assets	34.73	%	31.51
Long-Term Debt To Total Utility Plant	36.20	%	37.62

KAUAI ISLAND UTILITY COOPERATIVE
NOTES, BONDS, AND OTHER INDEBTEDNESS
TEST YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS, EXCEPT PERCENTAGES)

LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	BALANCE AT 12/31/2022	BALANCE AT 12/31/2023	TY 2023
										INTEREST EXPENSE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	CFC	12/17/03	12/18/03	09/30/23	3.69%	HI001-9005	\$8,240	\$412	\$-	\$8
2	CFC	04/30/19	04/30/19	03/31/35	2.55%	HI001-9014-001	103,134	78,215	72,705	1,930
3	CFC	02/06/20	02/25/20	12/31/49	2.76%	HI001-9019B	26,500	24,856	24,227	680
4							<u>137,874</u>	<u>103,483</u>	<u>96,932</u>	<u>2,618</u>
5	FFB	06/01/04	10/19/04	12/31/23	2.84%	B8 - 1-1	8,240	580 -		10
6	FFB	06/01/04	10/19/04	12/31/23	2.57%	B8 - 1-2	8,240	580 -		9
7	FFB	06/01/04	10/19/04	12/31/23	4.43%	B8 - 1-3	16,480	1,298 -		36
8							<u>32,960</u>	<u>2,458 -</u>		<u>55</u>
9	FFB	07/01/11	06/07/12	12/31/42	2.42%	C8#1 - 2-1	8,716	6,523	6,263	155
10	FFB	07/01/11	10/23/12	12/31/42	2.60%	C8#1 - 2-2	1,606	1,210	1,163	31
11	FFB	07/01/01	06/24/13	12/31/42	3.26%	C8#1 - 2-3	9,100	7,028	6,770	225
12	FFB	07/01/11	11/25/13	12/31/42	2.66%	C8#1 - 2-4	2,689	2,007	1,928	52
13	FFB	07/01/11	03/18/14	12/31/42	3.33%	C8#1 - 2-6	5,198	4,091	3,942	134
14	FFB	07/01/11	08/07/14	12/31/42	3.02%	C8#1 - 2-7	5,731	4,510	4,340	134
15	FFB	07/01/11	05/08/15	12/31/42	2.67%	C8#1 - 2-8	4,213	3,339	3,208	87
16	FFB	07/01/11	09/18/15	12/31/42	2.72%	C8#1 - 2-9	748	598	575	16
17	FFB	01/15/15	10/29/15	12/31/42	2.56%	C8#2 - 3-1	6,000	4,801	4,611	121
18	FFB	01/15/15	01/12/16	12/31/42	2.64%	C8#2 - 3-2	35,587	28,723	27,601	744
19							<u>79,588</u>	<u>62,830</u>	<u>60,401</u>	<u>1,699</u>
20	FFB	12/01/17	04/24/18	12/31/51	3.20%	D8 - 4-1	22,192	20,820	20,366	659
21	FFB	12/01/17	10/22/18	12/31/51	3.44%	D8 - 4-2	5,707	5,368	5,256	183
22	FFB	12/01/17	06/06/19	12/31/51	2.58%	D8 - 4-3	4,776	4,448	4,341	113
23	FFB	12/01/17	06/22/20	12/31/51	1.33%	D8 - 4-4	3,992	3,729	3,620	49
24	FFB	12/01/17	10/08/21	12/31/51	2.09%	D8 - 4-5	7,889	7,694	7,494	159
25	FFB	12/01/17	05/19/22	12/31/51	3.24%	D8 - 4-6	3,450	3,415	3,341	109
26	FFB	12/01/17	08/29/22	12/31/51	3.42%	D8 - 4-7	12,706	12,645	12,379	428
27							<u>60,712</u>	<u>58,119</u>	<u>56,797</u>	<u>1,700</u>
28	COBANK	02/06/20	02/22/21	02/20/51	2.90%	00102606 T01	18,119	17,408	17,004	506
29	COBANK	02/06/20	02/10/22	02/10/52	3.33%	00102606 T01-DS	4,900	4,812	4,713	161
30							<u>23,019</u>	<u>22,220</u>	<u>21,717</u>	<u>667</u>
31	TOTAL						\$334,153	\$249,110	\$235,847	\$6,739

02/13/2023 12:07:00 pm

General Ledger Financial And Operating Report Electric Distribution

Page: 1

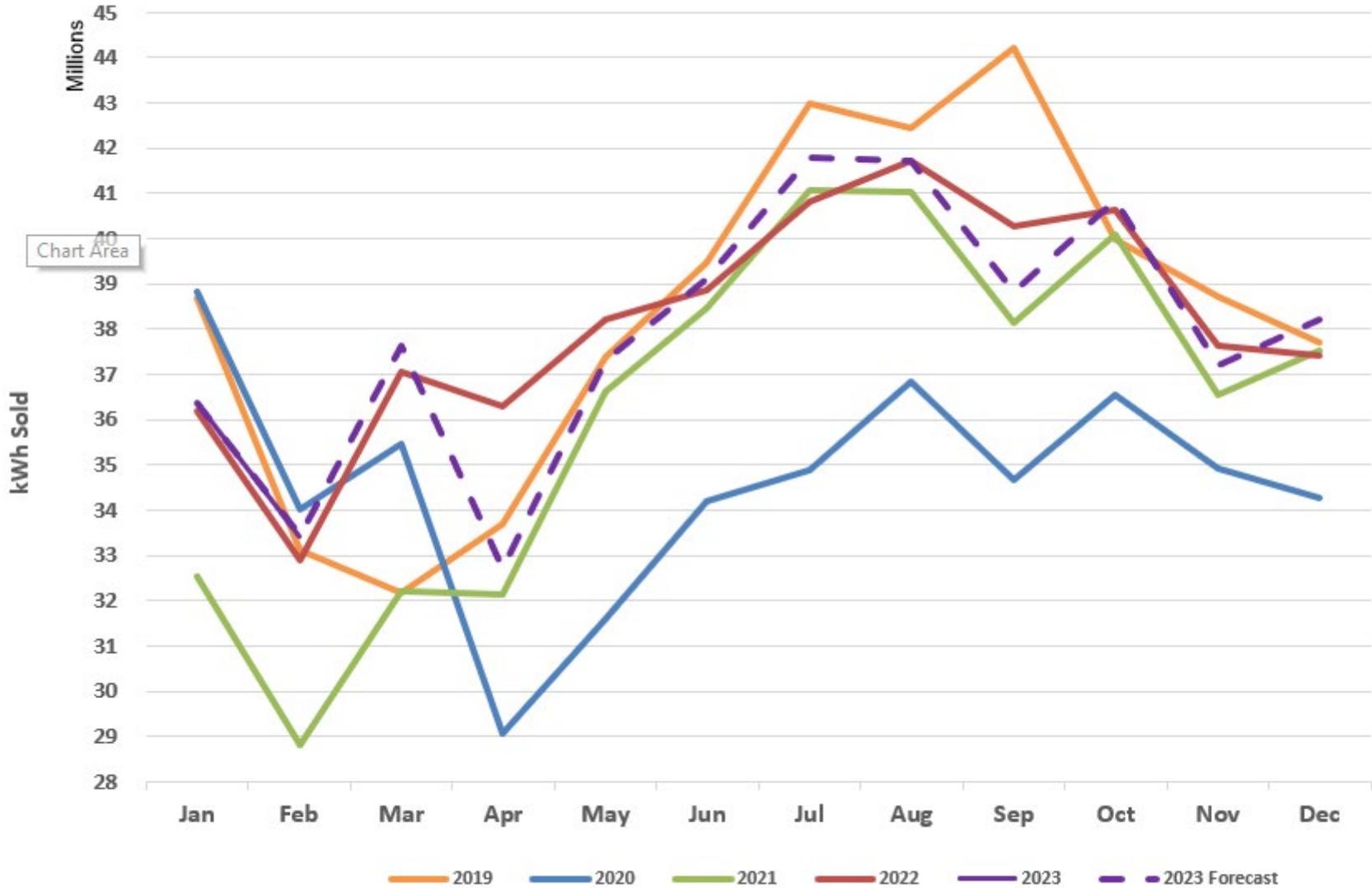
Preliminary

INCOME STATEMENT FOR JAN 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	13,694,850.20	13,300,457.88	14,423,658.00	13,300,457.88	14,423,658.00
2. Power Production Expense	3,872,001.29	4,416,641.26	4,854,528.00	4,416,641.26	4,854,528.00
3. Cost of Purchased Power	3,900,457.67	3,484,672.50	3,899,316.00	3,484,672.50	3,899,316.00
4. Transmission Expense	107,664.97	62,795.86	113,015.00	62,795.86	113,015.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	111,534.99	119,349.48	111,612.00	119,349.48	111,612.00
7. Distribution Expense - Maintenance	409,612.56	417,807.49	423,141.00	417,807.49	423,141.00
8. Customer Accounts Expense	181,750.49	186,279.31	233,594.00	186,279.31	233,594.00
9. Customer Service and Informational Expense	9,074.17	6,491.95	18,714.00	6,491.95	18,714.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	1,162,572.87	1,601,981.76	2,703,401.00	1,601,981.76	2,703,401.00
12. Total Operation & Maintenance Expense (2 thru 11)	9,754,669.01	10,296,019.61	12,357,321.00	10,296,019.61	12,357,321.00
13. Depreciation & Amortization Expense	1,312,115.62	1,284,073.76	1,377,250.00	1,284,073.76	1,377,250.00
14. Tax Expense - Property & Gross Receipts	342,218.94	332,133.37	360,591.00	332,133.37	360,591.00
15. Tax Expense - Other	805,093.47	781,841.96	851,332.00	781,841.96	851,332.00
16. Interest on Long-Term Debt	535,416.66	562,940.22	561,800.00	562,940.22	561,800.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	6,000.00	0.00	6,000.00
19. Other Deductions	34,109.16	992.31	32,505.00	992.31	32,505.00
20. Total Cost of Electric Service (12 thru 19)	12,783,622.86	13,258,001.23	15,546,799.00	13,258,001.23	15,546,799.00
21. Patronage Capital & Operating Margins (1 minus 20)	911,227.34	42,456.65	-1,123,141.00	42,456.65	-1,123,141.00
22. Non Operating Margins - Interest	73,205.10	235,396.75	78,742.00	235,396.75	78,742.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-137,398.73	-115,713.88	-188,830.00	-115,713.88	-188,830.00
25. Non Operating Margins - Other	21,368.33	32,176.54	15,971.00	32,176.54	15,971.00
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	868,402.04	194,316.06	-1,217,258.00	194,316.06	-1,217,258.00
Operating - Margin	868,402.04	194,316.06	-1,217,258.00	194,316.06	-1,217,258.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	2.70	1.08			
Times Interest Earned Ratio - Net	2.62	1.35			
Times Interest Earned Ratio - Modified	2.62	1.35			

Total kWh Sold

Beginning in 2020 Unbilled Recorded Monthly



Questions?

NRECA Board Update

January 2023



Co-ops Advocating Simple, Flexible Rules for USDA \$9.7 Billion Clean Energy Program

- ◆ NRECA continues to advocate for a flexible and straightforward approach to the Department of Agriculture's (USDA) \$9.7 billion clean energy program. Co-op leaders participated in virtual roundtables to provide input to the USDA on proposed rules for the program. NRECA CEO Jim Matheson advocated this position during the U.S. Energy Association's State of the Energy Industry Forum at the National Press Club and during a media availability with reporters earlier in January. Matheson was quoted extensively in an [article](#) published by *S&P Global*.

Broadband

- ◆ The National Telecommunications and Information Administration (NTIA) will use the Federal Communications Commission's (FCC) National Broadband Map to determine funding allocations for the \$42.5 billion Broadband Equity, Access, and Deployment (BEAD) program. NRECA, in partnership with NRTC, submitted a bulk challenge regarding the FCC's map, including challenging 266,479 locations in six states.

Cybersecurity

- ◆ Two new cybersecurity resources — the CEO Cybersecurity Guidebook, and the Co-op Cyber Goals Program — are now available at cooperative.com/cybersecurity.

PowerXchange & TechAdvantage Experience

- ◆ There are just a few weeks left to register for NRECA's [2023 PowerXchange](#) and [2023 Tech Advantage Experience](#) in Nashville, Tenn., March 3-8. More than 5,800 people are registered for the events, which include sessions on cybersecurity, grid resiliency, workforce issues, industry technologies and more.
- ◆ The NRECA annual member business meeting will be held Tuesday, March 7. Proposed member resolutions can be found on cooperative.com.

NRECA Health Benefits

- ◆ NRECA Health Benefits Plan participants have access to two updated online resources through cooperative.com—the [FutureMe](#) well-being program and [Find Care & Costs](#) self-service tool. *FutureMe* is a suite of services that helps participants place an emphasis on physical, mental and emotional health. The *Find Care & Costs* tool provides cost and quality transparency for participants searching for and comparing information.

NRECA Board of Directors

NRECA Update

January 2023

USDA Funding for Cooperatives

- Advocating for flexible, straightforward rules for USDA's \$9.7 billion program to benefit all co-ops
- Co-op leaders participated in regional roundtables with USDA
- NRECA's Jim Matheson advocacy at the National Press Club and media roundtable



S&P Global

Market Intelligence

Rural utilities urge flexibility as USDA crafts \$9.7B clean energy program

U.S. rural utilities are eager to tap a nearly \$10 billion program created by the Inflation Reduction Act to support clean energy development in rural areas. But keeping the program's structure simple will be crucial to allowing a wide range of utilities and projects to qualify, industry advocates have advised.

The Inflation Reduction Act contained \$9.7 billion for the Rural Utilities Service, part of the U.S. Department of Agriculture, or USDA, to offer loans, grants and other financial assistance to cut carbon dioxide emissions. The money can be used to buy or deploy renewable energy, carbon capture and other zero-emissions systems. It can also go toward efficiency improvements for generation and transmission infrastructure.

The Rural Utilities Service has scheduled 13 virtual listening sessions from Jan. 16-27 to gather feedback on how to design the program and a separate \$1 billion renewable energy loan program included in the Inflation Reduction Act, or IRA.

"We think [this] is a really exciting opportunity for electric cooperatives, and we want to make sure that this program is implemented in a way that really gives us the best opportunity for success," National Rural Electric Cooperative Association CEO Jim Matheson said on a Jan. 13 call with reporters.

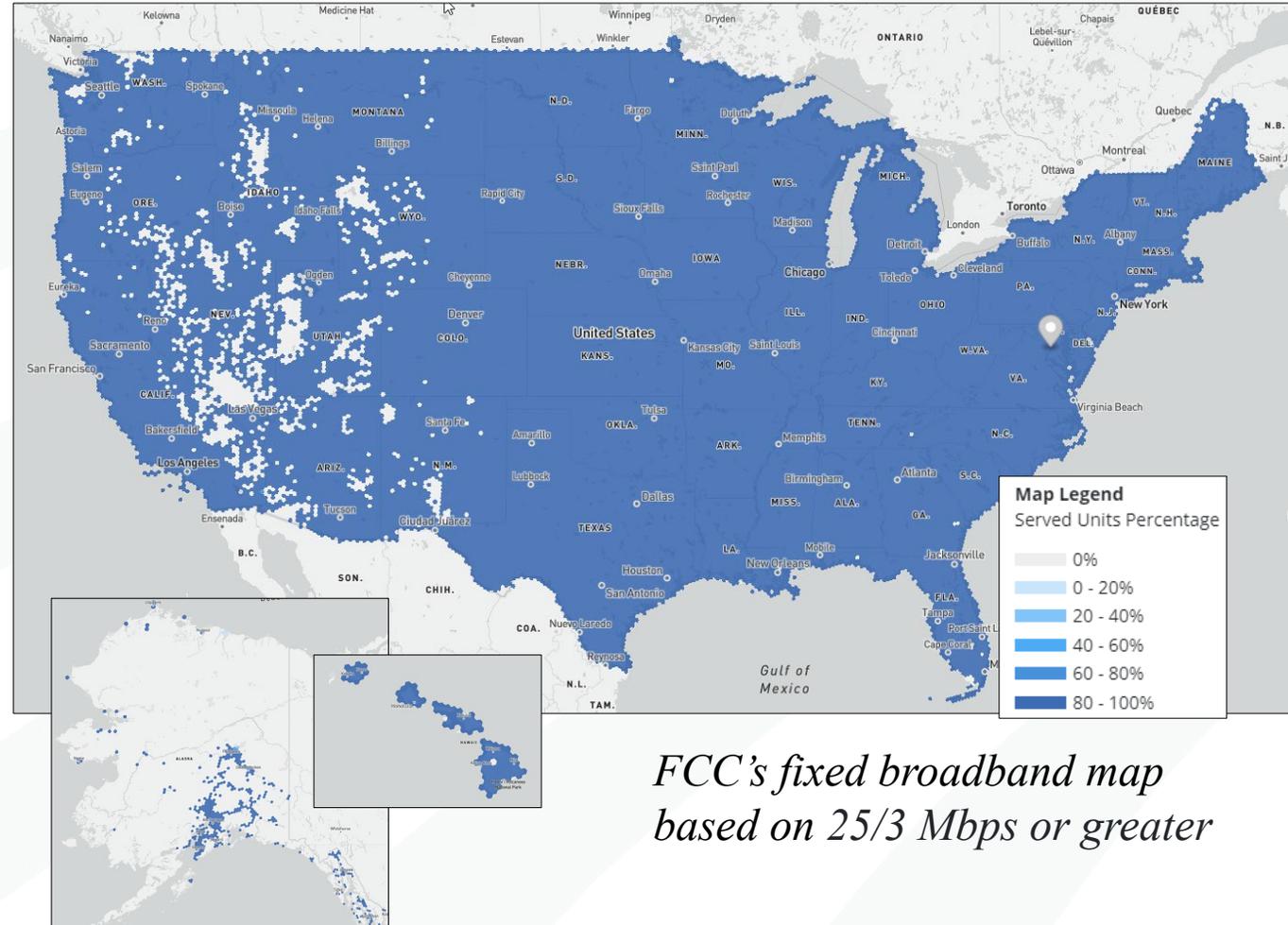
The association, known as NRECA, liked the way Congress structured the provisions in the IRA, according to Matheson, and "we hope that USDA adopts that same approach in terms of developing the specific implementation rules."

"We want to keep the program pretty simple, pretty flexible, so it's accessible to all electric cooperatives," Matheson said.

"We want to make sure it has the flexibility to have a wide range of possible projects, be they renewable energy projects, carbon capture projects, storage, nuclear, efficiency improvements for generation and also for transmission and distribution infrastructure."

Advancing Co-op Broadband

- NTIA to use FCC's broadband map to determine \$42.5 billion BEAD funding
- NRECA and NRTC submitted bulk challenge to FCC's inaccurate map
- NRECA Broadband nearing 100 participants



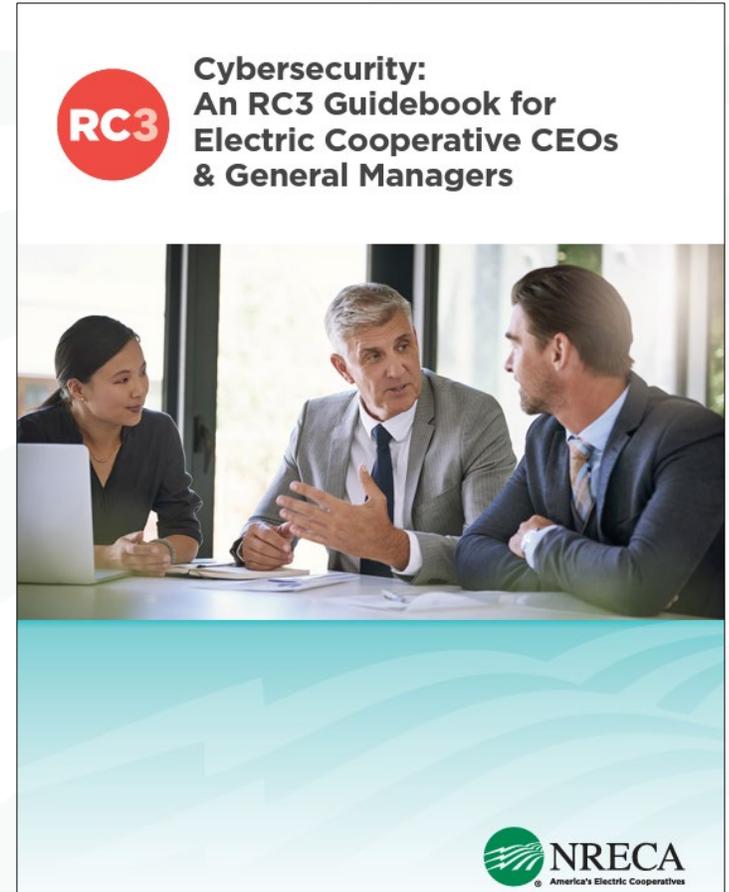
New Cybersecurity Resources

Two new cybersecurity resources for members:

- Co-op Cyber Goals Program
- CEO Cybersecurity Guidebook

NEW! NRECA's Co-op Cyber Goals Program

Creating a culture of security where every co-op has a set of achievable cybersecurity goals is important—but knowing where to start on your cybersecurity efforts can be confusing. Designed specifically for the needs of electric cooperatives, NRECA's Co-op Cyber Goals Program is a new resource through the Rural Cooperative Cybersecurity Capabilities (RC3) Program. It provides clear guidelines for basic security integration and actionable steps to advance your cybersecurity posture.



PowerXchange

- More than 5,800 registered for NRECA's PowerXchange and Tech Advantage Experience.
- In addition to keynote speakers, sessions include cybersecurity, resiliency, workforce, technologies.
- Proposed member resolutions can be found on cooperative.com.



cooperative.com/powerxchange

cooperative.com/techadvantage

cooperative.com/member-resolutions

New NRECA Health Benefit Resources

NRECA Health Benefits Plan participants have access to two updated online resources:

- FutureMe well-being program
- Find Care & Costs self-service tool

