

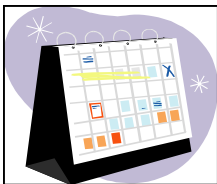
Fall 2009

Newsletter # 7

- ☆ Frank M. Betley
President & CEO
- ☆ William M. Logan
ACRE Treasurer
- ☆ Steph Okuniewski
ACRE Coordinator

**What's inside
this issue:**

NRECA Leg. Conference	2
Federal Buzz on the Hill	3
State Buzz on the Hill	4
PREA Leg. Event	5



**Dates To Keep
in Mind:**

- PREA/Allegheny Annual Meeting will be held Nov. 10-12 at the Hilton Harrisburg



2009 ACRE Results and 2010 Goals

As the dog days of summer come to a close, we are beginning a new ACRE year. The results for ACRE 2009 in Pennsylvania and New Jersey are in and, once again, we had a great year. We ended the year with 682 ACRE and Co-op Owners for Political Action (Co-op Owners) members. Since 2005, Pennsylvania and New Jersey ACRE members have seen an 18 percent increase in ACRE memberships. The back cover of this issue features additional information on the two other ACRE programs offered by NRECA—Co-op Owners and Electric Cooperative Alumni Club.

Our goals for the 2010 ACRE year are as follows:

- ☆ 700 members—two new members from each cooperative will help us surpass this goal
- ☆ 100 percent directors from all cooperatives
- ☆ 100 percent management staff from all cooperatives

Our success in the political arena is bolstered by your involvement in ACRE. Together, we have accomplished so much. With your continued support and participation, we can accomplish so much more.

2009 ACRE Honor Roll List

100% Board and Management Staff

- ☆ Adams EC—President's Club; 100% Board Spouse Participation
- ☆ Bedford REC—100% Employee Participation
- ☆ Central EC—100% Century Club
- ☆ Claverack REC—100% Century Club & Higher
- ☆ New Enterprise REC—100% Employee Participation
- ☆ Northwestern RECA—100% Century Club & Higher; 100% Board Spouse Participation
- ☆ Somerset REC—100% Board Spouse Participation
- ☆ Sussex REC—100% Century Club & Higher; 100% Board Spouse Participation
- ☆ Tri-County REC
- ☆ United EC

100% Board

- ☆ Pennsylvania Rural Electric Association
- ☆ REA Energy
- ☆ Valley REC—100% Century Club, 100% Board Spouse Participation

100% Management Staff

- ☆ Pennsylvania Rural Electric Association/Allegheny Electric Cooperative, Inc.
- ☆ Sullivan County REC—100% Century Club

2009 NRECA Legislative Conference



Pennsylvania and New Jersey directors, cooperative chief executives, and cooperative and PREA staff attended NRECA's Legislative Conference in Washington, D.C., held Monday—Wednesday, May 4 - 6, 2009. Nearly 90 members of the Pennsylvania and New Jersey cooperative delegation attended the three-day legislative lobbying meeting.

The Pennsylvania delegation met with Pennsylvania's senators on Tuesday afternoon, a few hours after the NRECA and PREA briefing in the morning. On Wednesday, the Pennsylvania cooperative delegation met with its congressional representatives and discussed and lobbied for issues that have the most impact on the cooperatives.

The five key issues that were brought to the attention of each congressional representative were: the renewable electricity standard, the energy efficiency resource standard, railroad antitrust reform, rural utilities funding and climate change.

Federal Buzz on the Hill



☆ The federal government issued five leases in June to allow wind energy companies to explore the possibility of building wind farms off of the coast of New Jersey and Delaware. In a news conference with New Jersey Gov. Jon Corzine (D), U.S. Interior Secretary Kenneth Salazar said the awarding of the leases signifies the federal government's willingness to allow wind energy generators to have access to the Outer Continental Shelf. Gov. Corzine has set a goal for New Jersey to produce 1,000 megawatts of wind energy by 2013.

☆ In early July, the American Clean Energy and Security Act of 2009 (H.R. 2454) passed the U.S. House of Representatives by a vote of 219-212. Popularly known as the Waxman-Markey bill, the measure would require reductions of U.S. greenhouse gas emissions through a mix of regulatory and market-based initiatives and incentives. U.S. Senate passage remains uncertain, but the electric cooperative program should expect a friendlier response to our issues in the Senate chamber. Climate change proponents in the Senate are hoping to attach the House version to the Senate energy bill as the working document.



Henry Waxman
(D-Calif.)

Edward Markey
(D-Mass.)

All of Pennsylvania's cooperative U.S. legislators, with the exception of U.S. Rep. John Murtha (D-12th), voted against the bill. In New Jersey, U.S. Rep. Scott Garrett (R-5th) also voted against the bill.



Harry Reid
(D-Nev.)

The U.S. Senate has begun what is expected to be an arduous process toward passing a climate change and energy bill by the end of this year. Majority Leader Harry Reid (D-Nev.) met with the chairmen of the committees that will have jurisdiction over pieces of the bill and established Sept. 28, 2009, as the deadline for the six committees to complete their work. Electric cooperatives will be working with the leading Senate Democrats and advocates to continue to make changes to the carbon cap-and-trade mechanism as passed by the House in H.R. 2454.

☆ By a vote of 388-30, the U.S. House of Representatives voted down a measure to eliminate funding for a nuclear-waste repository at Yucca Mountain in Nevada. If approved, the measure would have created billions of dollars in liabilities for the United States because the federal government is responsible for taking ownership of nuclear waste and has plans to store the waste at Yucca Mountain. However, the U.S. government cannot store it there because the site has not been licensed by federal regulators. Republicans hoped to use the vote to highlight the complicated legal landscape on nuclear policy. Earlier this year, the Obama Administration switched longstanding U.S. policy by siding against plans to store nuclear waste at Yucca Mountain. Energy Secretary Steven Chu said the administration wanted to take a fresh look at the issue.

☆ Health care reform has taken center stage as the U.S. Senate joined its House colleagues on summer recess. Colorado U.S. Sen. Mark Udall (D) took a step toward making sure rural Americans are not forgotten in the health care debate by introducing the Rural Physician Pipeline Act. The new legislation is designed to address the shortage of medical school graduates committed to practicing in rural areas. Joining Sen. Udall in showing concern for rural health care, U.S. Sen. Richard Durbin (D-Ill.) introduced legislation to assure rural hospitals have as much access to Medicare reimbursements as so-called "critical-care hospitals" in much larger urban areas.



Mark Udall
(D-Col.)

Richard Durbin
(D-Ill.)

☆ President Barack Obama's goal of producing 25 percent of the nation's electricity from renewable resources by 2025 is facing a tough road in Congress. While both the House and Senate are considering legislation that would establish the first national requirement for electric utilities to generate a specific percentage of their power from renewable sources, the proposals have been cut back to gain wider congressional support, and now differ greatly from what the president has said is necessary to combat climate change and make the country more energy independent.

The latest Senate compromise proposed by Sen. Jeff Bingaman (D-N.M.), chairman of the Energy and Natural Resources Committee, calls for utilities to provide an increasing percentage of power from renewable sources starting at 3 percent in the first compliance period of 2011-2013 and rising to 15 percent by 2021. Companies would be allowed to buy renewable energy credits or pay an extra fee. Also, under this plan, states could allow up to a quarter of the requirement to be met through gains in energy efficiency.



Jeff Bingaman
(D-N.M.)

State Buzz on the Hill

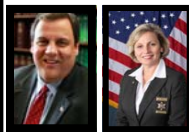


☆ The chairman of the Senate Consumer Protection Committee, state Sen. Tommy Tomlinson (R-Bucks), introduced SB 972, a Title 66 bill that would create a section in the Public Utility Code establishing a post-generation rate cap mitigation plan. This is in direct response to Speaker of the House Keith McCall's (D-Carbon) bill (HB 20) that would create a mitigation and deferral plan for IOU customers who are expected to see a substantial rate increase over the next several years. SB 972 requires electric distribution companies to submit to the Pennsylvania Public Utility Commission for approval a volunteer rate mitigation phase-in plan for retail and small business customers whose rate increases are above a predetermined level. The approved plan would allow the increase to be phased in over five years. It is expected that rate mitigation legislation will be discussed during budget negotiations.



Keith McCall (D-Carbon) Tommy Tomlinson (R-Bucks)

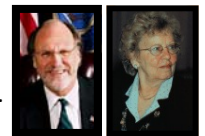
- ☆ The Pennsylvania House Environmental Resources and Energy Committee sent an amendment to the Alternative Energy Portfolio Standards (AEPS) to the full House. The bill, HB 80, would increase the solar portion of Tier I resources to 3 percent and mandate electric distribution companies in Pennsylvania to purchase at least 3 percent of their energy from coal-fired plants that utilize carbon capture technology. The legislation has the support of the Rendell Administration, but its outlook remains fuzzy as Senate Republicans have expressed no interest in AEPS amendments.
- ☆ Vowing to be "New Jersey's No. 1 clean energy advocate," New Jersey Republican gubernatorial candidate Chris Christie announced that if he is elected governor he would require solar farms to be built on landfills, and give tax credits to energy manufacturers who relocate to the state. Christie, the former U.S. Attorney running to unseat incumbent Democrat Gov. Jon Corzine, also said he would promote solar energy construction by waiving zoning laws that could inhibit their development.



Chris Christie (R) Kim Guadagno (R)

Christie's choice for lieutenant governor is Kim Guadagno, Monmouth County Sheriff. By selecting Guadagno, Christie tapped someone who in many ways mirrors himself. Guadagno is a Trenton outsider with deep law enforcement credentials whose resume is light in high-level government experience. Guadagno is an Iowa native who was deputy chief of the corruption unit for the U.S. Attorney's Office from 1990 until 1998.

Corzine picked state Sen. Loretta Weinberg of Teaneck as his running mate for lieutenant governor. Weinberg is known as a reformer and could help Corzine win votes in Bergen County, the most populous county in the state. Weinberg was elected to the Senate in 2005 after 14 years in the General Assembly. Her legislative record has earned her praise as a champion of women's issues and progressive causes.



Gov. Jon Corzine (D) Sen. Loretta Weinberg (D)

- ☆ Gov. Ed Rendell nominated Russell Redding as the new Pennsylvania Secretary of Agriculture following the resignation of Dennis Wolff. Redding has served as Executive Deputy Secretary of Agriculture since 2003, and has been with the department since 1995. Redding is a native of Adams County and is the husband of Adams Electric Cooperative director Nina Redding.
- ☆ Pennsylvania U.S. Senate candidate and current U.S. Rep. Joe Sestak (D) announced his candidacy to take on incumbent U.S. Sen. Arlen Specter (D) in next year's Democratic primary. The race for the Republican primary is beginning to fill in also as former U.S. House member Pat Toomey and community activist Pug Luksik have announced their intentions to run for the Senate seat.
- ☆ In early August, Pennsylvania Gov. Ed Rendell signed into law SB 850, a bare-bones budget that pays state workers while the General Assembly and administration continue negotiating a final fiscal year 2009-10 budget. Despite signing the \$12.8 billion legislation to pay state employees, the governor vetoed education, economic development, agriculture, and public welfare spending to maintain leverage in negotiations.

2009 PREA Legislative Event

On March 16, 2009, nearly 300 legislators and cooperative personnel descended on the Hilton Harrisburg for the annual PREA Legislative Event to discuss energy-related issues. When the legislators began arriving, the cooperative contingent was prepared with issues to discuss with the legislators.

Topics of importance to electric cooperatives include:

- Staying committed to a clean and secure future. Electric cooperatives in Pennsylvania own nearly two-thirds of their energy supply, all of which is from clean, green or renewable resources, and have been at the forefront of conservation and energy efficiency efforts, launching the state's first-of-its-kind Coordinated Load Management System (CLMS) in 1986. The CLMS program has achieved a savings of \$90 million since the program's inception.
- Keeping electricity affordable. In 2007, electric cooperatives initiated a power supply procurement strategy known as the "Patchwork Quilt" to help keep cooperative rates as stable as possible. The Patchwork Quilt diversifies power procurement by acquiring different amounts of energy, from different suppliers, at different prices, for different periods of time.
- Appreciation for past support. Cooperative representatives thanked the legislators for taking a good first step to combating the dangerous increase in scrap metal theft, specifically theft of copper wire, from utility facilities throughout Pennsylvania.





Action Committee for Rural Electrification
 212 Locust Street
 P.O. Box 1266
 Harrisburg, PA 17108-1266
 Phone: 717/233-5704
 Fax: 717/234-1309
 Website: www.prea.com

If you have questions or comments, please email Stephanie_Okuniewski@prea.com



Pennsylvania and New Jersey Rural Electric Cooperatives

- ☆ **Adams Electric Cooperative, Inc.**
- ☆ **Bedford Rural Electric Cooperative, Inc.**
- ☆ **Central Electric Cooperative, Inc.**
- ☆ **Claverack Rural Electric Cooperative, Inc.**
- ☆ **New Enterprise Rural Electric Cooperative, Inc.**
- ☆ **Northwestern Rural Electric Cooperative Association, Inc.**
- ☆ **REA Energy Cooperative, Inc.**
- ☆ **Somerset Rural Electric Cooperative, Inc.**
- ☆ **Sullivan County Rural Electric Cooperative, Inc.**
- ☆ **Sussex Rural Electric Cooperative, Inc.**
- ☆ **Tri-County Rural Electric Cooperative, Inc.**
- ☆ **United Electric Cooperative, Inc.**
- ☆ **Valley Rural Electric Cooperative, Inc.**
- ☆ **Warren Electric Cooperative, Inc.**



ACRE Programs



In addition to ACRE for cooperative directors and employees, there are two additional programs that were created in hopes of expanding our voice.

- ☆ **Co-op Owners for Political Action (Co-op Owners)** is a non-partisan political action committee designed to further involve consumer-members in the grassroots process. Working with ACRE, Co-op Owners gives members a voice to help advance political efforts on behalf of the cooperative that serves them.
- ☆ **Electric Cooperative Alumni Club (Alumni Club)** is a branch of ACRE offered to former electric cooperative employees, chief executives and directors. The mission of this club is to nurture and sustain political activism and concern for community, as well as provide information and opportunities to maintain relationships so members can stay in the cooperative family.
- ☆ The contributions that are made to ACRE, Co-op Owners and Alumni Club are given to legislators who support issues that are critical to electric cooperatives. ACRE does not contribute money to the presidential race, the governor's race or races for statewide row offices, nor does ACRE take into account a legislator's political affiliation.
- ☆ If you have any questions, or would like more information, about these programs, please contact Steph Okuniewski at 717/901-4481 or by email at Stephanie_Okuniewski@prea.com.

