
February 4, 2025

The Honorable Chris Wright
Secretary
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Secretary Wright,

On behalf of the nearly 900 not-for-profit electric cooperative members of the National Rural Electric Cooperative Association (NRECA), congratulations on your confirmation as Secretary of Energy. NRECA shares President Trump's vision of a pro-energy future for America and looks forward to working with the U.S. Department of Energy (DOE) under your leadership.

America's electric cooperatives comprise a unique sector of the electric industry. NRECA's member cooperatives include 64 generation and transmission (G&T) cooperatives and 832 distribution cooperatives. The G&Ts generate and transmit power to distribution cooperatives that provide it to the end of line cooperative consumer-members.

These not-for-profit entities are independently owned and governed by the people they serve. From growing exurban regions to remote farming communities, electric cooperatives provide power to 42 million Americans across 48 states. They keep the lights on across 56% of the American landscape – areas that are primarily residential and sparsely populated. Those characteristics make it comparatively more expensive for electric cooperatives to operate than the rest of the electric sector, which tends to serve more compact, industrialized, and densely populated areas.

I am writing today to request a meeting with you to discuss DOE's policy goals and NRECA's perspective on critical issues affecting electric affordability and reliability. Reliable electricity is essential to America's economic growth. And as our nation increasingly relies on electricity to power the economy, keeping the lights on has never been more important – or more challenging.

Over the next five years, the North American Electric Reliability Corporation forecasts that all or parts of several states from North Dakota to Louisiana are at high risk of rolling blackouts during normal peak conditions. Flawed public policies that force the premature closure of existing power plants are a big reason why. This problem is compounded by the rapid growth of data centers in rural areas – some forecasts project data centers will consume 9% of all US electricity generation by 2030.

Cost-effective and lawful federal regulations that minimize unnecessary burdens are critical to cooperatives' ability to provide affordable, reliable, and safe electricity to their consumer-members. I have attached a list that identifies specific regulations and areas of importance to electric cooperatives. It includes our recommendations for how DOE should address those regulations, unleash American Energy, and ensure reliability and affordability while promoting a healthy environment.

America's electric cooperatives are critical partners in the Trump Administration's commitment to jumpstart the American economy. Thank you for your consideration of this request to meet with you.

Please do not hesitate to contact me or have your staff contact Ashley Slater, Vice President, Regulatory Affairs at (703) 907-5825 or ashley.slater@nreca.coop for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Matheson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jim Matheson
CEO, NRECA

NRECA's Priority DOE Actions

Support Completion of Electric Cooperative Projects Underway and Make Effective and Efficient Use of Remaining Infrastructure Funds for Grid Reliability and Resilience

Authority

Infrastructure Investment and Jobs Act (IIJA)

Description

The Grid Resilience and Innovation Partnerships Program (GRIP), the Energy Improvements in Rural and Remote Communities (ERA) program, and the Rural and Municipal Utility Advanced Cybersecurity Grant and Technical Assistance (RMUC) program are critical tools to enable further investment in reliability and resilience of electric cooperative systems and keeping costs down for their consumer-members. Each of these programs was funded via the IIJA and have multiple projects in execution as well as outstanding funds that could be awarded to the benefit of rural communities. For example, a grant to a consortium of electric cooperatives is improving the resiliency and reliability of their distribution grids by reducing the risk of utility-ignited wildfires and hardening these grids against wildfires.

NRECA Position

Without this funding to cooperative projects, these improvements to the reliability, resilience, and security of the grid in rural areas would not be possible or would take much longer to implement and would likely result in rate increases for consumers living on cooperative lines. These projects will improve electric system resilience and reduce the likelihood of outages, thereby improving the quality of life in these communities while also preparing the grid to serve skyrocketing demand.

Recommended Actions

- Maintain the funding for cooperative projects selected to date or now in execution to allow critical grid improvement projects to be completed.
- Issue funding opportunities for the remaining appropriated funds to their programs to enable more grid reliability and resilience projects on their systems, which will help address the National Energy Emergency declared by President Trump. This priority aligns with the language in section 3 of the Executive Order to “expedite the completion of all authorized and appropriated infrastructure, energy, environmental, and natural resources projects.”

Put Resource Adequacy and Reliability at the Center of DOE's Priorities for the Electric Sector

Authority

DOE is the designated sector risk management agency for the electric sector.

Description

DOE funds several programs and initiatives that impact the outlook for technologies available, in terms of commercial readiness and cost, to the electric sector to meet their resource adequacy needs. DOE issued [“The Future of Resource Adequacy” report](#) in April 2024 that examines the technologies and solutions available to meet resource adequacy needs for the electric grid.

NRECA Position

DOE's framing in the 2024 report was aspirational rather than grounded in the realities that cooperatives face. While electric cooperatives and other utilities are investing in a range of projects to meet their energy needs, DOE downplayed the complex challenges electric cooperatives face in adopting these technologies and strategies at the scale and on the timeline needed to avoid the looming electric reliability crisis.

Recommended Actions

- Reframe any initiatives addressing resource adequacy to focus on reliability, supporting the objectives of President Trump's Executive Orders. Specifically, it would align with the policy set forth in section 2 (c) of the "Unleashing American Energy" Executive Order "to protect the United States's economic and national security and military preparedness by ensuring that an abundant supply of reliable energy is readily accessible in every State and territory of the Nation." It also aligns with the directive in section 2 of the "Declaring a National Energy Emergency" Executive Order "to facilitate the identification, leasing, siting, production, transportation, refining, and generation of domestic energy resources, including, but not limited to, on Federal lands" as well as section 3 to "expedite the completion of all authorized and appropriated infrastructure, energy, environmental, and natural resources projects."

Maintain the Updated Energy Conservation Standard for Distribution Transformers, 89 Fed. Reg. 29,834 (April 22, 2024)

Authority

Energy Policy and Conservation Act

Description

DOE issued an updated energy conservation standard for distribution transformers in April 2024 that will take effect in 2029 and will move some of the market to using amorphous core transformers while allowing much of the market to utilize the existing core material, grain oriented electrical steel (GOES).

NRECA Position

DOE's final efficiency standard will help ensure a stable supply of distribution transformers to electric utilities and a continued domestic source of GOES for U.S. critical infrastructure.

Recommended Actions

- Maintain this standard to provide the certainty manufacturers need to ramp up production of distribution transformers to meet utility demand and meet the objectives laid out in President Trump's "Unleashing American Energy" Executive Order, specifically in section 2 (b) "to...strengthen supply chains for the United States and its allies, and reduce the global influence of malign and adversarial states" and section 2 (c) "to protect the United States's economic and national security and military preparedness by ensuring that an abundant supply of reliable energy is readily accessible in every State and territory of the Nation."

Support Domestic Manufacturing of Grid Components by Maintaining Selections to Date Under Qualifying Advanced Energy Credit (48C), 26 U.S.C. 48C(c)(1)

Authority

Established under American Recovery and Reinvestment Act of 2009; renewed and expanded under Inflation Reduction Act of 2022

Description

The 48C credit is a tax credit for investments in advanced energy projects, as defined in [26 U.S.C. 48C\(c\)\(1\)](#). Importantly, it allows for support of domestic manufacturing investments in grid components needed by utilities to operate and build reliable electric systems.

NRECA Position

Electric cooperatives and other utilities have been facing unprecedented challenges over the last few years securing basic equipment and materials they need to keep the lights on, with transformers being among the most difficult to procure on a reasonable timeframe. The selected projects thus far are critical to supporting new and expanded domestic manufacturing of important grid equipment, including large power transformers, distribution transformers, voltage regulators, circuit breakers, switchboards, panelboards, and other grid components. This equipment is important to the reliability of the grid, serving skyrocketing electric demand, and supporting economic growth in the communities that electric cooperatives serve.

Recommended Actions

- Continue implementing [48C selections](#) made to date (with Treasury) to support additional domestic manufacturing investments in critical grid components including transformers, which will support the objectives laid out in President Trump’s “Unleashing American Energy” Executive Order. Specifically, it would support section 2 (b) “to...strengthen supply chains for the United States and its allies, and reduce the global influence of malign and adversarial states” and section 2 (c) “to protect the United States’s economic and national security and military preparedness by ensuring that an abundant supply of reliable energy is readily accessible in every State and territory of the Nation.”

Revoke Memorandum of Understanding ([MOU](#)) on the Columbia River System, Lower Snake River Dams and Associated EIS and Other Studies, Actions, and Implementation

Authorities

Memorandum of Understanding regarding the Columbia River System between the United States and the National Wildlife Federation, the State of Oregon, the State of Washington, the Confederated Tribes and Bands of the Yakama Nation, the Confederated tribes of the Umatilla Indian Reservation, the Confederated Tribes of the Warm Springs Reservation of Oregon, and the Nez Perce Tribe pursuant to mediated discussions in the following legal actions *National Wildlife Federation v. National Marine Fisheries Service*, 3:01-cv-640-SI (D. Or.) (*NWF v. NMFS*), *Pacific Coast Federation of Fishermen’s Associations v. Bonneville Power Administration*, 20-73761 (9th Cir.) (*PCFFA v. BPA*), *Coeur d’Alene Tribe v. Bonneville Power Administration*, 20-73762 (9th Cir.), and *Spokane Tribe of Indians v. Bonneville Power Administration*, 20-73775 (9th Cir.)

Notice of Intent to Prepare a Supplemental Environmental Impact Statement for the Columbia River Systems, [89 Fed. Reg. 102,869](#) (Dec. 18, 2024).

Description

The Biden Administration irresponsibly prioritized the removal of the Lower Snake River Dams, which fuel the entire Pacific Northwest with carbon-free, reliable, affordable, and always readily available power. The U.S. Government entered into a secret Memorandum of Understanding with pro-dam breaching state and tribal stakeholders regarding the operation of the four Lower Snake River Dams in the Pacific Northwest in December 2023. The Agreement provides the tribes with millions of federal dollars to build and operate renewable “replacement” power so that the dams can be removed. It also requires that millions of dollars be spent on mitigation; studies with a predetermined, removal outcome; and other

actions that decrease the operational efficiency of the dams and build momentum for their removal. Electric cooperatives, and numerous other stakeholders in the region who depend upon the reliable, affordable, carbon-free power generated by the dams were not involved in this agreement nor notified of its existence until it was ratified. The Biden Administration also began a biased public process to invalidate the 2020 Environmental Impact Statement (EIS) on the river system, and to complete a new one with the goal of eventual dam breaching.

NRECA Position

NRECA opposes this MOU, which is a direct attack on the federal hydropower system in the Pacific Northwest. The cost of complying with this MOU – at billions of dollars – will be borne by electric cooperatives through increased rates with the Bonneville Power Administration, and by increased operational uncertainty. Should the dams be removed, the entire region faces the possibility of electricity blackouts and increased rates.

Recommended Actions

- Revoke this MOU, and the Biden Administration’s Notice of Intent to complete a new Supplemental EIS, which is an action consistent with the National Energy Emergency declared by President Trump. It would align with the objectives laid out in the “Declaring a National Energy Emergency” Executive Order, specifically within sections 2 and 3 to utilize emergency approvals and to expedite the delivery of energy infrastructure, respectively.
- To protect the economic value of the dams, begin a new EIS process with cooperatives, the Bonneville Power Administration, and other critical energy stakeholders at the table.

Coordinate Wildfire Preparedness Across U.S. Government

Authority

DOE is the designated sector risk management agency for the electric sector.

Description

Electric cooperatives serve 56% of the nation’s landmass and more public lands than any other type of utility. Our continued, reliable service of some of the most remote communities in the nation safeguards our national security, our economy, and our resilience. However, the nature of our service territories, and the thin operating margins inherent in our not-for-profit business model raises the risk profile of cooperatives from the existential threat of wildfire.

The U.S. Forest Service and the Bureau of Land Management require arduous and time-consuming permitting and approval processes for wildfire mitigation and grid hardening activities, including hazardous tree removal, and line undergrounding and pole replacement. Even creating an access point to conduct regular maintenance in our existing rights-of-way can require a full National Environmental Policy Act (NEPA) review. The agencies also are inconsistent both within their regions, and with one another, which makes operating multi-jurisdictional linear projects more challenging and uncertain. Their lack of efficiency, consistency, and responsiveness increases wildfire risk and jeopardizes electric reliability across the nation.

Liabilities associated with wildfire, including federal strict liabilities in the millions of dollars, even without fault on the part of the utility, further jeopardize cooperatives’ ability to reliably and affordably serve rural communities.

NRECA Position

NRECA supports efforts to expedite vegetation management, grid hardening, timber removal, and maintenance processes via the application of categorical exclusions, programmatic NEPA, and master use

permits; the creation of a federal insurance solution; and the elimination or reasonable limitation of strict and other liabilities for electric utilities recovering from wildfire events. NRECA supports the creation of a federal wildfire coordinator to ensure wildfire mitigation efforts across the Departments of the Interior and Agriculture are coordinated and consistent in support of a more resilient and reliable electric grid.

Recommended Actions

- Advocate for greater consistency in implementation of land management processes internally within both the Forest Service and the Bureau of Land Management, and externally between the two agencies, supporting the objectives of President Trump’s Executive Orders. In the “Unleashing American Energy” Executive Order, it would support the policy laid out in section 2. In the “Declaring a National Energy Emergency” Executive Order, it would align with section 2 (a) “to facilitate the identification, leasing, siting, production, transportation, refining, and generation of domestic energy resources, including, but not limited to, on Federal lands,” section 3 (a) “to facilitate the Nation’s energy supply, agencies shall identify and use all relevant lawful emergency and other authorities available to them to expedite the completion of all authorized and appropriated infrastructure, energy, environmental, and natural resources projects,” and section 3 (b) to protect the collective national and economic security of the United States, agencies shall identify and use all lawful emergency or other authorities available to them to facilitate the supply, refining, and transportation of energy in and through the West Coast of the United States, Northeast of the United States, and Alaska.”

Amend Approach in the Proposed Residential Disconnections Survey, 89 Fed. Reg. 51,882 (June 20, 2024)

Authority

Consolidated Appropriations Act, 2023

Description

The U.S. Energy Information Administration (EIA) is issuing a new annual survey (Form 112) to collect monthly data from electric and gas utilities on the number of final notices for nonpayment, disconnections, and reconnections they have issued. EIA intends to publish this information at the utility level (which goes beyond the statutory direction Congress provided).

NRECA Position

The data being collected in this survey will not provide an accurate picture of energy assistance need, the stated purpose of the survey.

Recommended Actions

- Aggregate the data at the state level to better align with informing Low-Income Home Energy Assistance Program (LIHEAP) allocations.