



Jim Matheson
Chief Executive Officer

September 13, 2021

The Honorable Frank Pallone
Chairman
House Committee on Energy and Commerce
2107 Rayburn House Office Building
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
House Committee on Energy and Commerce
1035 Longworth House Office Building
Washington, DC 20515

Dear Chairman Pallone and Ranking Member McMorris Rodgers,

On behalf of America's electric cooperatives, I write to express my serious concerns about the Clean Electricity Performance Program (CEPP), part of the Build Back Better Act currently under consideration. America's not-for-profit electric cooperatives deliver electricity to the most rural and vulnerable parts of America. As you consider legislation to incentivize the nation's transition to a lower-carbon energy future, it is imperative that you act to preserve access to reliable and affordable electricity for the 42 million electric cooperative consumer-members across the country who depend on the cooperative they own.

First, the CEPP's very narrow 10-year program implementation window is unrealistic. The electric co-ops we represent have existing contractual obligations and resource development plans that extend for several years, if not decades. Many of those plans anticipate continued deployment of a diverse set of affordable, clean electricity sources, but not all those plans align with the CEPP. That creates significant legal uncertainty for our members and disrupts the expectations of their communities. The narrow implementation window also limits our ability to take advantage of technologies like energy storage, carbon capture, or advanced nuclear, which are unlikely to be deployable in the near term.

Second, the clean energy targets specified in the bill are too aggressive. Our members work to respond to evolving consumer expectations, technological advancements and market changes while maintaining affordability and reliability. However, a year-over-year four percent increase in clean electricity deployment is not attainable for many of our members. Even if the performance grants in the CEPP could alleviate some of the economic pressures created by such an aggressive deployment, not all parts of the country are geographically well-suited to participate. In addition, we believe there are serious questions about whether the supply chain can support such rapid growth in solar and wind generation in the short time frame required in the CEPP's compliance window.

Third, the CEPP makes a significant mistake by requiring compliance on load serving entities. Many electric cooperatives are relatively small distribution entities that own little, if any, generation. Those co-ops have long-term relationships with generation providers to meet their power supply needs. Each of those individual load serving entities has its own unique set of economic considerations and contractual obligations that may or may not be accommodated by the narrow outlines of the CEPP.

We are committed to providing affordable, reliable, and responsible electricity. And we are concerned that the CEPP would jeopardize our ability to successfully meet the energy needs of our communities.

Thank you for considering our unique needs as you continue the budget reconciliation legislative process.

Sincerely,

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

Jim Matheson
NRECA