



**BASIN ELECTRIC
POWER COOPERATIVE**

A Touchstone Energy® Cooperative 

Government Relations Update

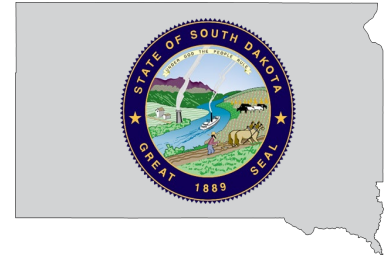
Tyler Hamman

States



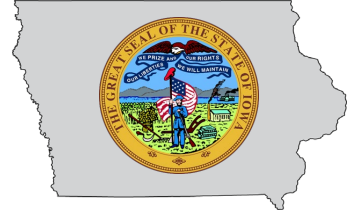
**BASIN ELECTRIC
POWER COOPERATIVE**
A Translata Energy Cooperative 

South Dakota



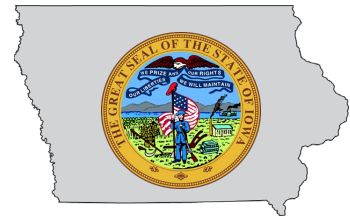
- Legislation:
 - Critical infrastructure protection bill introduced
 - Working to clarify that transmission lines and towers are included
 - Bill to require retrofit of Aircraft Detection Lighting Systems for all wind energy facilities by January 1, 2024
 - Negotiations continue with electric service territory legislation

Iowa



- Atmosphere of energy policy fatigue
- Wind Setback legislation - takes away local zoning authority over renewable projects of at least 25 MW total capacity
- Right of First Refusal (ROFR) legislation – would require incumbent utilities to have the option to construct any new transmission project that has been approved by an RTO
 - Provided feed back on RTO definition
 - No hearing set as of yet

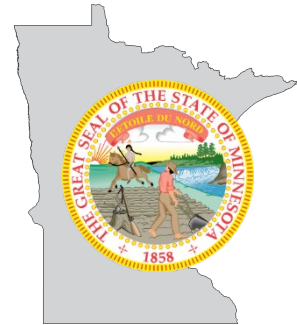
Iowa



- SOLAR Act - MidAmerican bill on fixed cost recovery (HF669/SF583) - has reached a deal with the opposition
 - Fixed cost recovery not addressed
 - Applies to IOUs only
 - Net Billing Method - credits on kwh/monthly cashed out at year end at avoided cost (current net metering policy)
 - Inflow/Outflow Method - utility credits in \$ hourly, can only offset volumetric charges not fixed, outflow credit forfeited to utility at year end
 - In 7 years a Value of Solar Study (VOSS) will come into effect and set the rate for each utility separately

Minnesota

- Clean Energy First legislation to be introduced and moved out of committee this week
 - Sponsors want to move to Senate floor quickly
 - Has been coined the “coal and gas forever” bill by environmentalists
- Other potential legislation:
 - 100% Clean Energy Standard
 - Repeal Optional IRP Statute



Montana

- Gov. Bullock's Climate Solutions Council:
 - One mtg. held, Dec. 2019
- MT Statewide represents co-ops on the Council
- Draft Recommendations released this week
 - Comments due March 31



Wyoming

- Legislative Session starts on Feb. 10
 - Meets 22 days (have 24)
 - Nothing of interest as of yet



Federal Issues



**BASIN ELECTRIC
POWER COOPERATIVE**
A Transchote Energy Cooperative 

ACE Rule Update

- No states have begun implementation yet - SIPs due to EPA July 8, 2022
- DC Circuit likely to hear case sometime this fall
- Some discussion of an early ACE SIP for Dry Fork
 - Intent would be to help with defense of rule in court - i.e., more difficult for court to strike down all or parts of rule if states are already implementing
 - Questionable that partial SIP would provide legal defense of rule
 - Limited expectation of any “grandfathering” of DFS from future CO₂ regulation
 - Likely any expedited approved SIP would be litigated - requiring time and money
 - **More risk than benefit**

FERC

- Bernard McNamee will not run for another term
 - Will stay “as-needed” to maintain a quorum
- James Danly is still not confirmed
 - Nominated/approved by Senate Energy and Natural Resources Committee, never received full Senate vote
 - Must be re-nominated and receive Senate committee approval, but no hearing - full Senate vote
- 3 seats will need to be filled:
 - 2 Republican
 - 1 Democrat



CLEAN Future Act

- House Energy and Commerce Democrats have released the “Climate Leadership and Environmental Action for our Nation’s Future Act”
 - 622-page legislation
- Adopts economy-wide goal of achieving 100 percent net-zero GHG emissions by 2050
- Proposes Clean Energy Standard for power sector

**E&C LEADERS RELEASE FRAMEWORK OF THE
CLEAN FUTURE ACT, A BOLD NEW PLAN TO
ACHIEVE A 100 PERCENT CLEAN ECONOMY BY
2050**

Jan 8, 2020 | Press Release

Details Deep Decarbonization Strategies for Each Sector of the U.S. Economy within Committee’s Jurisdiction, and Novel Concepts for Achieving Nationwide Net-Zero Greenhouse Gas Pollution

45Q

- December 30 - Treasury sent interim guidance to Office of Management and Budget for Review
 - Expected any day
- Guidance intended to give some certainty for developers to begin projects
- Still expect IRS to begin more substantive rulemaking
 - Likely go through Q2-Q3 of this year



USE IT Act

- House Energy and Commerce Subcommittee hearing on H.R. 1166 - USE IT Act
 - Introduced by Rep. Scott Peters (D-CA)
 - Identical to Barrasso legislation
- Jason Begger, Executive Director of the Wyoming Infrastructure Authority testified in support
 - ***“WIA’s largest current project is the Wyoming Integrated Test Center, which is a private/public partnership between the State of Wyoming, Basin Electric Power Cooperative, Tri-State Transmission and Generation Association and the National Rural Electric Cooperatives Association (NRECA).”***



Year-End Tax Package

- \$1.4 trillion package funds Federal Government through September 30, 2020
- Tax/legislative provisions included:
 - One-year extension of wind PTC (at 2018, 60% level)
 - Retroactively extends biodiesel tax credit from EOY 2017 to EOY 2022
 - RURAL Act
 - Ensures govt. funding does not affect a co-op's tax-exempt status
 - Fix for pension premiums paid by cooperatives
 - Repeals “Cadillac Tax” on health benefits

Questions

