

NATIONAL UPDATE

RUS Loan Repricing Legislation Introduced

Members of Congress introduced a bipartisan bill this week in both the House and Senate that could save electric cooperatives more than \$10 billion by allowing the repricing of loans from the Rural Utilities Service at current low interest rates. The Flexible Financing for Rural America Act allows co-ops to receive rate adjustments on their existing RUS loans simply by asking the U.S. Department of Agriculture within 180 days of the bill's enactment. The Flexible Financing for Rural America Act would waive any prepayment penalties normally associated with refinancing. Based on current interest rates, NRECA estimates that co-ops could realize a net savings of \$10.1 billion from repricing \$42 billion of direct and guaranteed RUS loans held by about 500 co-ops. For CIPCO, a reduction in interest to current rates could result in a \$32 million savings over the life of the loans.

Court Rules Dakota Access Pipeline Must Be Emptied for Now: Appeals Court Temporarily Halts Shutdown

A federal judge has ruled that the controversial Dakota Access Pipeline must be emptied for now while the Army Corps of Engineers produces an environmental review. U.S. District Judge James Boasberg said that it was clear shutting down the pipeline will cause disruption. But he said that "the seriousness of the Corps' deficiencies outweighs the negative effects of halting the oil flow" during the estimated 13 months it will take to complete the environmental impact statement. The court vacated the Corps' decision to grant federal approval for the project and will require the pipeline to be emptied within 30 days. At a later hearing, the U.S. Court of Appeals for the District of Columbia Circuit issued an administrative stay of the judge's order. The stay will remain in place until the appeals court rules on whether developer Energy Transfer can keep oil flowing while the court decides its appeal of the shutdown order.

America's Power industry Touts FERC's Final PURPA Ruling

America's power providers commended action on by the Federal Energy Regulatory Commission (FERC) to update rules and regulations implementing the Public Utility Regulatory Policies Act of 1978 (PURPA), an outdated federal law enacted to promote competition for electric generation and encourage renewable resources. PURPA had required investor-owned electric companies, public power utilities and electric cooperatives to purchase energy from QFs at prices that often exceeded the market. Jim Matheson, CEO at the National Rural Electric Cooperative Association, which represents the nation's more than 900 private, not-for-profit, consumer-owned electric cooperatives serving 42 million people in 48 states, called FERC's decision a pivotal step toward enabling electric cooperatives to continue developing renewable resources as they focus on their consumer-members instead of an outdated policy. Tom Rutigliano, an advocate in the Sustainable FERC Project, which is housed at the Natural Resources Defense Council (NRDC), said the PURPA changes threaten to undercut small wind, solar and other clean energy sources, and could lead to more pollution by propping up fossil fuel power plants.

STATE UPDATE

Right of First Refusal (ROFR) Becomes Law

Governor Reynolds signed HF 2643, an omnibus budget bill that contained the ROFR language. Per bill language, the law took effect on July 1.

The IUB Begins Work on Establishing a New Rules Chapter for Cooperatives and Municipals

Earlier in the month, the IUB initiated a rule making to establish a new code chapter, specifically geared towards cooperatives and municipals, to clear up some of the confusion of rule applicability in the existing Chapter 20. The Board hosted a workshop this week to begin receiving comments on the new Chapter 27, of which the Iowa Association of Electric Cooperatives and the Iowa Municipal Association worked together to submit joint comments on the Board's initial recommendation for the new chapter. The next step in the process will be a formal comment period.

IEDA Announces COVID-19 Small Business Utility Disruption Prevention Program

The Iowa Economic Development Authority (IEDA) announced the launch of the new Small Business Utility Disruption Prevention Program. The program will provide short-term relief to eligible small businesses and nonprofits that faced significant hardship in the payment of utility bills for service provided during the months of disruption to their business due to the COVID-19 pandemic. The program offers grants up to \$7,500 to be applied to utility bill debt for eligible small businesses. A funding allocation of \$14.5 million from the CARES Act is available to IEDA for this initiative. Assistance will be awarded based on application completeness and eligibility until all funds have been exhausted. Questions regarding the Small Business Utility Disruption Prevention Program can be submitted via email to energyrecovery@iowaeda.com or by phone at 1.855.300.2342.

Consumer Price Index

Month	Seasonally Adjusted Change from Previous Month
June 2020	0.6%
May 2020	-0.1%
April 2020	-0.8%
March 2020	-0.4%
February 2020	0.1%
January 2020	0.1%
Unadjusted Rolling 12 Month Average: 0.6%	