

# Striking a position



Basin Electric, cooperatives seeking a **“Balanced Solution”** to climate change



By Mary Klecker-Green

**C**ooperatives across the country are striking out to find a balanced solution to climate change.

Joining this effort is Basin Electric and the membership. The cooperative is taking steps in the legislative and communications arenas to properly position cooperatives in the climate change legislative debate.

## “Find a Balanced Solution” is born

As Congress considers climate change legislation, cooperatives have developed an advertising campaign to augment and support the National Rural Electric Cooperative Association’s “Our Energy, Our Future” grassroots campaign.



Mike Eggl

of External Relations and Communications. “Basin Electric

“Our intent is to build awareness and soften the ground as we enter into climate bill discussions,” says Mike Eggl, Basin Electric senior vice president

supports reasonable climate change legislation. But, we want legislation that will benefit our environment without hurting an economically strained country. Further, we want to be proactive, and not be in a situation we were in last year. In short, we need a balanced solution.”

In June of 2008, Congress voted on – and ultimately defeated – the Lieberman-Warner Climate Security Act of 2008.

“I was surprised at how fast that bill moved through Congress,” Eggl says. “It would have been detrimental to not only our rural electric consumers, but to our nation’s economy.”

In response, Basin Electric – along with other utilities – hastily developed individual ad campaigns. “Although they were helpful, I didn’t like being in that situation,” Eggl says. “We needed a united approach as cooperatives – from both legislative and communications standpoints – and we needed to be proactive.”

That was then. Today, Basin Electric, together with several other generation and transmission (G&T) cooperatives across the country, has launched the communications campaign, “Find a Balanced Solution,” while the cooperative’s membership has crafted a legislative blueprint from which to work.

“Find A Balanced Solution” grew from a communications campaign launched by North Carolina EMC.

“We had been extremely active in the ‘Our Energy, Our Future’ campaign, but our board expressed the desire for a more proactive, assertive effort that

included education components,” says Jane Pritchard, North Carolina EMC director of corporate communications.

“The concept for ‘Find A Balanced Solution’ was launched early in 2009. Interest from other states came

about through conversations with peers across the country, particularly in the Southeast and Midwest. Once they heard about our goals with the program, they expressed a desire to get on the bandwagon.”

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Mike Eggl, Basin Electric



Floyd Robb

“We felt they (North Carolina EMC) had a good foundation set,” says Floyd Robb, Basin Electric vice president of communications and marketing

support. “We shared common goals, and with our production capabilities, we knew we could bring some great ad concepts to the table.”

As more cooperatives across the country joined the effort, a working group began brainstorming Web site development and ad concepts.

“We developed ad storyboards and collectively agreed to a couple concepts, and we went ahead and produced them,” Robb said.

Today, Find A Balanced Solution is a multi-state, multi-

cooperative effort. The campaign includes an informative Web site and a series of print, radio and television advertisements. The Web site is customizable according to state, and the ad messages range from soft – designed to create awareness – to strong – intended to spur action.

“Every state and cooperative has a unique situation,” Eggl says. “Some may call for stronger ads. Some may not. The goal is to have ads available should we need them. These ads are available to interested cooperatives. They can be tagged according to their wishes.”

Pritchard and Eggl presented “Find a Balanced Solution” in June to the G&T Communicators meeting at NRECA, Arlington, VA. “The presentation went well.

We received many questions and piqued interest,” Eggl says.

“Since then, many of our member cooperatives have started requesting the ads,” Robb adds. “Others are participating in the program through a presence on [www.findabalancedsolution.com](http://www.findabalancedsolution.com), although they aren’t advertising yet; they’re taking a wait-and-see approach – only using the ads if they need to.”

“We’re finding that a united communications campaign allows cooperatives and their members to deliver consistent messages to their elected officials, and to do so in great numbers,” Pritchard says. “We know that well-conceived and coordinated grassroots efforts can have an enormous impact on policy decisions.”

Currently, statewide rural electric

organizations and G&Ts in 13 states are participating in the program. Cooperatives interested in joining the campaign or running ads can contact Floyd Robb at 701-557-5607 or [frobb@bepc.com](mailto:frobb@bepc.com).

### A united legislative blueprint

In May, Eggl established a climate change working group, consisting of Class A members and statewide rural electric cooperative organizations. “The purpose of this group was to come to agreement on elements we believe should be included in any climate change legislation. We’ve had weekly calls and have developed a position paper,” Eggl says. “I’m pleased with how this process has worked. Not only has it unified the cooperative message, but

it’s put us in a proactive position. We can all work from this paper within our states to tell opinion leaders just what it is that we support,” Eggl says.

### Components of the legislative position paper include:

#### Energy Technology Fund

An energy technology fund would finance research, development and demonstration of carbon capture projects to speed commercialization of the technology. Project development should begin as soon as funding is made available, and the cap-and-trade targets should match the technology to help minimize the cost to the end consumer.

#### Cap

The national greenhouse gas cap should start at the 2005 level, but emissions reductions should be delayed for five years after the enactment of the bill to allow all regulatory agencies the time to develop the implementation rules. The cap should then be reduced by one percent per year until 2030.

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In 2031 through 2050, reduce the cap by 3 percent per year. This will result in a 75 percent reduction in greenhouse gas emissions from the 2005 level. The cap and its effect on the economy need to be reviewed on a regular basis in case changes need to be made.

### **Allowance Allocations**

All sectors that emit greenhouse gases should be included, and allowances should be allocated, rather than auctioned, to those sectors to protect consumers to the maximum extent possible.

### **Price Cap**

To minimize runaway carbon dioxide (CO<sub>2</sub>) prices, costs should be capped at \$15/metric ton of CO<sub>2</sub> for 2016 and increase the price by the rate of inflation not to exceed five percent per year.

### **National, Not State Regulation**

A single, national program to limit greenhouse gas emissions should be developed, instead of many disparate state or regional programs.

### **Offset Credits**

Provide for the unlimited use of domestic and limited international offset credits to meet compliance targets. Offsets are different than allowances, in that they are equivalent reductions of CO<sub>2</sub> in the atmosphere achieved through a variety of methods such as no-till agriculture, tree planting or any other project that removes CO<sub>2</sub> from the atmosphere.

### **Bonus Allowances**

Provide a bonus for the first projects that capture and sequester CO<sub>2</sub> by retrofitting an existing facility or building a new generation facility that

captures CO<sub>2</sub>. This will encourage early technology development.

### **New Facilities**

If an emissions baseline is used to calculate the allocation of allowances, it should be structured to new coal-based generation, particularly for companies that have been planning and constructing plants in recent years. In general, any plant “initially permitted” prior to enactment shall qualify as long as the plant is constructed and operational by 2020.

### **Allowance Market**

For any allowance that is auctioned, the market should be restricted to only those domestic entities that either need to purchase allowances to support their operations or are in the business of creating emission credits. This should lead to more price certainty and eliminate market volatility that may be caused by pure financial speculators.

### **Early Action Credits**

Many entities have been capturing or reducing CO<sub>2</sub> emissions voluntarily for years. These early adopters should receive credit for efforts they made in reducing, avoiding or sequestering greenhouse gases before legislation was enacted.

### **Great Plains Synfuels Plant**

The Great Plains Synfuels Plant, as a regulated entity, should receive equal treatment with other industrial facilities when it comes to emission allowance allocations.

### **International Reductions in Industrial Emissions**

Any bill should protect international competitiveness of the United States.

The provisions should require trading partners to reduce their CO<sub>2</sub> emissions by adopting their own cap-and-trade program or purchasing carbon credits to sell their products in the United States. If the rest of the world does not follow the United States’ lead in reducing CO<sub>2</sub> emissions, then the U.S. cap-and-trade program needs to be reconsidered.

## **The future**

The U.S. House of Representatives narrowly passed its version of a climate change bill June 26 by a vote of 219-

212. The American Clean Energy and Security Act, also referred to as the Waxman-Markey bill, includes a cap-and-trade system to reduce emissions and a renewable energy

standard that would require the United States to get a certain percentage of its energy from renewable sources and through energy efficiency. The U.S. Senate is considering its own version of the bill and has already held several Senate committee hearings.

The Senate Environment and Public Works Committee plans to release its version of a climate change bill in mid to late September. Until then, the Basin Electric membership and National Rural Electric Cooperative Association continue dialogues with members of Congress.

“We hope that this can offer a better path than potential regulation by the U.S. Environmental Protection Agency,” Eggl says. “It is our hope that a well-balanced, well-considered climate change bill comes out of this process – one that will benefit our environment without hurting our rural electric consumers. With time and technology development, I believe we can find a balanced solution.”

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*Mike Eggl, Basin Electric*