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Rural Montana

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VIEWPOINT

Dave Wheelihan

Addressing co-op issues in Bush budget



The Bush administration recently sent Congress a 2.77 trillion dollar budget proposal, and it appears it's somewhat of a mixed bag for electric cooperatives.

On the plus side, the budget calls for a slight increase in funding for the Rural Utilities Services loan program. This is consistent with the Energy Policy Act of 2005, which consistently recognized that electric cooperatives provide reliable service to their members. Increasing the loan levels will help electric cooperatives maintain and improve critical infrastructure that supports the nation's power grid.

Funding for the Federal Emergency Management Agency was also increased by \$300 million. Electric cooperatives access FEMA funding to rebuild systems damaged by natural disasters. However, the budget doesn't specify what amount would be available for the public assistance program.

Congress appears to be unhappy with FEMA's response to recent natural disasters, and we may see pressure to change or dismantle the agency.

Some functions of FEMA have already been moved to the Homeland

Security Department.

On the downside, the administration budget proposal calls on the Bonneville Power Administration to take revenues in excess of \$500 million and pay down BPA debt instead of using those funds for rate stability.

Many in the Northwest are concerned that if this were to happen, it would set precedent to administratively allow BPA revenues to be diverted elsewhere. Northwest Senators panned the proposal in a recent hearing of the Senate Energy and Natural Resources Committee, and Energy Secretary Samuel Bodman gave the committee assurances that no actions would be taken without discussions with the Northwest delegation.

There are numerous other pieces to the federal budget that also affect electric cooperatives, including clean energy funding, nuclear waste disposal, Power Marketing Administration funding and the Low Income Home Energy Assistance Program. We will be working closely with our regional and national partners on the issues of importance to electric cooperatives as the budget process moves forward.

Dave Wheelihan is CEO of the Montana Electric Cooperatives' Association

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