

Rachel Johnson (00:06):

[inaudible] welcome to co-op energy talk. I'm Rachel Johnson, the member relations manager here at Cherryland electric cooperative. I'm not sure if you've heard, but a few weeks ago we had a national election. As a result of that election. This coming January, we will be welcoming both a new president and the largest incoming new congressional class in history. Uh, and that new Congress, regardless of who wins with the majority in the Senate is still going to have very, very tight margins. So it's going to be a really interesting to watch both the president elect Biden's administration, and also Congress have to work together to try and get things done. All of this has the potential to impact electric cooperatives through both new legislation and regulation. So Tony and I sat down with Louis Finkel, who is the senior vice president of government relations for the national rural electric cooperative association, and kind of picked his brain to figure out what he thinks we can expect in terms of legislation and regulation, and more importantly, how we can continue to protect the interest of the consumer members we serve.

Rachel Johnson (01:11):

So listen in as we, uh, we get Louis's take on this election and what it's going to mean for us, Louis, thank you so much for joining us today. I, uh, actually I was just thinking that today it's December 1st, it is exactly four weeks since the election. So, uh, clearly still kind of front of mind is what will be the impact of our most recent election on America's electric cooperatives. And I thought we would maybe dive in first by talking about the Biden administration and kind of what your predictions are for what we'll see for priorities there. Um, there's been a lot of speculation that climate change is, uh, is a top priority for the administration. And I just am kind of wondering what sort of energy and climate policies do you anticipate we'll see under the Biden administration?

Louis Finkel (01:54):

Well, Rachel, that's a, that's a long opening, so I'll try to keep it tight. Um, you know, I think first and foremost, um, in terms of the Biden administration's priorities, it's important to understand what he has to do in that first kind of hundred days. And the first thing he's got to do is he's got to create an assemble his government and over the last four weeks over, you know, a nice interval we've watched and listened to, uh, he, to, to, uh, vice president, to president of like Biden, excuse me, bringing forward who he intends to nominate for different cabinet posts, uh, and who's going to lead his white house staff. Um, but the cabinet post requires Senate confirmation. And so first and foremost, I expect that that the Biden ministration is going to be really, really focused on getting their cabinet secretaries confirmed and move through the United States Senate.

Louis Finkel (02:50):

Usually that's not a huge issue, but I think that in a really polarized political environment, I think without question, we're going to see after, uh, concurrent with trying to address the assembling of his government. I think there are two initial priorities and this kind of ties a little bit in, on energy and climate related activity and it's to deal with the health crisis and deal with the economic crisis. And in that context, I think first and foremost, there are a whole range of issues as, uh, you know, utilities as critical infrastructure that we're going to have to address. There's, we're starting to hear that there are shortages of testing again, in, especially in rural communities, served by electric cooperatives, a lot of the personal protective equipment that we had gotten at the early stages of the pandemic. We're starting to kind of move through the supply and we're we're, I think there's growing concern that the supply chain has started to shrink again and we need more production.

Louis Finkel ([03:51](#)):

And then there is the bringing forward to the vaccine. And one of the areas that we are very focused on advocating to both the current administration, the incoming administration and Congress is making sure that critical infrastructure workforce, the workforce that keeps the lights on of the, that works with our electric cooperatives around the country are in that early phase of having access to the vaccine. So we can continue to do the jobs that we do the next step. I think for the Biden administration is to deal with the economic crisis. And again, I don't think this is going to happen in a stepped process. I think it's going to happen concurrently with assemble the government deal with the health crisis, but deal with the economic crisis. And that is the context by which I think will be the first early steps of trying to address energy and climate. I think as part of their economic stimulus efforts, there will definitely be an eye toward investment in energy infrastructure and energy technology, both deployment and development.

Tony Anderson ([04:51](#)):

Okay. There's also a lot of talk about, uh, the Paris climate agreement, as everybody knows. Trump took us out of that. And as everybody knows, we expect Biden to put us back into that. What does that mean? What are, what is the impact of us rejoining the Paris climate agreement?

Louis Finkel ([05:10](#)):

Well, it's funny, it's, it's a really interesting question. And frankly, I think we don't quite know yet, and here's why I frame it that way. So by virtue of where the marketplace was already moving, and frankly, one of the kind of, I don't want to call it an unintended consequence, but one of the impacts of the pandemic is that our carbon emissions on a national level are way down. And in a lot of ways, we have actually just about met the climate, the, uh, carbon emissions benchmarks that were in place for the United States in the Paris agreement already. We were already there, we're already on track. So our carbon emissions between the, to a cheap, natural gas between some utilities around the country, making decisions to fuel switch. And frankly, over the last nine months, the reduction in miles driven by cars has dramatically reduced our carbon emissions on a national level.

Louis Finkel ([06:15](#)):

And so in a lot of ways we've already hit those benchmarks. Now the, where that becomes complicated is as we reenter the Paris agreement, does that reopen the conversation for them to have a refreshed Paris agreement and what they'll call it? I don't know, but will they go back, will international partners go back and say, okay, it looks like global carbon emissions via a lot of the participants are starting to come down. Do we need to ratchet it up? Now, I fully expect that will be the push from the environmental community that wants to accelerate. And it's a really interesting evolution that we've watched over the last several years between the clean power plan and the climate and the Paris accord that originated during the Obama era. Uh, and Trump pulled us away from both of those. Um, but we've already started meeting the benchmarks because the marketplace moved in that direction. Um, the conversation was let's reduce carbon emissions. Now the environmental community has kind of pivoted in a lot of ways too. Let's move towards a zero carbon emissions economy by a date certain, and there's lots of different dates that get floated out there at 2035, 2050 being two of the more prominent ones. But I, you know, I expect that we'll continue to see pressure to reduce carbon emissions, um, either by the market or by government, whether it's through regulation, um, but less likely through, uh, through legislation.

Rachel Johnson ([07:47](#)):

You kind of answered my next question, but I will just throw it out there in case you want to speculate, because I think that is a really, you talked about kind of this back and forth of, we had this carp carbon package under Obama, Trump rolled back a lot of those regulations. Does Biden come in and just kind of reinstate the Obama era regulations? Or do you see anything new that you think he would do with, with regulating carbon?

Louis Finkel ([08:11](#)):

Well, I think the first piece is that, you know, CPP was unrolled and a lot of it was tossed by the courts. And so I think that I, my expectation, let me, let me start with kind of the lessons learned by the aggressive proponents of, of, of dramatic carbon reductions is I think they learned a lot, uh, during the eight years of Obama, whether it was Congress's, um, aggressive efforts to legislate and then their failure to do so, which then resulted in a, a regulatory solution to reduce carbon emissions and the entrance into Paris. Uh, and then, you know, uh, president getting elected and rolling back those regulations. Um, I, I think that the environmental community, the, those that are aggressive proponents for, uh, dramatic carbon emissions, uh, learned from their experience before and will not make the same mistakes again.

Louis Finkel ([09:11](#)):

Now that now that said, uh, where we started this conversation was that, uh, the president elect Biden has to assemble his government. And that means he's got to get an EPA administrator confirmed, the secretary of energy, confirmed a secretary of commerce who manages Noah confirmed. I think that it is, it would be very difficult for him to roll out regulations, uh, way too early, because I think it could put some of his cabinet posts, the cabinet nominations in peril, so that I think that's the first piece. The second piece that's really worth noting is, and, and is, you know, the 2020 election, which was four weeks ago was really a split decision by the American people that they elected a Democrat, so switched parties for the presidency, but the democratic party lost seats in the house. And it looks like it's, you know, either a 50, 50 split or, um, a two seat majority for the Republicans in the Senate.

Louis Finkel ([10:14](#)):

And so what does that tell us? Um, and I, I'm not speculating on what it tells us about what the electorate's disposition was, but that's one of the most narrowly divided governments we've ever had. So you're, we're looking at probably someplace between a four to six seat majority for the Democrats in the house of representatives and either a 50, 50 Senate or a two seat majority for the Republicans. What that means is there's going to be a law. It's going to be really difficult to legislate, to begin with. And if the Biden administration moves early on really aggressive regulations in a range of areas, but especially in the environmental and carbon space, it could put some of his aspirations, whether it's on economic stimulus or cabinet secretaries confirmed in jeopardy. And so I do think they will take some early steps. I think there are some executive orders that they will likely move on that will impact the federal government specifically, whether it's energy efficient buildings or purchase of, of power from more clean sources by a date, certain for the federal government, um, electrifying the federal fleet. I think there are things that a Biden administration can do quickly, um, that will reduce the carbon emissions. But I think that, um, it's reasonable to believe that they will not be as quickly aggressive to regulate carbon emissions from the economy writ large because of their broader agenda objectives.

Rachel Johnson ([11:44](#)):

Yeah, that totally makes sense. And it kind of is a nice opportunity for us to transition, to kind of looking at the incoming, um, Congress. So you, the, you, you mentioned this, we have a very narrow margins, no matter what happens with some of the remaining seats, but we also have a record new incoming class. And so I wonder if you could just talk about what is strategy is for helping to introduce co-ops to our, our new congressional delegations,

Louis Finkel ([12:14](#)):

Rachel that's one of the most important things we think about on an ongoing basis. Um, you know, first it's, it, it is a very large class, um, with at least 67 or so new members of Congress. Now, some of them arguably are folks that we know already because there were members of the house of representatives that ran for seats in the us Senate and are now senators that we already were working with closely. But, uh, for a lot of, especially these members of the house, this is their first time in federally elected office. And though some of them may have relationships with their co-ops in their communities, by virtue of being a part of the community, being a mem, a member owner of a co-op being in elected office at the local or state level. Um, a lot of them really are going to need an introduction into who we are and what we stand for and what is most important to us.

Louis Finkel ([13:05](#)):

And so something that we've, that we as NRCA have worked with our members around the country and our statewide around the country on is a co-op one-on-one presentation that we initiated probably four years ago and use every two years with a new class. And we've kind of gone back in and refined that co-op one Oh one to be more relevant to the current dynamics we're in. Um, but it's hard to do that right now. It used to just be that we would schedule an appointment, whether it was in the district office at home or in the congressional office in Washington. And we'd go in collectively as a group, um, NRCA with our member co-ops and, uh, and our statewide, uh, with eight or 10 people introduce who we are and what we believe in to the members of Congress and start building that relationship, um, in this COVID virtual environment, it makes it a little more difficult.

Louis Finkel ([13:57](#)):

And so, whereas we used to do a lot of that in January. We've gotten off to a start with it right now. Um, we, as soon as the election ended, we started re started dialogue with our members around the country that, um, are in these congressional seats where they have a newly elected member of Congress. We're in these States where we have a new Senator and we're starting to schedule these virtual meetings with them to really introduce them. The most important piece is not for NRCA to be the kind of tip of the spear for those conversations. We will build the content we will coordinate. We will be a part of the conversation. The critical piece of this is connecting our local cooperatives with their elected officials. It's building on that long history of our cooperatives, engaging with our government to make sure we carry our voice and carry the voice of our community. So we are starting that now, and we will see through every single, newly elected, hopefully January before they're seated. Um, and if we don't have, if we haven't gotten to any of them, we surely will get to them before inauguration day and on January 20th. Um, and then we'll continue to engage with them and carry to them the important messages about what we care about and what is most important to, for our co-op, or it is to provide affordable, reliable power to the communities that they serve.

Tony Anderson ([15:16](#)):

If the elections showed us one thing, it showed us how deeply divided the country as an electric co-ops they serve in 48 of the 50 States, red States, blue States, we serve in every state. How does this deep division, how is that going to impact our lobbying efforts in DC?

Louis Finkel ([15:33](#)):

Well, let me, let me address that in two different ways, Tony, uh, first is in a deeply divided country with a narrowly divided Congress. It is hard to get things done. It is hard for them to move legislation. It is hard for them to, to, to reach agreement. And so, um, it, it, and we've watched that over the last, uh, over the last two, four, six, eight years, where Congress has not done a lot of big things, because it's just too tough to get past some of the partisan divides. Now that all said in this narrowly divided work environment we're made for this, we work with members on both sides of the aisle. We build bipartisan coalitions around our priorities. And to the point you make Tony, we don't care about red States, blue States, Republicans, Democrats. We're going to talk to whatever government officials, whatever policy makers are in office and represent the communities we serve.

Louis Finkel ([16:30](#)):

And we're going to share with them what's most important. And let me, let me offer two kind of real-world examples of how we do this, whether in 2019 with the rural act, which was to protect our tax exempt status, we built a coalition of 316 members of the house of representatives bi-partisan. And in the Senate, we built a coalition of 57 members of the Senate, more than half the Senate, well, more than half the house to support our priority, to protect our tax exempt status. And in this calendar year, during our, uh, efforts to, um, realize COVID relief, we've again built bipartisan coalitions with, you know, a hundred or so members of the house that are bipartisan split. Co-sponsoring our, our legislation to reprice our Rus debt. And we have a bipartisan coalition in the Senate. And that's our approach. This is, is to rise above the partisan divides, find common sense solutions to what is needed for our cooperatives to, to strive and thrive in and serve the communities that we, that we live in. And that we provide power to and not get caught up in the partisan rancor. Now that said it, even when you build these strong bi-partisan coalitions, it's still hard to get things over the finish line. And it requires that sustained commitment to engagement, uh, and dialogue with our, with our representatives in Congress, uh, to tell them why this is important and how it affects the communities we serve.

Rachel Johnson ([17:57](#)):

Um, uh, I want to talk a little bit more about bi-partisan opportunities, but for some someone to put in a shameless plug for our political action committee acre, because it is a way that both our employees and our member owners can help us build those ongoing relationships. Cherryland, um, has, uh, about 300 acre members, including our, um, consumer members who contribute. And, and that's all a part of how we start building relationships with our congressional delegation, so that then when they get to DC and you go meet with them, they have already got a relationship to their co-op back home. So for those listeners out there who want to be a part of that, please keep in mind that we, um, we do have a very strong grassroots bipartisan political action committee through acre.

Louis Finkel ([18:37](#)):

Explain what our average acre donation is. So many people think of a PAC is big money, big checks. Ours is not no. So acre, uh, has 36,000 donors around the cooperative community across the country, and the average, uh, uh, contribution to the pack from people like you, the \$65. Um, and it's really [inaudible] to that point, that Tony makes about the difference between a big, bad corporate pack, which is funded by

the, by the executive offices with large contributions. The fact that's not who we are. We're a truly a grassroots pack that's funded by our communities around the country. And that pack gives us a great tool in our advocacy. It really allows us to give contributions and say, thank you to those elected officials that support the important public policy issues that are important to electric cooperatives.

Rachel Johnson ([19:38](#)):

Absolutely. And it's, and, and I it's a volume game too, because when we sit down with an elected officials, not just about the, it's not really even about the check at saying there's 300 or 36,000 or however many peop people who are in your district behind this. And I think that's really powerful. So you talked about how our real strength in our lobbying is building bipartisan coalitions. When you look out over the next couple of years, what bipartisan legislative opportunities do you see?

Louis Finkel ([20:03](#)):

Well, I think that in this first traunch, especially in this first hundred days, this economic stimulus is going to have to be bipartisan. Um, there, it's just going to be too tough to get it done without some semblance of bipartisan agreement. And, you know, we're going to continue to press for our priorities in that, but the other big piece. And it's unclear whether or not it will be a part of the economic stimulus or whether or not it run it on its own track will be, uh, investments in infrastructure, you know, for the better part of 10 years, whether it was president Obama or president Trump, whether it was Democrats or Republicans in Congress, we've heard, bi-partisan talk about, we've got to reinvest in our country and invest in our infrastructure and what for, for me, you know, that's not road, just roads and bridges, and that's important, but it's investment in our energy infrastructure.

Louis Finkel ([20:53](#)):

It's, um, dealing with it. It's putting money back into our electric grid to ensure that, that it is resilient, um, to make investments in broadband to ensure that every community in the country, whether urban, rural, suburban has access to high speed internet. And if we've learned nothing during the pandemic, we've learned that we've got to have access to, uh, to the, uh, to the, uh, high-speed internet tools that allow us to educate our children, connect with our doctors and do the work that we do every day. And so, without question, I think that that is one of the places that there will definitely be a strong effort, uh, uh, in a bipartisan way to try to find common ground and move forward. And, um, for us, there's a ton of opportunities there, um, not just on the electric grid and broadband, but, you know, as we have this continued growing evolution to expanded use of electric vehicles, how do we have, how do we deploy that infrastructure?

Louis Finkel ([21:56](#)):

How do we make sure that those, that electric infrastructure electric vehicle infrastructure is not only in big cities and densely populated areas, but in rural communities, um, you know, our electric cooperatives, um, you know, reside along many of the interstate highways where you're going to need to have charging stations. We provide power to a lot of those rest stops along those interstate highways. You know, when people start getting back to normal and moving around the country again, and they start buying more electric vehicles, we are the solution to ensuring that that, that our electric vehicles can charge overnight or get a rapid charge while folks are grabbing lunch. And so I think that there's great opportunities and there's been bipartisan, there's been bipartisan agreement legislation and both the house and the Senate that really allows us as electric cooperatives and tap into federal programs,

um, and, and start deploying that infrastructure to kind of accept and, and expand the footprint of electric vehicles, which is clearly being driven by a lot of consumer demand.

Tony Anderson ([22:56](#)):

Do you think the tax credits for, uh, EVs electric vehicles will be extended?

Louis Finkel ([23:02](#)):

Yeah, Tony, I think it's a great question. I think that as a part of this conversation about deployment of, of cleaner energy sources and cleaner consumption, I think that whether it's electric vehicles or whether it's the tax credits for wind and solar or expend expanding those credits and creating a tax, a tax structure for, um, for, uh, energy storage technologies and battery technologies for utility scale or home storage, or even for carbon capture and sequestration. So we can continue to use, uh, coal and natural gas, um, uh, at virtual zero carbon emissions. Uh, I think there's going to be a sustained discussion about trying to either extend or expand those tax provisions, um, as part of both an economic stimulus economic expansion, as well as a push towards, uh, towards a cleaner energy economy, especially from the bottom administration and congressional Democrats. Can't, it seems like there's something in there for both sides to agree on when you talk about all of the above energy supply and EVs and renewables.

Louis Finkel ([24:08](#)):

Well, and in that context, and I, and I think this ties together, a lot of the things we've talked about, um, in the absence of a regulatory or statutory structure that, uh, restrains or constrains carbon emissions, um, the opportunity to make a lot of people happy is to invest in that all of the above energy agenda, where we build more power lines, where we create tax a tax structure that allows everyone, not just investor owned utilities, but electric cooperatives as well to access directly the code through a direct payment system to create tax incentives for deployment of, uh, of, of, um, of storage in an economic way. I mean, I think there that's where you you'll be able to bring both parties together where we can kind of let all boats rise without and let the more market place drive. Some of this continued evolution between, between consumer demand and market forces. I think there's there, there's definitely opportunities here to invest in technology without an overarching regulatory regime. Now that doesn't mean that there won't be a push for it. It doesn't mean there won't be a push for legislation or regulation, but I think that the place that you can find that Parson bipartisan agreement is in, in that investment, in our energy future.

Rachel Johnson ([25:32](#)):

And I think that that is such an important part of telling our co-op story too, is that we were doing these things because it's the right thing to do for our community, whether it's at Cherryland. We just, um, installed the first, uh, universal level three charger in Northern Michigan, right. At one of our local members, because we know that that's important for our tourism economy, as we seek to become a destination where people feel comfortable bringing electric vehicles. I think that's, for me, that's the beauty of the co-op story is that we are responsive to the needs of our community. We will invest in that infrastructure because it's the right thing to do for our members. Um, this has been such a great conversation, Louis, and I know, I know you're super busy having all those meetings, getting into introducing us to new, uh, new legislators. So we really appreciate you taking the time to update our podcast listeners on some of the things you see coming up over the next couple of years. And we also appreciate your continued lobbying on our behalf. And

Louis Finkel ([26:27](#)):

Well, thank you, Rachel, really do appreciate it and appreciate you and Tony having you joined [inaudible].