

NEPPA Resolution 2024-04

Support Financing Tools for Consumer-Owned Utilities

WHEREAS, public power and cooperative utilities are governed in the public interest by their members or local boards, and;

Whereas, these not-for-profit business models make public power and cooperative utilities particularly deserving of advantageous financing opportunities, and;

Whereas, public power entities have long enjoyed the ability to issue municipal bonds on a tax-exempt basis, and;

Whereas, cooperatives are eligible for low-interest loans from the U.S. Department of Agriculture's (USDA) Rural Utilities Service (RUS) program, and;

Whereas, tax-exempt municipal bonds and RUS loans allow consumer-owned utilities to make critical clean, affordable, and reliable energy infrastructure investments, and;

Whereas, the ability to issue advance refunding bonds or receive federal financial assistance, including loans, debt modifications, and refinancing through the USDA's Empowering Rural America (New ERA) and forgivable loans through the USDA's Powering Affordable Clean Energy (PACE) programs as authorized under the Inflation Reduction Act will further enable local infrastructure investment and realize cost savings for customers of not-for-profit utilities,

Whereas, the ability of consumer-owned utilities to receive elective payment for energy tax credits as authorized under the Inflation Reduction Act will eliminate disparity in accessing federal resources, spur renewable investment, and provide greater reliability and affordability for customers of consumer-owned utilities, then;

Be it now

RESOLVED, that NEPPA:

1. Supports the use of unique financing tools, including municipal bonds for public power utilities and RUS loans for cooperative utilities.
2. Supports the preservation of the tax-exempt status of municipal bonds.
3. Supports the ability of consumer-owned utilities to receive elective payment for energy tax credits.
4. Supports the reinstatement of advance refunding municipal bonds on a tax-exempt basis for public power entities.
5. Opposes cuts or changes to the USDA's NEW ERA and PACE programs.

NEPPA Member Sponsors:

Village of Hyde Park

Peabody Municipal Light Plant