

Straight talk about...

Regulations Continue...



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Last month I highlighted some of the regulators' decisions that will have an impact on electric utilities and ultimately, future electric rates. Just one day after printing the July newsletter another regulation hit my desk. The Environmental Protection Agency (EPA) announced a new regulation to eliminate the use of diesel generators for peak shaving, which is reducing energy use during times of peak system loads. *The National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines* takes effect in 2013 and Hawkeye REC members' will no longer be allowed to run diesel generators and participate in our very successful load management program. The load management program sheds electric demand on our power grid to relieve congestion and avoid having to build new electric generation. Hawkeye REC alone has over 65 peak alert participants in this program, which reduces electric demand equivalent to a small peaking plant generation station.

Most of our peak alert participants are livestock facilities that need an emergency backup and further utilize the diesel generation asset to help our cooperative reduce electric demand during these peak periods. Most of these systems are less than 150 kW or about

150 horsepower, which is comparable to operating a tractor used for farming operations.

This new ruling will have an even greater effect to municipals and large commercial accounts that use the diesel generators for their capacity. Hopefully, we can overcome this ruling that would require utilities to quickly begin building new electric generation.

Energy Legislation Update

The Senate recently discussed a new approach to energy legislation. Senate Majority Leader Reid stated he has settled on a "rough draft" of a bill that will contain four titles: oil spill response, clean energy and job creation, energy efficiency, and a "utility-only" greenhouse gas emissions reduction plan. At this time we have not received the details of the draft legislation, but being singled out early is not a very good sign. There has also been talk of a "delay" in the utility portion of the energy bill, which only means that it is still on Congress' radar screen for action.

I very much encourage you, our membership, to contact Congressman Latham, Senator Grassley and Senator Harkin to express your thoughts, ideas and opinions. Links for these contacts are available on the Hawkeye

REC website as part of our grassroots communications program, and are also listed below.

Cooperative Headquarters Update

On August 6 your cooperative staff will be moving the administration office to the Howard County Fairgrounds in the Featherlite Center. Following our move, the asbestos abatement process will begin on our old office, followed by demolition. Upon completion of the office demolition, site work will begin that includes grinding and pulverizing all the old concrete for re-use as fill.

Upon completion of the site work, the project will move very quickly with the footings and foundations for the concrete tip-up walls that are scheduled to arrive in September. We have seen a tremendous amount of interest in our project from contractors since releasing our project for bids, which is certainly good news.

As always I welcome your calls, e-mails or personal visits.

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Senator Chuck Grassley
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Senator Tom Harkin
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