




**National Rural Electric
Cooperative Association**

A Touchstone Energy* Cooperative 

Glenn English
Chief Executive Officer

September 13, 2010

The Honorable James E. Clyburn
Majority Whip
United States House of Representatives
2135 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Clyburn:

I am writing to thank you for your leadership on H.R. 4785, the Rural Energy Savings Program Act (RESPA). I appreciate your significant efforts to advance this legislation which will empower electric cooperatives to keep electricity bills affordable through energy efficiency improvements. Electric cooperatives serve 42 million member-owners spread across three-quarters of the nation's land mass, in 47 states. Every day our member cooperatives are charged with providing reliable power at an affordable price across diverse and challenging landscapes.

The National Rural Electric Cooperative Association supports RESPA legislation reported from the House Agriculture Committee because it includes a voluntary energy efficiency loan program under which member cooperatives will provide efficiency solutions to their member-owners. Loans would be made for improvements with a 10 year payback, and repaid on the consumer's utility bill. The risk of the program is borne entirely by the participating co-op, which advances funding for each project and is then reimbursed through a USDA Rural Utilities Service 10 year loan. Co-ops have a 75 year history of successful lending partnership with the Rural Utilities Service, with a default rate of less than one half of one percent. Together we will ensure this program is both efficient and effective.

Research shows that the two main reasons consumers do not invest in energy efficiency are 1) insufficient up-front cash, and 2) the inability to easily coordinate the expertise required. These issues are magnified in rural America, where co-op household income is 14% below the national average. The average cost (\$1,500 and up) of transformational energy efficiency upgrades has deterred many co-op consumers, but RESPA will help bridge that gap. These energy efficiency improvements can achieve the dual benefit of lowering electricity bills in the short run, while reducing the need to build costly new electricity generation infrastructure in the longer term.

Co-ops have historically been innovators in energy efficiency. The not-for-profit business model encourages cooperatives to use all cost-effective methods to keep electricity affordable for their consumer-members. The rising costs to develop new generation resources

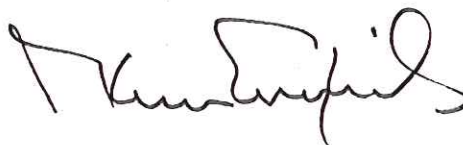


mean that efficiency is often the “least-cost” generation resource. A commitment to increase the quality of life for consumers makes efficiency investments an important priority. In fact, co-ops’ engagement with energy efficiency has resulted in the following achievements:

- While serving just 12 percent of the nation’s consumers, cooperatives have developed nearly 25 percent of the nation’s residential peak load management capacity;
- 70 percent of co-ops offer financial incentives to promote greater efficiency; and
- 96 percent of cooperatives operate an efficiency program.

A well-designed loan program administered by electric cooperatives and allowing for on-bill repayment can be a cornerstone of energy efficiency in rural America. We believe passage of RESPA will be a victory for rural America and thank you for your strong commitment to this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn English". The signature is fluid and cursive, with a large initial "G" and a long, sweeping tail.

Glenn English