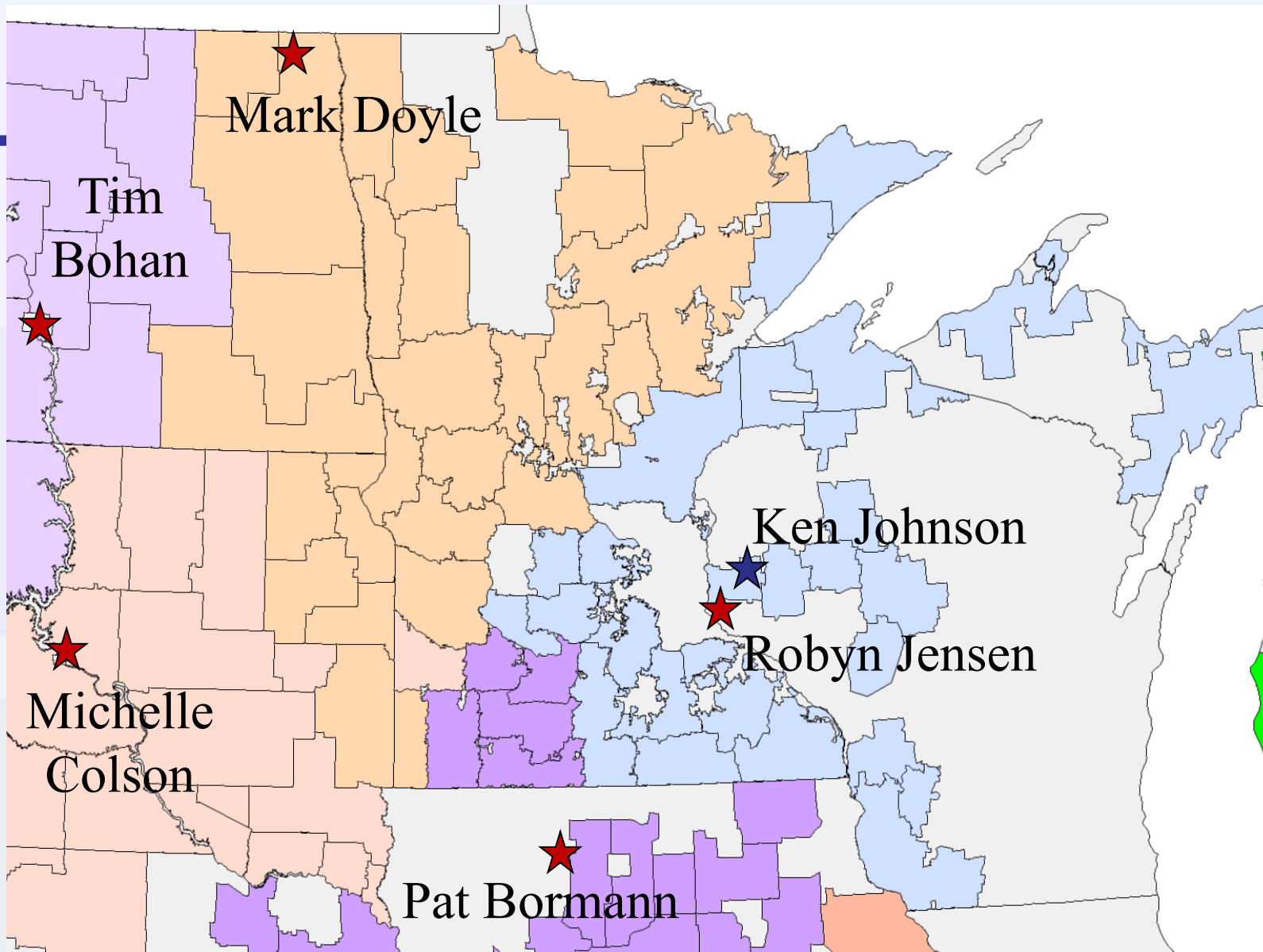




MN/WI Finance Managers

Bloomington, MN
April 14, 2011



★ GFR – General Field Representative

★ FA – Field Accountant

- Michael.Mueller@wdc.usda.gov
- H. Wayne Clark, Chief
Northern Regional Accounting Branch
(202) 720-0702
[e-mail: wayne.clark@wdc.usda.gov](mailto:wayne.clark@wdc.usda.gov)

Agenda

- Current Loan Budget Information
- Electric Program Priorities (Farm Bill)
- Update on Draft Regulations
- Form 7 Changes
- IDR Policy
- General Reminders

2010 Program Levels

• Hardship (5%)	\$ 100,000,000
• Guaranteed	\$ 6,500,000,000
• 313A Guaranteed Underwriter	\$ 500,000,000
• High Cost Energy Grants	<u>\$ 17,500,000</u>
• Total funds	\$ 7,117,500,000

No financing for base load generation
(Coal or Nuclear)

2011 Proposed Loan Budget

Under Continuing Resolution #7 – vote today !

	President(Feb)	Senate Appr Comm (July)
• Hardship (5%)	\$100M	\$100M
• Municipal	\$ 0	\$ 0
• Treasury	\$ 0	\$ 0
• Guaranteed	<u>\$ 4.0B</u>	<u>\$ 6.4B</u>
• Total funds	\$ 4.1B*	\$ 6.5B

*Funds for renewable energy, transmission, distribution and carbon capture projects.

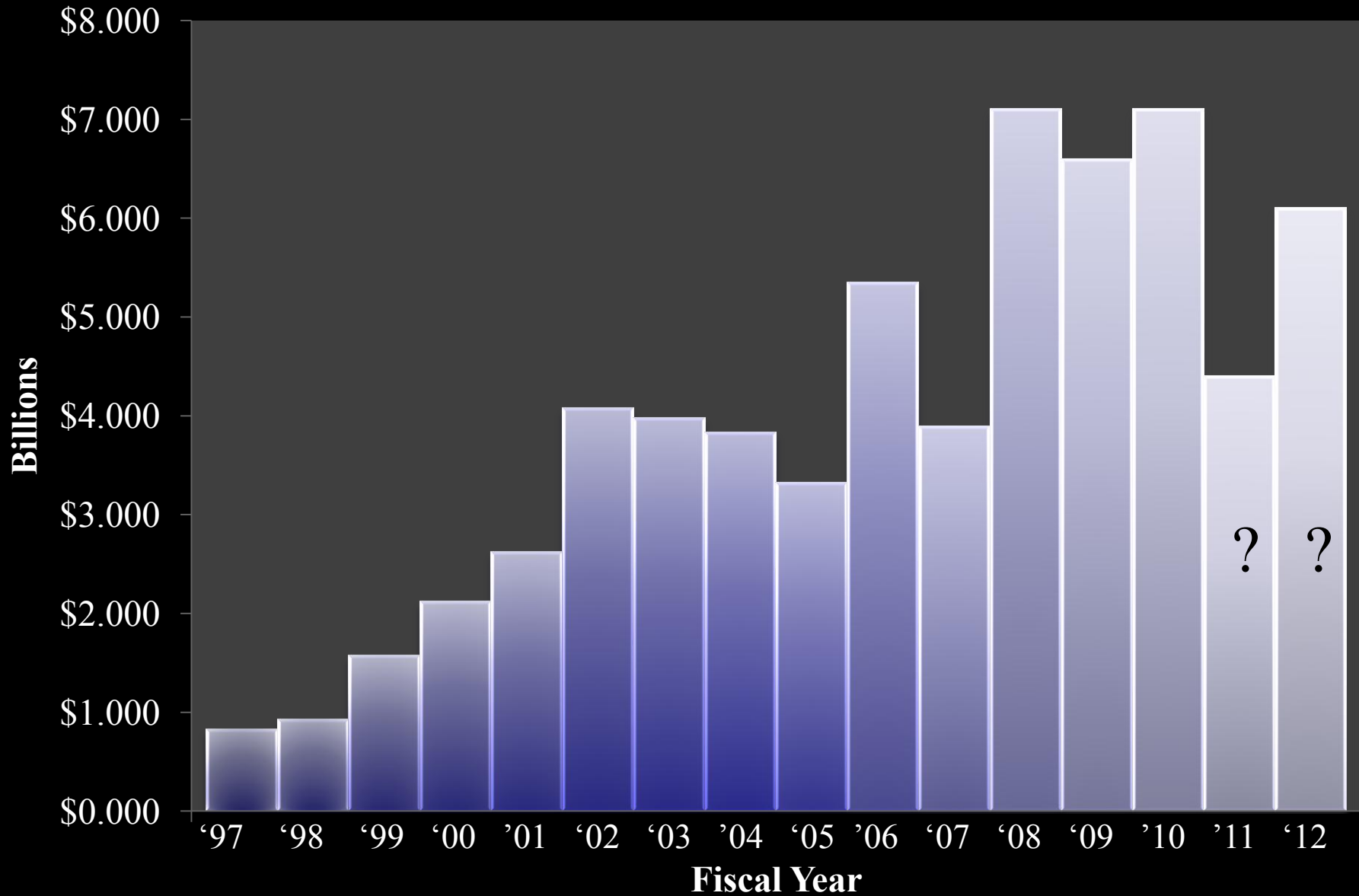
*No funds for fossil fuels generating plants, (unless carbon sequestration)

2012 Program Loan Levels and Subsidies – President’s Budget

Loan Programs	Loan Subsidy	Amount
Hardship	-14.40%	\$ 100,000,000
FFB Guaranteed	-4.00%	\$6,000,000,000
Total		\$6,100,000,000

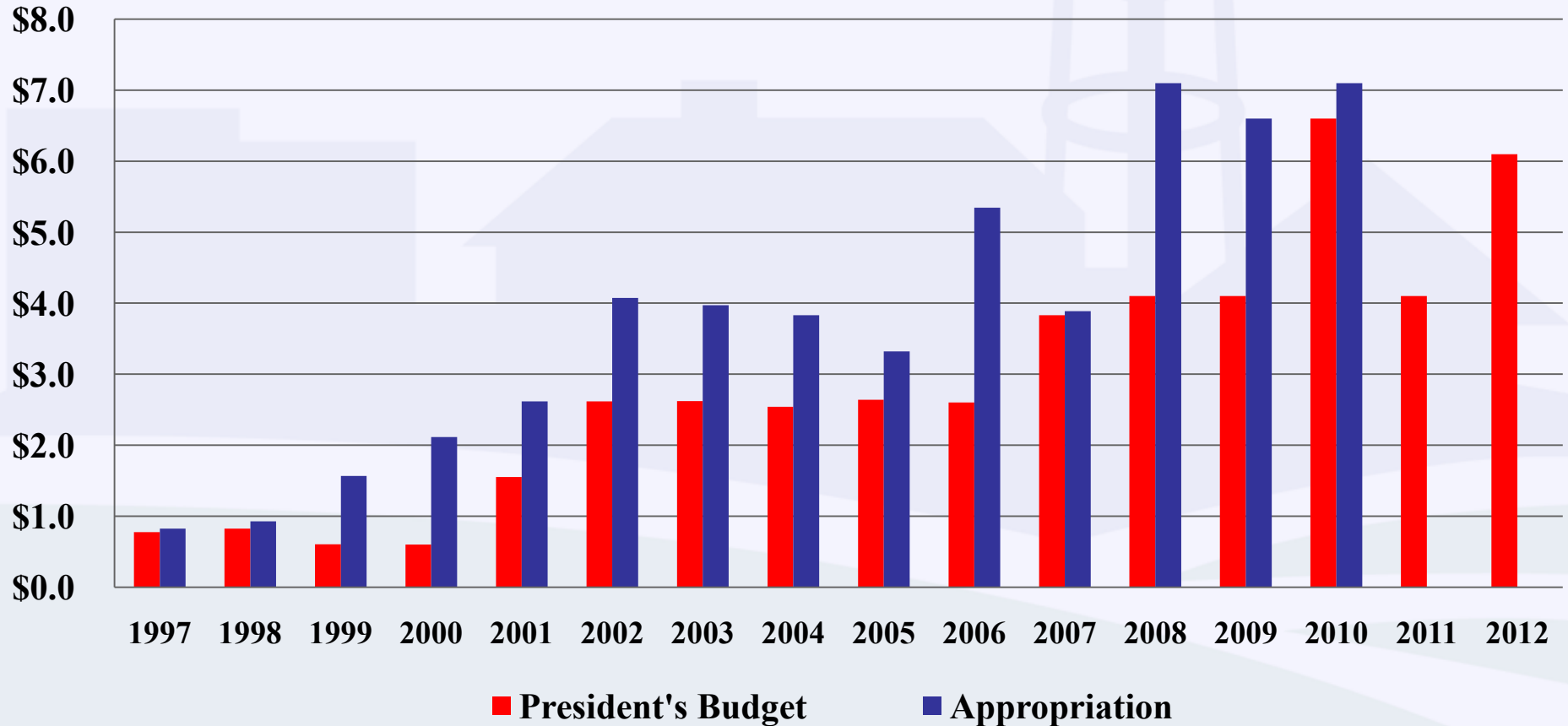
- ❖ Up to \$2 Billion may be available for environmental improvements to fossil fuel electric generating plants that would reduced emission.
- ❖ The remaining funding would be limited to renewable energy, transmission, distribution, carbon capture projects on generation facilities, and low emission peaking units affiliated with energy facilities that produce electricity from solar, wind and other intermittent sources of energy.

Program Levels



President's Budget vs. Appropriation

Billions



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President's Budget vs. Appropriation

Other RD Budget Cuts - 2011

- Broadband
- Multi-Family Housing
- Single Family Housing

Loans Administered by the Electric Program

FFB Guaranteed Loans

- **Eligible Facilities:** Distribution, transmission (bulk and subtransmission), generation and headquarters (office, service and warehouse) facilities, including system improvements to furnish and improve electric service in rural areas, as well as energy efficiency, demand side management, energy conservation programs, and on-grid and off grid renewable energy systems.
- **Eligible Borrowers:** Retail and power supply providers.
- **Interest Rate:** Interest rates will be established daily by the United States Treasury. Added to that rate is 1/8 of one percent. The interest rate is determined at the time of each advance.

• **4/11/11 rates ranged from (not incl. 1/8%)**

3-mo	6-mo	1-yr	2-yr	3-yr	5-yr	7-yr	10-yr	20-yr	30-yr
0.05	0.18	0.36	0.95	1.43	2.34	2.95	3.49	4.18	4.29

- **Supplemental Financing Required:** No
- **Loan Term:** Term of loan not to exceed useful life of the facilities being financed, with a maximum term of 35 years. Power supply borrower's loan term is also based on the term of its wholesale power contracts.

Loans Administered by the Electric Program - continued

Hardship Loans

- **Eligible Facilities:** Distribution, subtransmission and headquarters (service & warehouse) facilities, including system improvements to furnish and improve electric service in rural areas, as well as energy efficiency, demand side management, energy conservation programs, and on-grid and off grid renewable energy systems.
- **Eligible Borrowers:** Retail providers that meet rate disparity thresholds and whose consumers fall below average per capita and household income thresholds or that have suffered a severe, unavoidable hardship, such as a natural disaster, as determined by the RUS Administrator.
- **Interest Rate:** 5%
- **Supplemental Financing Required:** No
- **Loan Term:** Term of loan not to exceed useful life of the facilities being financed, with a maximum term of 35 years

Loan Programs FY2010

Hardship

Program Level:	\$	100,000,000	
Approved Loans:	\$	100,000,000	(4 Loans)
Remaining BA:	\$	0	
Pending Loans:	\$	3,720,000	(1 Loan)

FFB Guaranteed

Program Level:	\$	6,500,000,000	
Approved Loans:	\$	6,500,000,000	(169 Loans)
Remaining BA:	\$	0	
Pending Loans:	\$	5,174,531,000	(33 Loans)

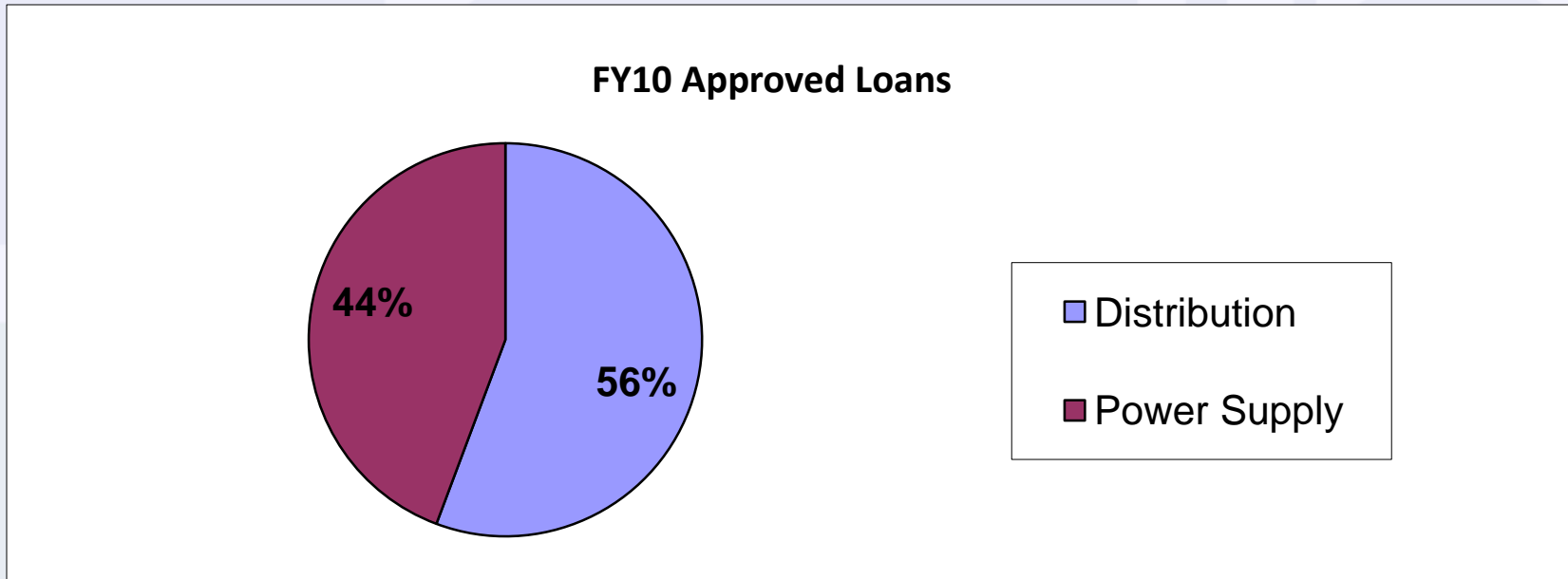
Guaranteed Underwriting

Program Level:	\$	500,000,000	
Approved Loans:	\$	500,000,000	(1 Loan)
Remaining BA:	\$	0	
Pending Loans:	\$	0	



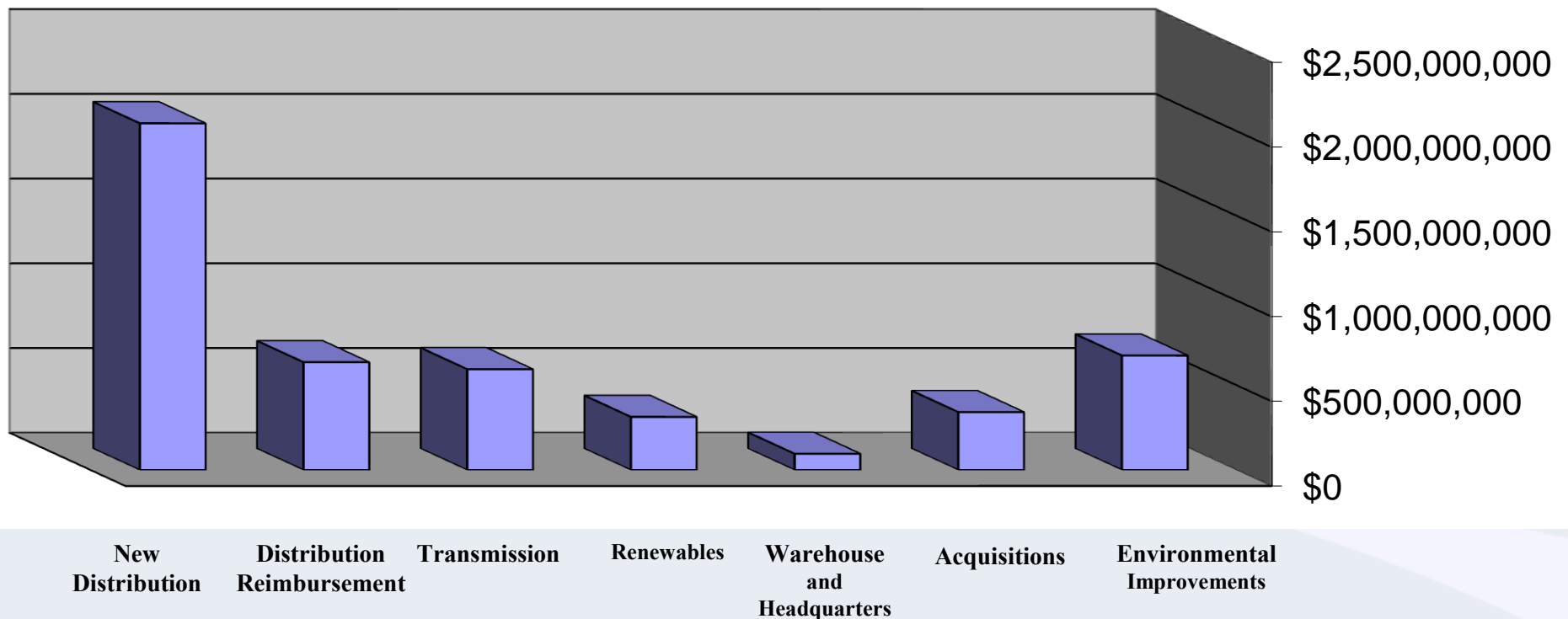
Loan Programs FY2010

The total of 174 loans completed in the fiscal year 2010 consisted of 161 distribution loans totaling \$4 billion and 13 power supply loans totaling \$3.1 billion. These loans included 5 renewable energy loans totaling \$313 million. Loan dollars for distribution were 56% of the total and power supply loans were 44%.



Loan Dollars by Project Type

In fiscal year 2010, we approved \$2 billion for new distribution facilities, \$595 million for transmission, \$313 million for renewable energy projects, and \$675 million for environmental improvements.



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Loan Programs By Purpose

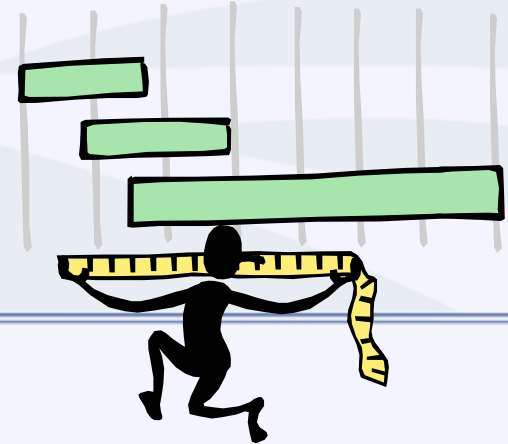
New and Upgraded Infrastructure

The electric program exceeded its goal for providing new and improved electric facilities that benefit our borrowers' retail electric consumers across rural America. The \$7.1 billion of new loan funding approved in FY 2010 provides a major source of funding advancing the modernization of electric infrastructure in rural America.

- **\$2.6B for new distribution and transmission facilities**
- **206,841 new consumers connected**
- **14,328 miles of new and 14,420 miles of distr. line improvements**
- **596 miles of new and 107 miles of transmission line improvements**
- **\$153M for automated meter reading system**
- **\$9.8 M for geographic information system**

Electric Program Priorities

- Increase awareness and development of energy efficiency programs
- Spur the growth of renewable energy
- Promote Smart Grid initiatives





United States Department of Agriculture

America's Farm Bill



2008

- The Food, Conservation, and Energy Act of **2008** (a/k/a Farm Bill)
 - Rescinded the FFB Guarantee Program (Interim)
 - Section 6101: Energy Efficiency Programs
 - Section 6102: Reinstatement of Rural Utilities Service Direct Lending
 - Section 6104: “Rural” determination
 - Section 6106: Guarantee of Bond & Notes (313A)
 - Section 6108: Electric Loans for Renewable Energy



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Section 6104: “Rural” Determination

- Re-codified “once rural, always rural”
- Rural definition: any area that excludes a town/city of 20,000 or more (was 2,500)

OR

- Area of current Borrower with outstanding loan

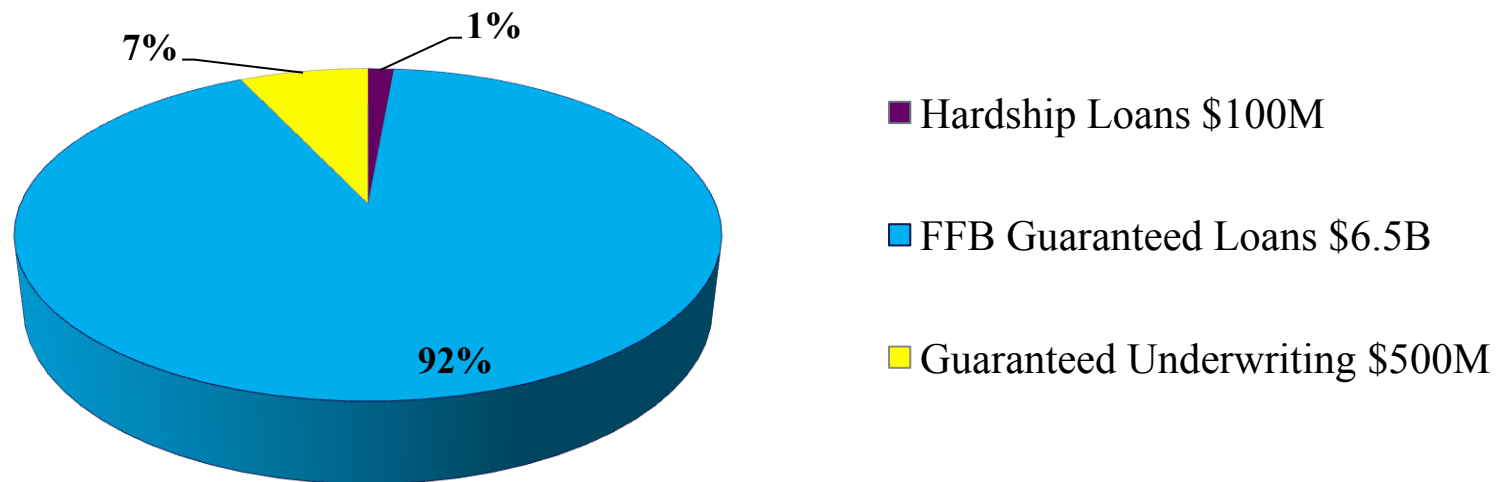
New Regulations

Guarantee of Bond & Notes

- **2008 Farm Bill Section 6106: Guarantee of Bond & Notes**
- Also called 313A or REDLG Funding Program
- A guarantee fee of 30 basis points deposited into REDLG subaccount
- Eligible applicants are not-for-profit lenders with experience in electrification loans
- 4 Transactions completed to date for \$3.5 Billion

Loan Programs FY2010

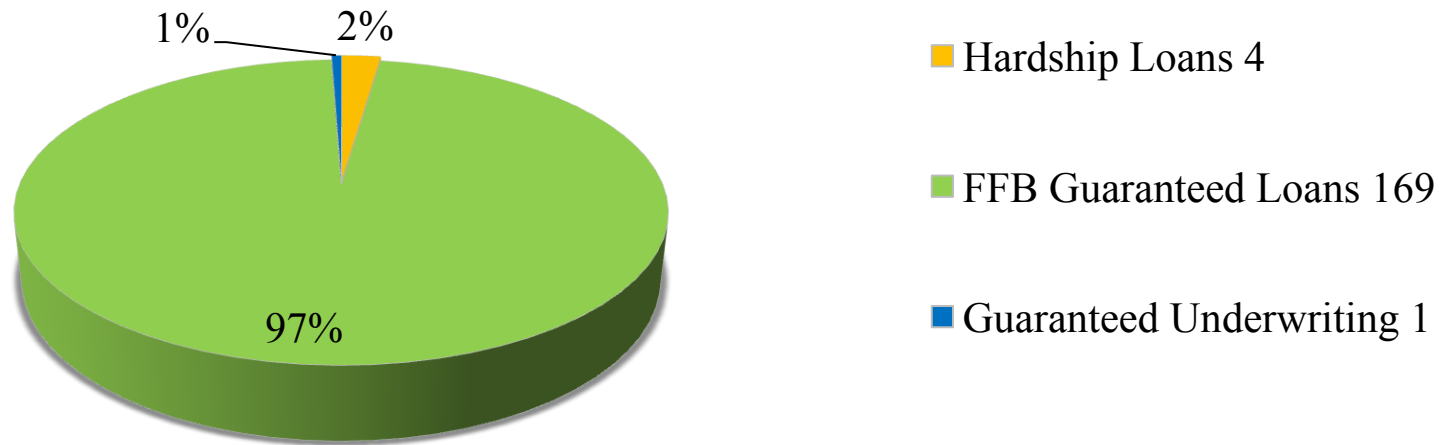
In FY2010, the Electric Program approved 174 direct loans, guaranteed loans, and guaranteed underwriting loans totaling \$7.1 billion.



Dollars Breakdown for Loan Programs

Loan Programs FY2010

Federal Financing Bank (FFB) Guarantee Program is currently the largest of the 3 programs with the total of loans 169 loans. 4 of 174 approved loans were through Hardship and 1 loan was for Guaranteed Underwriting Loan Programs.



Number of Loans by Lending Programs

New Regulations

Treasury Direct Loans

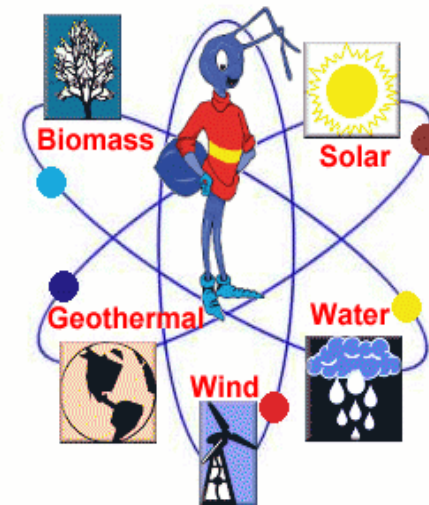
- **Section 6102: Reinstatement of Rural Utilities Service Direct Lending.** Amend 7 CFR Parts 1710 and 1714 to reinstate the Direct Treasury Rate Loan Program.
- Loans under these provisions can be made for financing the construction and operation of electric
 - generation,
 - transmission, and
 - distribution lines or systems serving rural areas.
 - headquarters ???

Treasury Direct Loans - cont

- INTEREST RATE:
 - Other Direct Loans: Treasury plus 1/8 of 1 percent.
 - Hardship Rate Loans: Set at the rate for municipal rate loans, which can be less than the statutory rate of 5 percent for hardship loans under section 305.
- Funding levels will be set by appropriations.
- A notice is being drafted that will be published in the Federal Register requesting comments.
- The earliest implementation date FY 2012, probably 2013.
- FFB loans made while regulations and policies are established for the new direct loan programs.

New Regulations - Renewables

- **2008 Farm Bill Section 6108: Electric Loans for Renewable Energy**
- Adds a new section 317 to the RE Act which authorizes the RUS to make electric loans under this title for electric generation from renewable energy resources for resale to rural and non-rural residents.



Current Regulations Renewables

- RUS -- loans for renewable energy projects to:
 - existing borrowers,
 - new borrowers serving rural beneficiaries, and
 - project developers where 100% of the output is taken by an existing borrower or by **rural** beneficiaries.
- 21 Projects completed from 2000-2010
 - Totaling \$685 Million



Renewable Energy

- RUS finances the following energy types:
 - Anaerobic Digester
 - Biodiesel Production
 - Ethanol Production
 - Solid Fuel Production
 - Thermal Conversion
 - Wind
 - Geothermal
 - Biodiesel



New Regulations - Renewables

- Eligible renewable energy resources include energy conversion systems fueled from
 - solar,
 - wind,
 - hydropower,
 - biomass, or
 - geothermal sources.
- Interest Rate: Average tax-exempt municipal bond rate of similar maturities.
- This program is in addition to existing authority to make loans for renewable energy systems under in the RE Act.
- Program regulations are “in development.”
- Funding is dependent on appropriations.
- Renewable loan inquires to Georg Shultz, ESD.



FY 2010 Approved Renewable Energy Projects and High Energy Cost Grants

In fiscal year 2010, we approved \$319 million for renewable energy projects. \$313M in FFB Guarantees and \$6 million in High Cost Energy Grants.

Borrower	State	Type	Unit Detail	kW	Amount	Obligated	Notes
Denali Commission	AK	Renewables / Energy Efficiency			\$ 4,000,000	5/10/10	HCE
American Samoa Power Authority	AS	Renewables - Waste to Energy			\$ 1,135,000	9/29/10	HCE
Navajo Tribal Utility Authority	AZ	Photovoltaic	0.098 MW	98	\$ 2,997,000	3/19/10	
Kauai Island utility Coop	HI	Hydro/Biodiesel ¹	10 MW	10,000	\$ 72,876,400	9/28/10	
Aquinnah Wampanoag Tribe	MA	Efficiency and Solar PV			\$ 750,000	9/8/10	HCE
Maine School Administration District No. 58	ME	Biomass Heating			\$ 98,810	8/16/10	HCE
Basin Electric Power Coop	ND	Wind	4.5 MW	4,500	\$ 6,448,000	9/2/10	
Basin Electric Power Coop	ND	Wind	115.5 MW	115,500	\$ 146,948,000	9/2/10	
Central Virginia Electric Coop	VA	Hydro	14.6 MW	14,600	\$ 84,000,000	9/22/10	



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Approved Renewable Energy Projects and High Energy Cost Grants

New Regulations

Energy Efficiency Program

- **2008 Farm Bill Section 6101: Electric Loans for Energy Efficiency**
- Draft regulation is under development
 - Thru Agency & on to OGC
 - Publish in Federal Register
 - Comment Period
 - Funding in FY12 or FY13

New Regulations

Energy Efficiency Program

- Loan made to utility to make loans to members for EE purposes
- Develop a process to provide loans for energy efficiency *programs*
- Loans can be used for a wide variety of eligible purposes – coop to define
- The intent is to be able to accommodate programs currently in effect as well as programs that are not yet established.

Rural Energy Savings Program Act

“Rural Star”

- Passed the House Agriculture Committee
- The bill would help customers pay for energy efficiency home retrofits.
- Administered through USDA’s [Rural Utilities Service](#) and create a \$4.9 billion loan authorization.
- 20 year, zero-interest loans to utilities, which would re-loan the money to support customers’ efficiency improvements.
- Eligible retrofits would include building envelope (walls, windows, and roofs) upgrades and some heating and cooling equipment.
- The loans would be low interest (3-4%) loans for up to 10 years
- Each rural electric cooperative would select its own eligible improvements and establish its verification methods.
- Rural Star needs to pass the full U.S. House and be paired with a companion Senate bill before becoming a law.
- The Senate bill awaits passage by the Senate Agriculture committee.



Examples of Energy Efficiency Programs

- Likely, but no limited to
- Building envelope improvements
- Small consumer owned renewable generation units
- Consumer own control systems.
- Piping improvements to irrigation systems
- Heating/cooling system conversions to more efficient fuel type systems.

Voluntary

- Any energy efficiency program developed by RUS should be viewed as a tool.
- You will use it only when you decide to use it.
- EE programs will be designed by the utility – RUS will not prescribe what has to be in the EE program – but will establish various performance thresholds.

Energy Efficiency vs. ERC

Proposed Energy Efficiency Program

- RUS first approves an EE program plan developed by a utility.
- Term of loan will be at least 15 years.
- Assets in question must be characterized as an integral part of the real property.
- New loan.

Existing ERC Program

- No formal plan required purposes are listed in regulation.
- Existing ERC program is limited to direct loan principal deferments capped at 7 years.
- No requirement on asset characteristics.
- Principal deferment.

Energy Efficiency vs. ERC

Practical Examples

Energy Efficiency

- The size of eligible consumer-owned renewable energy assets is capped at the relevant threshold determined for “incidental.”
- Eligible purposes are broad.
- Various performance thresholds attach to listed eligible purposes.
- Ground source heat pumps may be eligible for financing longer than 15 years.

ERC

- Eligible consumer-owned renewable energy assets are capped at 5KW.
- List of eligible purposes.
- No performance test-eligible purposes listed.
- Ground source heat pumps are not expressly listed as an eligible purpose.

Coding Projects in the CWP

•Major Changes

- 130% limit eliminated on 2/11/2000
 - Was good cost accounting tool
 - Coop should know if project is over budget & why
- Minor project limit increased to \$100,000 (2/11/2000)
- Major developments sub-code removed (10/5/2006)

Draft Bulletin 1721 “In Development”

- **First formal effort to revise/update EOM-4 in 2004**
- **Next effort in 2007**
- **2010 Revision & Update (about final)**
 - **Coding guide – Get from GFR before starting CWP**
 - **Form 740c revised 2010**

***PROPOSED* 740c Codes**

Code 701- Broadband over Power Line (BPL)

Code1501 - Geographic Information Systems (GIS)-computer hardware

Code1502 - GIS- software

Code 1503 - GIS- Initial data collection/field inventory

Code 1504 – **Improvements to HVAC Systems** (on consumer premises): This category includes upgrading existing air conditioning and heat pump units to higher SEER ratings, or converting existing resistance heat furnaces to high efficiency heat pumps.

Code1505 – **Ground Source Heat Pumps (GSHP)**: This category includes financing GSHP (the compressor unit), vertical loops and horizontal loops regardless of ownership.



All codes subject to change



***PROPOSED* 740c Codes**

Code 1506 – Appliance Rebates: This category includes financing for rebates to consumers for appliance upgrades to Energy Star ratings.

Code 1507 – Building Envelope Improvements: This category includes caulking, installation of insulated doors and windows, roofing improvements, insulation in attics and walls, fans, and energy efficient lighting.

Code 1508 – Load Modifiers: This category includes two types of load modifiers; active and passive. Active load modifiers include batteries, fuel cells, solar panels and wind turbines. We envision most of these devices to be smaller scale. If they are of a size that injects power into the grid in any significant way, they would more accurately be characterized as generation investments rather than load modifiers. Lighting and fans, where the devices are part of the fixed property, are considered passive modifiers. Commercial/Industrial motor applications are in this category as well.

***PROPOSED* 740c Codes**

Code 1509 – Water Heater Upgrades: Installation of more energy efficient water heaters and related controls. *Smart grid investments and other utility controls/devices are excluded from this program.*

Code 1510 – Consumer Controlled Home Energy Networks: Hardware and software to control in-home energy consuming devices.

Code 1511 – Miscellaneous: Energy efficiency improvements not included above such as energy efficiency improvements to irrigation pumps and delivery systems.

Changes to the Annual Form 7

Energy Efficiency Programs and Activities




EE Initiatives – What We Expect to See

- We envision energy efficiency initiatives will include:
 - Building envelope improvements
 - Small consumer owned renewable generation units
 - Consumer own control systems.
 - Piping improvements to irrigation systems
 - Heating/cooling system conversions to more efficient fuel type systems.










How are savings to be measured?

- Reported savings estimates need to be based on projected savings and parameters used in planning docs
- In MBTUs
- At point of use

Energy Efficiency Input Screen



United States Department of Agriculture
Rural Development Utilities Programs - Data Collection System

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LOU RIGGS : NUSHAGAK ELECTRIC AND TELEPHONE COOPERATIVE INC. [AK0026] : FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION : DECEMBER 2010

NAVIGATION

Borrowers

Reports

Op. Report-Distribution

Certification

Point Of Contact

Part A

Part B

Part C

Part D

Part E

Part F

Part G

Part H

Part I

Part J

Part K

Part L

Part M

Part N

Part O

Part P

Part Q

Section I

Section II

Section III


Section IV

Part P: Energy Efficiency Programs Summary

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C 552).

Complete the following fields, and press the 'Save' button when finished.



Classification	Added This Year			Total To Date		
	Number of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	Number of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Residential Sales Seasonal	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Irrigation Sales	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Comm. and Ind. 1000 kVa or Less	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Comm. and Ind. over 1000 kVa	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6. Public Street and Highway Lighting	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7. Other Sales to Public Authorities	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8. Sales for Resale - RUS Borrowers	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
9. Sales for Resale - Other	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10. Total	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>




(Rev. 1-04)

Version 2.0.4043.28985

Navigation Menus Side by Side Comparison Distribution (continued)



United States Department of Agriculture
Rural Development Utilities Programs - Data Collection System



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- [Part N](#)
- [Part O](#)
- [Form 7a](#)
- [Form 7a I](#)
- [Form 7a II](#)
- [Form 7a III](#)
- [Form 7a IV](#)

Financial And Statistical Report

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and is not confidential.

This form has been submitted.

Prepared with Audited Data: Yes No

Date Submitted:

BORROWER POINT OF CONTACT INFORMATION:

Contact Name:

Phone Number:

Email Address:

Note the name change of title

 United States Department of Agriculture
Rural Development Utilities Programs - Data Collection System

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NAVIGATION

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Form Z

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Part B

Part C

Part D

Part E

Part F

Part G

Part H

Part I

Part J

Part K

Part L

Part M

Part N

Part O

Form 7a

Form 7a I

Form 7a II

Form 7a III

Form 7a IV

(Rev. 1-04)

Financial And Statistical Report

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and is not confidential.

This form has been su

Prepared with Audited


Date Submitted:

BORROWER POINT

Contact Name:

Phone Number:

Email Address:

 United States Department of Agriculture
Rural Development Utilities Programs - Data Collection System

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Part J

Part K

Part L

Part M

Part N

Part O

Part P

Part Q

Section I

Section II

Section III

Section IV

(Rev. 1-04)

Financial and Operating Report Electric Distribution

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and is not confidential.

This report has not been submitted.

Prepared with Audited Data: Yes No

Date Submitted:

Check Entire Report

Save

View Checks Report

Form 7 – DCS

- Starting in 2011, we will be collecting data on energy efficiency initiatives (EE) and on borrower owned/purchased renewable fuel power (renewable energy). **This effort will continue in the years to follow; however, your participation in the renewable energy and EE data collection initiative will be voluntary for 2010 data and required in subsequent years.** Other changes will include information on revenues and expenses for RTO/ISOs activities as well as purchases and sales of renewable energy credits.

Question:

How will your response be coordinated with your annual reporting to the state utility boards?

- Answer: It may not be similar. Energy efficiency is reported at the G & T level to the utility board in many states, while reporting to RUS is essentially done at the distribution coop level as the Form 12 (the G & T's annual report) does not include reporting fields. Thus consistency with other reports is unlikely.

Helpful Hint – conversion of kWh to million btu's (mmbtu), the current reporting standard

Conversion factors:

- 1 mmbtu = 293.1 kWh,
- 1 kWh = 0.003412 mmbtu.

Excel- based worksheet

- A taskforce of RUS field and DC-based personnel are working on an excel spreadsheet to simplify the reporting of the data asked for in “Part P: Energy Efficiency Reporting”. The spreadsheet is being tested with volunteer distribution cooperative and will be released when it’s refined better.



Friendly Reminders:

Miscellaneous Reminders/Info

- All mail to Washington DC should be sent UPS, FedEx or USPS with tracking – don't send anything regular mail.
- Requisitions should be sent via UPS or FedEx to avoid delay and irradiation process

Long-Range Financial Forecast (LRFF)

- Latest Version 4.2 for Office 2007, updated March 2011, is now available along with updated instructions.
- Let your GFR know if you would like us to email the new model to you and/or help you set it up.

The "Forecast"

- Available ASR data for years 1971-2009
- Permits review of :
 - 38 years of historical data along with 10 years of future projections.
- Includes 72 graphs which assist in error checking as well as helping to generate realistic forecast.

Storm Damage Repairs

- 7 CFR 1710.250 (g)
- Can proceed with emergency repair work without CWP or CWP Amendment
- Must notify your GFR within 45 days of event with preliminary estimates
- Must submit CWP or CWP Amendment to RUS for approval not later than 120 days after natural catastrophe
- Accounting interpretation is 136 in Bulletin 1767 B-1 at page 322

Bidding & Contracting

- Bidding & Contracting Requirements Apply to all recipients of Federal Financial Assistance
- Electric Program – Requirements Apply to All Professional Services, Planning, Design, Erection, Construction Management, Procurement

Contract Forms Revision

Contract forms:

201, 203,

764, 830, and 831

have been consolidated into
a single Form 830.

Present contract forms 790, 792, have been
consolidated into a new Form 790.

Interconnection of Distributed Resources (IDR)

- Final Rule published July 8, 2009
- Effective August 8, 2009
- Subpart C added to Part 1730, Electric System Operations & Maintenance
- Final Rule can be found at:

<http://www.usda.gov/rus/electric/regs/index.htm>

Interconnection of Distributed Resources (IDR)

- Establish and maintain a written standard policy relating to the interconnection of distributed resources (IDR).
- Policy relates to IDR with installed capacity of not more than 10 MVA at the point of common coupling
- Written Policy & Procedures must be available to public

IDR Template Policy Resources

- No standard RUS template policy
- No RUS Bulletin addressing this final rule
- NRECA guidance, model templates and information for developing IDR policies found at:

<http://www.nreca.org/publicpolicy/ElectricIndustry/dgtoolkit.htm>

Interconnection of Distributed Resources (IDR)

- **Establish policy**
 - *Most MN & WI coops have one*
- **Approved by Board by July 8, 2011**
 - *But has it been approved by the board?*
- **Update at least every 5 years**
 - *Has it been updated in the past 5 years?*
 - *Does it meet the new requirements?*
- **No Certification – No Loan Funds!**
 - *Has the GM issued a certification to RUS?*

IDR Policy

Compliance Checks

- Do NOT send policy to GFR or RUS
 - Send a GM Certification
 - Certify it similar to your VRA and ERP certifications
- SO&M review
- Loan application - certification required

Cushion of Credit

- Intent: Deposit funds & make Rural Electric & Telephone / FFB debt service payments
- A.K.A. – Advance Payment Account
- COC investment (including interest earned) limited to balance of RUS debt (RET plus FFB)
- Earns 5 percent interest
- Provides funding for REDLG Program



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Return to RUS as a borrower

(CFR 1786.67)

- Borrowers that prepay their direct or insured loans remain eligible for loan guarantees (FFB Loans) and rural development loans. (REDLG)
- No borrower that prepays an electric loan at a discount may apply for or receive direct or insured loans during the 120 months from the most recent closing.



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E-Authentication & DCS

Google Earth

login : YZ
password :

Home | About eAuthentication | Help | Contact Us | Service Centers

eAuthentication Login

User ID:

Password:

Quick Links

- ▶ What is an account?
- ▶ Create an account
- ▶ Update your account
- ▶ Link a Certificate to your Account

Administrator Links

- ▶ Local Registration Authority Login

I Want To...

- [Change My Password](#)
- [Reset My Forgotten Password](#)

**New Staff that will be accessing the DCS
will need to be identity proofed.**

Education Courses Available

- NRECA Work Order Workshop
 - Available at: www.cooperative.com
 - The course discusses the following topics:
 - The importance and purpose of a work order system
 - The financing options available from the Rural Development Program
 - The procedures and requirements for the approval and advance of loan funds
 - The cost elements and the procedures used for accounting for materials, labor, and overhead costs
 - The importance and procedures for establishing and maintaining continuing property records
 - The terms and procedures for recording physical elements, such as construction and retirement units
 - The unitizations and distribution of plant costs
 - The unique procedures for accounting for special equipment

Educational Courses (continued)

- USDA Graduate School
 - <http://grad.usda.gov/>
 - Explains the specific accounting principles and terminology that apply to RUS borrowers
 - Explains the appropriate forms, reports, statements, other documents, and the Universal System of Accounts
 - Explains the accounting and administrative controls, both internal and from RUS
 - Explains the accounting procedures for the typical sequence of events that occurs during the organization, pre-loan, original construction, and operating period of an electric utility cooperative
 - Explains the applicable federal regulations and RUS issuances to guide their practice.

CPA Seminars

- CPA Seminars are held every two years.
 - The next ones will likely be scheduled in 2012.

Mailing List

RUS– Electric Programs

Sign up for
E-Mail News and Information
from the
USDA Rural Development
Electric Programs at:
www.rdlist.sc.egov.usda.gov



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UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL UTILITIES SERVICE

Celebrating

RUS



1935 **75** 2010

Seventy-Five Years of Success



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Congratulations Mike!!



A simple investment in lighting

	incandescent	compact florescent
cost for light bulbs		
lumens	850	830
watts	60	13
life in hours	1000	8000
bulb cost	\$0.25	\$1.50
bulb cost for 30 years	\$12.00	\$9.00
cost for electric generators		
	60 Watts	13 Watts
peaking generator cost (conventional NGCC)*	\$59.22	\$12.83
base load generator cost (single unit advanced PC)**	\$190.02	\$41.17

Source of over night power plant costs: EIA 2010 Energy Outlook. Table 1 Updated estimates of power plant capital and operating costs