

December 3, 2015

Dear Representative:

On behalf of the American Public Power Association (APPA), we would like to express our support for Sections 1445 and 61001-61005 of the conference report of H.R. 22, Fixing America's Surface Transportation Act of 2015. APPA is the national service organization representing the interests of over 2,000 community-owned, not-for-profit electric utilities. These utilities include state public power agencies, municipal electric utilities, and special utility districts that provide low-cost, reliable electricity and other services to over 48 million Americans.

APPA has long supported the energy security issues addressed in sections, many of which are not only important to public power utilities, but to the entire electric utility sector. Specifically, we support Section 61002 of the conference report, which will ensure that electricity generators would no longer be forced to choose between conflicting legal obligations when acting to comply with emergency reliability orders from the Department of Energy (DOE).

In addition, APPA supports Section 61003 to give the Secretary of Energy broader authority to address grid security emergencies while facilitating the protection and voluntary sharing of critical electric infrastructure information (CEII). This provision narrowly preempts state sunshine laws such that the information provided to public power utilities by the federal government and other entities related to the protection of critical electric infrastructure does not have to be disclosed to potentially nefarious individuals or groups. Also within this section is language relating to cost recovery when grid security measures are implemented. APPA is generally supportive of this provision. While we do not think the cost recovery piece is necessary in the first instance, we appreciate the improvements of the language over its original iteration. APPA has long supported the underlying provision related to grid security emergencies.

Regarding Section 61004, APPA and the entire electric sector must have the ability to work with DOE to formulate a workable plan regarding transformers. We therefore appreciate the conference committee's removal of the provision that would have allowed the Secretary of Energy to establish the reserve in accordance with the plan six months after it is submitted to Congress. We believe that establishment of such a strategic reserve would likely be a positive step but the details, including the funding of such a reserve, must be carefully crafted. The language change ensures that these critical details can be fully understood and agreed to by the industry before DOE moves forward.

Lastly, APPA supports Section 1445, which lifts the ban on Water Infrastructure Finance and Innovation Act (WIFIA) aid for municipal-bond-financed water projects. This change will allow critical infrastructure investments to be made at the absolute lowest cost possible – a win for

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WIFIA, for state and local governments (which build 86 percent of the nation's water and wastewater facilities), and for homes and businesses served by these facilities.

APPA very much appreciates the hard work and dedication of the conference committee in ensuring the provisions mentioned above remained in the conference report. Therefore, we respectfully urge the House of Representatives to approve this important legislation that addresses our energy security concerns.

Sincerely,

A handwritten signature in cursive script that reads "Susan N. Kelly". The signature is written in black ink and is positioned to the right of the typed name.

Susan N. Kelly  
President & CEO  
*SNK/CT*