




# Report to the Membership Alaska Power Association

**August 27, 2015**



**NRECA**

A Touchstone Energy® Cooperative 

# Jo Ann Emerson Hospitalized



- On August 4, while on vacation in Italy, Jo Ann Emerson was hospitalized for a cerebral hemorrhage.
- Jeffrey Connor, Chief Operating Officer, is heading up operations.
- NRECA board has teleconferenced twice and plan to meet regularly during this crisis.
- Share your good wishes through Facebook page "Notes to JoAnn."
- Our hearts and prayers are with Jo Ann.

# NRECA's Mission and Vision

- Promote, support and protect the community and business interests of electric cooperatives
- Understand and effectively respond to the legislative, regulatory and operational needs of our members
- Embrace the cooperative principles and values and operate with integrity, transparency and a spirit of innovation

# Alaska Delegates who Voted at the 2015 NRECA Annual Meeting

- Crystal Enkvist, Alaska Power Assn.
- Meera Kohler, Alaska Village Electric Co-op
- Ben Frantz, Barrow Utilities & Electric Co-op
- Frank Eagle, Golden Valley Electric Association
- Gordon Gould, Kodiak Electric Association
- Harold Lambert, Kotzebue Electric Association

# NRECA Board Meetings

- February/March – the Sunday before the Annual Meeting
- Early May – Spring meeting in Arlington – 5 days
- Late June – Summer meeting in Arlington – 5 days
- September/October – Regional meetings, board presence but no meetings other than a dinner
- December – Winter budget meeting in Arlington – 5 days

# Committees that I serve on



Business and Technology  
Strategies



International

# Region 9 Standing Committee Members

- Legislative
  - Will Hart, Idaho
  - Dave Wheelihan, Montana
- Regulatory
  - John Prescott, Oregon
  - David Crabtree, Utah
- Management, Employment, Community
  - Ben Frantz, Alaska
  - Mark Johnson, Washington

# National Resolutions Committee

- Chairs + V. Chairs of the three Standing Committees + Appointees to represent all regions
- Three new resolutions
  - Unmanned aerial Systems (drones)
  - Regulatory reform
  - Development of a plan to comply with the Clean Power Plan
- Amendments to three resolutions
  - Nuclear power
  - Demand-side management programs
  - Impact of regulations on NRECA members



# Resolutions cont'd

- Forwarded proposed resolution without “support”  
“We also urge NRECA to examine the research and determine whether the effects of climate change are caused by natural trends and/or man-made actions.”

This resolution was adopted by Region 7 in 2014. Was debated and failed at the Orlando annual meeting. Will appear in the Resolutions Compendium in all 10 regional meetings in 2015. Regional action will determine whether it will advance to the 2016 annual meeting in New Orleans.

# 2016 Retirement Security Plan

- 3% base billing rate increase after no change in 2015 (individual co-ops may see higher or lower rate if their average age changes)
- 2016 billing rates distributed earlier this month
- 8 month billing will continue in 2016
- PIRC – Personal Investment and Retirement Consulting – now widely available to participants in RS and/or 401(k) plans
  - 20-person threshold eliminated for no-cost seminar
  - 54% more co-ops received programs

# RS Plan Valuation

	1/1/2015	1/1/2014
Funded Ratio – MVA	96%	105%
Funded Ratio – AVA	92%	98%

- Funded Ratios were lower at 1/1/2015
  - Investment returns were less than expected in 2014
  - Actuarial tables adjusted for longer expected lifespans
- Eight month billing will continue for 2015
  - No longer needed to prevent a Deficit Reduction Contribution
  - Helps to lower PBGC premiums

MVA = Market Value of Assets

AVA = Actuarial Value of Assets

# Section 415 RS Overpayments

- Discovered late in 2014
- Software miscalculations resulted in retirement overpayments to 102 individuals at 57 co-ops in 21 states in recent years
- 3 in Alaska
- Individuals had to return overpayments
  - NRECA essentially gifted back those overpayments, grossed up to cover their income tax liability
- NRECA covered all costs ~\$14M
- All impacted employees are on path to resolution

# 2016 Group Insurance Plans

- Less than 100 employees: premiums for medical and Rx renewals will increase 1%-6%
- 100+ employees: premiums for medical and Rx renewals will increase based on each co-op's experience; nearly 60% of those co-ops will receive single digit increases
- Dental and vision premiums increase modestly
- Individual co-op renewal rates distributed in mid-August 2015

# NRECA Top Issues

- EPA Clean Power Plan
- Educating prospective presidential candidates
- Distributed energy resources
- Cyber and physical security
- Issues facing rural America
- Boosting member engagement
- International program – Electrify Africa
- Positioning co-ops as the trusted energy resource
- Developing the next generation workforce

# Rural Electric Safety Achievement Program

- New Speak Up! Listen Up! Program initiated
  - Completed three train the trainer classes
  - Many statewides are moving forward proactively
  - Some states are struggling with resources
  - Expect to provide support/resources for these states
- New online system deployment has begun
  - Training and orientation has had challenges
- Highly successful 2015 Safety Leadership Summit
  - 600 attendees
  - Began “No Text, No Driving” campaign

# Thank You!

**It has been an incredible honor to represent  
Alaska on the NRECA National Board**

**You can be assured your voice is heard**

**If you ever have any issues, needs or  
concerns with NRECA, I am here to assist**