



ENERGY FACT SHEET

In the early 1900's, as urban areas began to electrify, rural areas lagged behind. Eventually, farmers and ranchers in remote areas took the initiative to form electric cooperatives and did it themselves. In 1936, the Rural Electrification Act formalized the partnership that allowed electric cooperatives to access affordable credit from the federal government to finance that infrastructure. In the past 80 years, a lot has changed, but the same fundamental challenge still exists – how to affordably connect those customers in low density, higher-cost, rural areas. What was then called the Rural Electrification Administration (REA) is now the Rural Utilities Service (RUS) and it is as relevant today as it was back then.

RUS loans have helped build, expand, and improve the infrastructure across rural America necessary to provide power and other necessities. It has been among the most successful public-private infrastructure investment programs in the history of the country. RUS loans help rural electric utilities reduce costs and improve reliability for their members by financing construction and maintenance of basic assets like poles and wires. It also helps us fund projects to make our systems more modern, efficient, and secure. In the 21st Century, connectivity is just as essential to the electric grid as traditional generation, transmission and distribution hardware. RUS Smart Grid loans facilitate the deployment of robust communications infrastructure to modernize the grid, improve efficiency to save money, and protect against cyberattack.

RUS continues to work with stakeholders to make the electric loan program as flexible and efficient as possible for borrowers. RUS recently announced a suite of helpful administrative reforms which will streamline the loan application process. The RebuildRural Coalition urges RUS to continue to evaluate ways to be as responsive as possible to borrowers' needs.

USDA manages several rural development programs that are used by electric cooperatives to serve and grow rural economies. In particular, the Rural Economic Development Loan and Grant program finances economic development projects that add jobs to rural communities. And the Rural Energy for America Program (REAP), the Energy Efficiency and Conservation Loan Program (EECLP), and the Rural Energy Savings Program (RESP) encourage the deployment of renewable and energy efficiency technologies into rural areas which save our customers money. RebuildRural recommends additional investment into these programs.

Lastly, electric utilities in rural areas face numerous regulatory burdens that threaten our ability to generate, transmit and distribute reliable, cost-effective electricity to our customers. The RebuildRural Coalition support reforms to the National Environmental Policy Act (NEPA) and to the Endangered Species Act (ESA) to promote the development of rural infrastructure. In addition, streamlining federal government management practices on federal lands will make it easier for electric co-ops to maintain safety and reliability by performing needed vegetation management to prevent threats to power lines and respond to emergencies.



REBUILD RURAL COALITION

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