



Rural Utilities Service (RUS) Electric Loan Program: Investments in Secure, Reliable Electric Utility Infrastructure

Issue: Consumer-owned, not-for-profit electric cooperatives maintain nearly half the nation's electric distribution lines which cover 75 percent of America's land mass while serving only 12 percent of all business and residential electric consumers. Cooperatives meet that unique challenge in part by utilizing RUS loans to finance affordable, reliable electric service to approximately 42 million people. These loans contribute to deficit reduction because they are repaid with interest to the U.S. Treasury. In fiscal year 2017, electric loan repayments will net more than \$300 million to the U.S. Treasury.

Status: The federal government is currently operating under FY 2016 spending levels for FY 2017 via a continuing resolution (CR). Congress authorized a \$5.5 billion loan level in FY 2016, which has carried forward into 2017. For FY 2018, WRECA supports continuing the authorized loan level at \$5.5 billion for RUS electric program loans.

Last year, House Agriculture Committee Chairman Mike Conaway and Ranking Member Collin Peterson spearheaded a letter supporting the RUS loan program, which was signed by 217 Members of the House. A companion Senate letter was authored by Senator Jim Inhofe and Senator Heidi Heitkamp signed by 38 Senators. Similar letters are again circulating in support of a \$5.5 billion loan level for FY 2018.

RUS Electric Program Loan Level History

FY 15	FY 16	FY 17	FY 18
Enacted	Enacted	Enacted	Requested
\$5.0 Billion	\$5.5 Billion	\$5.5 Billion	\$5.5 Billion

Guaranteed Underwriter Program

Another critical RUS program is the Guaranteed Underwriter Program, which allows qualified private lenders to provide guaranteed financing to electric cooperatives. Congress agreed to a loan level of \$750 million for FY 2017 for those loans. WRECA supports a \$1 billion loan level for 2018, the same level requested in 2017.

Rural Economic Development Loan and Grant Program

In addition, cooperatives support the Rural Economic Development Loan and Grant program (REDL&G) which enables electric cooperatives to invest in development projects in local communities. Unfortunately, the Administration's proposed budget would not fund the REDL&G program in 2018. WRECA strongly supports continuing the program at the current funding level of \$85 million for this critical rural economic development program.

WRECA position

Washington's electric cooperatives support an FY 2018 RUS loan level of \$5.5 B for FY 2018 with no language restricting how loans may be used. We also encourage Congress to fund the Guaranteed Underwriter Program at \$1B and the REDL&G Program at \$85M for FY 2018.