



National Rural Electric Cooperative Association

A Touchstone Energy Cooperative 

September 22, 2006

The Honorable Howard K. Gruenspecht
Deputy Administrator
Energy Information Administration, EI-81
U.S. Department of Energy
1000 Independence Avenue, SW.
Washington, DC 20585

By email: stephen.calopedis@eia.doe.gov

Re: Comments on Proposed Form EIA-1605 and Instructions for Voluntary Reporting of Greenhouse Gases, 71 Fed. Reg. 42637 (July 27, 2006)

Dear Dr. Gruenspecht:

The National Rural Electric Cooperative Association (NRECA) respectfully submits comments on the Energy Information Administration's (EIA) revised Form EIA-1605 and the instructions for Voluntary Reporting of Greenhouse Gases, 71 Fed. Reg. 42637 – 42639 (July 27, 2006). EIA is also soliciting comments on a proposed three-year extension to the revised Form EIA-1605 and discontinuation of existing Form EIA-1605EZ.

NRECA is the national service organization representing 930 not-for-profit, customer-owned, rural electric cooperatives located in 47 states. NRECA's members serve more than 39 million end-use electric customers. Rural electric cooperatives provide at-cost electric service to sparsely populated areas. Over 95 percent of NRECA's members are small businesses.

NRECA members have reported their GHG reductions to the EIA's §1605 database from its inception in 1994. Since the Department of Energy (DOE) began its efforts to improve and enhance the §1605(b) Voluntary Reporting of Greenhouse Gases Program, NRECA and its members have participated fully in the process advocating an enhanced program that could accommodate the needs of small businesses. NRECA participates in DOE's Climate VISION program and has a vested interest in the Voluntary Reporting of Greenhouse Gases Program as an effective tool supporting the President's climate policies and national goal to reduce the greenhouse gas intensity of the U.S. 18 percent by 2012.

NRECA's concerns regarding the revised Form EIA-1605 are twofold. First, NRECA has a specific comment with respect to Schedule 1 on Entity Information. Second,

Dr. Howard K. Gruenspecht

September 22, 2006

Page 2

NRECA has more general concerns with the reporting burden of revised Form EIA-1605 and the instructions and the proposed discontinuation of Form EIA-1605EZ.

Not-for-Profit Electric Cooperatives Are Non-Investor Owned Utilities

In the draft Form EIA-1605 Schedule I, Section 1, Entity Statement (p.3), reporters are instructed in item 6 to select the category that describes the entity. Electric cooperatives are categorized as “Non-Profit Organization, Cooperative”. Electric cooperatives are *not-for-profit, privately owned utilities*. Electric cooperatives are not non-profit organizations.

To correct this, NRECA recommends that EIA change the main category “Public Utility (Non-Investor Owned)” to “Utility (Non-Investor Owned).” A new subcategory should be added called “Cooperative.”

Small Businesses Need Form EIA-1605EZ

Rural electric cooperatives are small businesses. The typical electric cooperative serves 12,000 consumers, has 7 consumers per mile of line and annual revenue of approximately \$10,565 per mile of line, the least revenue of any segment of the electric sector. This small utility characteristic distinguishes electric cooperatives from large, investor-owned electric utilities (IOUs). The average IOU is a big business with 600,000 customers, 35 customers per mile of line, and revenues of \$62,665 per mile of line. In addition, IOUs sell 64 percent of their power to large commercial and industrial customers while electric cooperatives sell 58 percent of their power to small residential consumers.

As small, at-cost businesses, electric cooperatives have limited financial and manpower resources that they can devote to a voluntary greenhouse gas reporting registry. As small businesses they need simple reporting forms and minimal transaction costs.

Unfortunately, the revised Form EIA-1605 and the instructions for Voluntary Reporting of Greenhouse Gases—each more than 100 pages—by their magnitude and complexity constitute a barrier to the participation of small businesses like electric cooperatives in the revised §1605(b) program. The Electric Power Research Institute (EPRI) and others have estimated that to register emission reductions, in the first year an electric utility would need to commit \$50,000 to \$100,000 for consultants plus 40-100 hours of staff time to accumulate the data. This would not include the actual time needed to fill out Form EIA-1605. Reporting costs are expected to decline somewhat in the following years due to established records and familiarity with the program, but may remain substantial. This estimate of the reporting burden is far larger than EIA’s estimate.

For a voluntary reporting program, this would be a substantial financial commitment for a big business. For small businesses like electric cooperatives, this is a large commitment in both finances and manpower that may prevent participation altogether.

Dr. Howard K. Gruenspecht

September 22, 2006

Page 3

NRECA believes that it is the intent of Congress that special consideration be given to small business entities in meeting the reporting requirements of all federal programs including voluntary programs such as the §1605(b) program. The Small Business Regulatory Enforcement and Fairness Act (SBREFA), the Regulatory Flexibility Act, Unfunded Mandates Reduction Act (UMRA), and Executive Order 12866 all include provisions intended to lessen the burdens on small businesses.

Lessening the burdens of reporting for small businesses, including our members, will allow more of them to participate in reporting under the revised guidelines, an objective that the Department should fully support. Toward that end, EIA should make an effort to revise Form EIA-1605EZ for the use of small businesses rather than discontinuing it.

Thank you for the current opportunity to submit these comments. If you have any questions, please contact me at (703) 907-5790 or carol.whitman@nreca.coop.

Respectfully submitted,



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