Members of rural electric cooperatives have the opportunity to work with their staff and elected boards to achieve affordable power by adopting cleaner, cheaper, faster energy solutions.

Over the last few decades, rural electric cooperatives have become less innovative and less open to member participation. Co-ops were the pioneering leaders behind the electrification and modernization of rural America beginning in 1935. They were founded on the cooperative principle of democratic member control, which makes them unique in that their customers are also their member-owners. Many Montana electric co-ops are missing out on opportunities to develop energy efficiency and renewable programs. Opportunities for democratic member participation have also become limited. For the sake of their members, our co-ops must return to the principles on which they were founded and support rural economic progress by promoting clean energy.

Why change?

1. Coal is no longer the least-cost power

The economics of energy are rapidly changing. Coal was the cheapest energy source of the last century, but natural gas-fired electricity is now less costly than coal. Moreover, NorthWestern Energy’s own filings with the Public Service Commission show that coal is the most costly energy source in its portfolio, while wind farms like Judith Gap are the most cost effective. Many cooperatives are largely coal-dependent today but have the opportunity — if they will take it — to offer better and cheaper alternatives to their members.

2. Cleaner, cheaper, faster energy solutions are available

With the installed price of solar dropping over 50% since 2008, rooftop solar has now reached “grid parity.” By installing a solar array on your home, you can lock in your price of power for 25-plus years, save money on your electric bill, and become more energy independent. Many farmers and ranchers are also taking advantage of solar for stock-water pumping and powering center-pivot irrigation systems.

Montana co-ops need policies that enable members to pursue their own small-scale renewable energy generation, while also finding ways to invest in their own renewable generation.

3. Solar is driving job growth

Technological progress has propelled "distributed" renewable energy forward, adding it to a long list of recent technological innovations: from the horse and buggy to the automobile, or landlines to cell phones.

Nationally, the burgeoning solar industry already out-employs both coal and oil extraction. Solar employs more than 260,000 people and employment has been growing 20% year over year. Developing Montana’s great solar and wind potential is a forward-thinking economic development strategy.

---

Keep the principles behind the co-op

A better way

The good news is that a handful of forward-looking electric co-ops have already set a course towards smarter and cleaner energy. We can look to cooperatives like these to learn how to apply clean energy programs in a rural setting:

- Flathead Electric (Montana)
- Delta-Montrose Electric (Colorado)
- Farmers Electric (Iowa)
- Kit Carson Electric (New Mexico)

By opening the door to clean energy, these co-ops have brought multiple long-term benefits to their communities: sustainable jobs and small businesses, lower energy bills, reduced energy loads, greater energy independence, cleaner air, and keeping money in the community

Is your co-op living up to its principles?

1. Voluntary and open membership
2. Democratic member control
3. Members' economic participation
4. Autonomy and independence
5. Education, training, and information
6. Cooperation among cooperatives
7. Concern for community

– National Rural Electric Cooperative Association

Montana co-ops and their structure

The stated mission of rural electric co-ops is to provide electricity in rural areas at affordable prices. Each is governed by a board of directors that is elected by the membership. The board sets policies and procedures that are implemented by the cooperative’s staff.

Montana has 25 distribution co-ops that deliver energy in all 56 counties to more than 400,000 members. They are represented on the state level by the Montana Electric Cooperative Association, which lobbies the legislature, provides co-op trainings, and controls co-op public messaging. The National Rural Electric Cooperative Association performs similar functions for all co-ops on the national level.

The distribution co-ops rely on other sources for their power generation, including private utilities such as PPL Montana, the generation and transmission (G&T) co-op power supplier Basin Electric, or federal power administrations such as Bonneville Power Administration and the Western Area Power Administration. Most distribution co-ops are members of intermediate G&T co-ops, such as Central Montana G&T. They do not actually generate energy but function as middlemen between the power supply and the distribution co-ops.

Rural Electric Cooperative 2018 Annual Meetings

March
- Ravalli County Electric Co-op
- Vigilante Electric Co-op (Feb-March)
- Sun River Electric Co-op
- Flathead Electric Co-op
- Lincoln Electric Co-op
- Missoula Electric Co-op
- Mid-Yellowstone Electric Co-op
- Yellowstone Valley Electric Co-op
- Big Horn Electric Co-op

April
- Glacier Electric Co-op (Mar-Apr)
- Marias River Electric Co-op

May
- Hill County Electric Co-op
- Northern Lights, Inc.

June
- McCona Electric Co-op
- Lower Yellowstone Electric Co-op

July
- Goldenwest Electric Co-op
- Tongue River Electric Co-op

October
- Park Electric Co-op
- Big Flat Electric Co-op
- Sheridan Electric Co-op
- NorVal Electric Co-op
- Beartooth Electric Co-op
Open and democratic governance

**Issue:** Some rural electric co-ops have strayed from their original foundations of democratic member control, and it is often difficult for members to access important and basic information, participate in elections and meetings, and make their voices heard by co-op boards.

**Solutions:**
- Increase co-op openness and the ability of members to participate democratically as owners of their co-ops.
- A fair and open nomination and election process.

Energy efficiency and renewable energy

**Issue:** Montana co-ops are missing out on opportunities to develop energy efficiency programs and renewable power from sources such as wind and sun, that will save their members money.

**Solutions:** Encourage co-ops to:
- Set achievable clean energy goals and follow through with them.
- Promote energy efficiency programs, reduce energy load, and save money.
- Promote renewable energy where it makes sense.
Fergus Electric co-op launches community solar program

In September 2017, Fergus Electric Cooperative brought a 100-kW community solar array online in Lewistown. Community solar allows participants to choose solar without having to install a solar array on their own property. Owners are credited on their energy bills for the electricity generated by the panels they own in a large, shared solar array. All 324 panels were sold; some members bought just one panel, others as many as 20 or 25.

This project is a prime example of how building relationships among co-op members, boards, and management can yield results.

Central Montana Resource Council (CMRC), a Northern Plains affiliate, repeatedly expressed interest in community solar, prompting Fergus Electric to conduct a member survey on the topic. Member support was strong. CMRC and Fergus Electric then partnered to hold a Community Solar Seminar, which helped the project succeed.

Fergus Electric Cooperative is the 4th in Montana to develop a community solar project, joining Flathead, Missoula, and Ravalli Electric Cooperatives.

On-bill financing makes energy efficiency affordable

Many rural homes and businesses are old or inefficient buildings with high energy bills. Energy efficiency improvements would help save people money on utilities in the long run, but the main challenge is expensive up-front costs.

"On-bill financing" for energy efficiency retrofits is one program that some rural electric cooperatives across the country offer in order to reduce members’ energy usage and save them money.

Rural electric co-ops can access no-interest or low-interest financing through the federal Rural Utilities Service (RUS) in order to offer on-bill financing to their members. Project financing is repaid on the members’ monthly co-op utility bills, and monthly utility savings typically exceed the monthly repayment cost. In most cases, the member experiences no out-of-pocket costs and also sees a significant decrease in annual energy consumption.

Dozens of rural electric co-ops nationwide offer on-bill financing; currently, Flathead Electric is the only one within the state of Montana. Flathead Electric’s residential "energy fix" loan program was introduced in 2009 and over 20.74 megawatt hours have been saved between 2009 and 2017. That is enough energy to power about 20,000 homes a year.