



The Honorable Nancy Pelosi
U.S. House of Representatives
H-222 U.S. Capitol
Washington, DC 20510

The Honorable Mitch McConnell
U.S. Senate
S-230 U.S. Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
U.S. House of Representatives
H-204 U.S. Capitol
Washington, DC 20510

The Honorable Charles Schumer
U.S. Senate
S-221 U.S. Capitol
Washington, DC 20515

April 9, 2020

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader McCarthy, and Minority Leader Schumer:

On behalf of the American Public Power Association (APPA), I want to thank you for your leadership and swift action over the last month to confront both the public health crisis caused by the pandemic spread of COVID-19 and the economic challenges associated with this unprecedented situation. APPA is the voice of not-for-profit, community-owned utilities that operate in every state except Hawaii, provide power to 49 million people and 2.6 million businesses, and employ 93,000 people.

We believe that a number of steps to encourage infrastructure investments are appropriate – including reinstating the ability to issue advance refunding bonds – but completely agree with your assessment that a more immediate need is a narrowly focused bolstering of the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). To that end, we strongly urge:

- An increase of funding for the Coronavirus Relief Fund to states;
- An increase in funding for the Low Income Home Energy Assistance Program (LIHEAP); and
- Completed implementation of CARES Act section 4003(c)(3)(E) requiring the Treasury Department to work to establish a Federal Reserve program or facility “that provides liquidity to the financial system that supports lending to States and municipalities.”

Even with these steps we remain extremely concerned about the financial effect of this crisis on public power utilities operating through the U.S. The pandemic is creating a double-edge challenge for these critical providers: increased costs and reduced revenues. Increased costs as we take extraordinary measures to ensure that “the lights stay on,” but decreased revenues as commercial, industrial, and institutional use declines and delinquency in payments increase. The full extent of this may not be seen for weeks – or even months – and financial concerns may seem secondary when life safety is on the line,

but we must pay our workers, we must pay for fuel that drives our power plants, and we must pay for equipment when repairs are needed.

And meeting these needs is critical. Health care personnel and first responders are on the front lines facing the COVID-19 pandemic, but they absolutely must have electricity. Electricity powers ventilators, lighting, cellphones, modems, sterilizing equipment, testing equipment, emergency dispatch, and the list goes on. Likewise, ambulances, fire trucks, and police cars may burn gasoline and diesel, but it takes an electric pump to refuel them. Even our homes are part of this effort, with Americans quarantining to help reduce the spread of this lethal disease – and it is electricity that makes our homes habitable and powers the devices that allow us to work remotely.

These utilities receive no benefit from the payroll tax credit created under the Families First Coronavirus Response Act (though they should), have no access to the small business loans authorized by the CARES Act, and to date have not had access to the Federal Reserve facility discussed above. Additionally, while several of our members serve large cities, of the more than 2,000 public power utilities operating in the U.S., all but 30 have 500 or fewer employees – and more than 1,300 public power utilities have 10 or fewer employees. We strongly encourage Congress to consider ways to ensure they all have direct access to relief.

Thank you very much for your time and please do not hesitate to contact John Godfrey on my staff at jgodfrey@publicpower.org or 202-467-2929 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal line extending to the right.

Joy Ditto
President & CEO