

## How Can I Change Policies of My Rural Electric Cooperative?

Rural Electric Cooperatives (RECs) were established for the purpose of providing electric power to the rural communities across the country. In theory, cooperatives are managed by the members for the benefit of the members. Some cooperatives are more open to the members, allowing them access to minutes and records, allowing members to speak to the board, allowing members to vote on by-law changes. Other cooperatives are run by boards and managers who operate behind closed doors.

Members can become effective agents for policy changes within their cooperatives.

### How is Policy Determined for the Rural Electric Cooperatives?

#### **Members**

Every person and business in the service territory becomes a member of the cooperative.

#### **Bylaws**

The cooperative has a set of by-laws that define the operation of the cooperative. Each member should have access to a copy of the by-laws. To get a copy, first try the website for the cooperative. If you cannot find a copy on the website, then ask the staff at the cooperative for a copy.

By-laws and processes vary from cooperative to cooperative.

#### **Board of Directors**

Each cooperative has a board of directors that is responsible for the overall direction of the cooperative.

The by-laws for the cooperative will state how the candidates are nominated for the board. In some cases, a person can throw their hat in the ring and run for board. For other RECs, the top managers of the REC select the candidates.

The by-laws will also state how many candidates must run for each open position – if the number of candidates to be voted on is the same as the number of open seats or if there is truly a



Photo courtesy NRCS, Tim McCabe

competitive race for board when there has to be more candidates running for the board than positions.

Each member is eligible to vote on the candidates for board of directors. Each member has an equal voice. As a member of the cooperative, you should vote and return the ballot, so that your vote is counted.

The board members will meet periodically to review the function of the cooperative, including reviewing financials, approving rate structures for the sale of electricity, approving special programs and incentives such as energy efficiency and determining the general direction of the cooperative. Minutes are taken at the board meetings.

The senior management of the cooperative can provide the dates, times and locations of the board meetings.

One would think that a member could speak at a board meeting, but that too will vary based on the by-laws and the past operation procedures of the board. The by-laws can help you determine this process; the senior management of the cooperative can also provide this information.

You can also speak to your board members one-on-one outside of a board meeting.

If you do not like the way the Rural Electric Cooperative operates, you may need to change the by-laws. The by-laws themselves will have procedures for changing the by-laws. Iowa Code Section 499.46 also details how the bylaws are changed.

### **Iowa Association of Rural Electric Cooperatives**

The Iowa Association of Electric Cooperatives is a state-wide organization that supports Rural Electric Cooperatives, lobbies on legislation that affects cooperatives and attends regulatory agency stakeholder and committee meetings related to cooperative issues. The group is well organized and the RECs are united on most issues affecting RECs. The group is also aligned with the Iowa Association of Municipal Utilities and investor-owned utilities on many utility-related issues.



Photo by Pam Mackev-Taylor

### **Iowa Utilities Board and Regulation**

State and federal laws dictate the operation of the cooperatives.

Overall, the Rural Electric Cooperatives are free from the regulation and oversight of the Iowa Utilities Board (IUB). The theory is that RECs are democratic entities with elected boards. Those boards provide the oversight. One REC, the Linn County Rural Electric Cooperative, has elected for rate regulation by the Iowa Utilities Board. The RECs can file their tariffs (pricing structure and rate tables for determining an electric bills) with the IUB. There are additional reports that periodically are filed with the Utilities Board.

## How Can I Change REC Policies?

- ❑ Become familiar with the by-laws and articles of incorporation. It is also helpful to become familiar with the cooperative's policy documents and tariffs. Minutes are kept of each board meeting and should be available for you to review. You can find the service territory of your REC at <https://iub.iowa.gov/regulated-industries/electric/electric-service-area-boundary-map>
- ❑ Determine who can make the change in policy by first talking to the management of the cooperative. That discussion might also tell you how receptive the management and board of directors will be to the change.
- ❑ Attend the board meetings.
- ❑ You can ask to speak to the board of directors.
- ❑ You can also actively discuss policy with individual board members.
- ❑ Change outdated by-laws, if necessary.
  - Following by-laws and Iowa Code section 499.46, request that the Board of Directors put the by-law change on the ballot.
  - Encourage other members to support the change.
- ❑ Write a rebuttal letter if your REC is sending you newsletters and inserts in your bills that do not accurately report on issues such as climate change or renewable energy.
  - Write the letter soon after you receive the cooperative newsletter in the mail.
  - Address the letter to your cooperative management and to the members of the cooperative board.
  - Ask that your rebuttal be published in the next newsletter.
  - Start the letter with a statement of your point.
  - Continue by supporting your point. Make your sentences concise.
  - If you have research material to rebut their information, cite it.
  - Be sure to include your name, address, and phone number so that the staff can verify that you actually sent the letter.
  - Ask other cooperative members to write their own letters.
- ❑ Run for the board and encourage like-minded individuals to run for the board. Serving on the Board of the Rural Electric Cooperative is one of the best ways to change how the REC operates.
  - The by-laws for your cooperative will state how the candidates are nominated for the board. Following the steps outlined in the bylaws, step up and run for the board.
  - Once you become a candidate for the Board of Directors, alert your fellow cooperative members and ask for their support.
  - As a board member you can provide leadership, help expand the cooperative's vision, help develop policies and have a say in how the cooperative is run.
  - You can become an effective agent for change within your cooperative and can help advance effective energy efficiency and renewable energy programs, can advocate for feed-in tariffs and following the standard interconnection rules that the investor-owned utilities must use, and can encourage the REC to increase its purchase of renewable energy and the retirement of coal and nuclear power.