

Now is the Time to Slash Subsidies

By Representative Fred Upton (R-MI)

It is crystal clear that the United States is in the middle of a budget crisis. According to the non-partisan Congressional Budget Office, the past two reported federal budget deficits were the highest on record since the end of World War II. Everyone in America, with the possible exception of those folks working at the White House and within Pelosi's caucus, understands that significant spending cuts must be made and that the government needs to get out of the business of picking winners and losers in the private sector.

There is a consensus among Republicans in the new House majority that Washington has a spending problem. In an interview shortly after the midterm elections, Speaker-designate John Boehner said, "I don't think Washington has a revenue problem. I think Washington has a spending problem." I could not agree more. In a recent joint op-ed with Americans for Tax Reform's Grover Norquist, I echoed Boehner's comments while underscoring the urgency of cutting spending while halting tax hikes of any kind. The whopping failure of the \$862 billion stimulus is the biggest case in point.

One realm that demands cuts are the renewable energy subsidies that have become so engrained in the renewable energy sector. While renewable energy has a place in an "all of the above" strategy, there is a right way and a wrong way to develop renewable resources. Carelessly throwing taxpayer money at it is the wrong way. Alarming, the U.S. government has spent over \$10 billion a year for the past ten years on these subsidies. Imagine how \$100 billion could be deployed in a far more productive manner, such as for debt repayment or tax cuts. The

subsidies were originally promoted as a way to get the renewables industry going, but they have become a crutch; the businesses are allowed to ignore the rules of survival in a competitive marketplace since they know that they will get their cash flow no matter what. Things have gotten so bad that many of these businesses will not survive without the handout. Let the market sort it out! Since I am sure that the industry will never give up its free money voluntarily, now is the time for us to slash it on our terms.

Taking on these subsidies will certainly be a challenge, as the Obama administration has made "green jobs" a cornerstone of its ill-fated economic plan. The president is fond of European-style economies, but an examination of the suffering that the Spanish endured over the past several years due to their failed "green jobs" policies must serve as a lesson. A study by Professor Gabriel Calzada Alvarez, Study of the Effects on Employment of Public Aid to Renewable Energy Sources, concludes that: "Spain's experience cited by President Obama as a model reveals with high confidence, by two different methods, that the U.S. should expect a loss of at least 2.2 jobs on average, or about 9 jobs lost for every four created, to which we have to add those jobs that non-subsidized investments with the same resources would have created." Essentially, when the subsidy spigot is shut off, the green jobs bubble will collapse, just like a Ponzi scheme. Where is the outrage here?

On top of the rampant cash handouts, many green jobs advocates also argue for a federal standard that requires utilities to

purchase a significant percentage of total power supplied from renewable energy sources. This is like a subsidy in that it artificially props up the industry. The problem with this policy is that electricity prices rise as a result, killing economic productivity and putting the pinch on American households. A recent Wall Street Journal article, "Renewables Investors Fear Withdrawal of Subsidies" (Aug. 19, 2010), highlighted the European experience with renewable energy subsidies, and provided a disturbing picture. The German economy minister said that "electricity prices are slated to rise 10% because of the rapidly growing power-generation capacity from renewable energy sources"; and the Italian program "currently adds about 5% to electricity bills." If this point sounds familiar, it is because it was our mantra during the Waxman-Markey cap-and-tax debate last year — we must not enact policies that inflict pain on American ratepayers in the form of higher monthly utility bills.

The bottom line is that the European experience has taught us that renewable energy subsidies will lead to massive job losses and higher electricity prices. Neither of these outcomes is acceptable, and next year we must determine not whether to cut, but rather how much to cut. Renewable energy sources have an integral role, but the free market must prevail without the government inserting itself — yet once again — where it does not belong.

This article was written by Representative Fred Upton, R-Michigan, and was originally published in The Daily Caller on December 3, 2010.

Notice: Date Change Irrigation and Technology Seminar Scheduled for February 11, 2011

Victory Electric Cooperative announces the date for the 13th Annual Irrigation and Technology Seminar.

The seminar will be held on Friday, February 11, 2011, at Victory Electric's headquarter's located at 3230 N. 14th in Dodge City.

The general public is invited to attend. If you are an irrigator on Victory's system, you will soon receive a personal invitation in the mail.

Victory Electric is working hard to bring a new and exciting lineup to this year's event, so feel free to come out, eat, listen to the great lineup of guest speakers, and visit with the exhibitors.

RSVP's are required. If you have any questions or would like to reserve your spot, please contact Josh Schmidt by calling 620-227-2139 or 800-279-7915 or emailing jschmidt@victoryelectric.net.



Farmers attend 2010 Irrigation and Technology seminar.

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FROM THE MANAGER

Now is the Time to Slash Subsidies

As the general manager of Victory Electric Cooperative, I am responsible for keeping informed of the latest energy technology, energy legislation and other issues that might affect Victory and you, the member.

In addition to the many meetings on power supply, energy regulations and more, I also spend a great deal of time reading about these issues. I came across an article the other day that I feel is important to share with our members. It is written by Rep. Fred Upton of Michigan and originally published December 3, 2010, in *The Daily Caller*. Upton is the ranking member on the House Energy and Commerce Subcommittee on Energy and Environment.

In the article, Upton discusses the budget crisis and the role that renewable energy subsidies play in the economy and current budget deficit.

While I believe renewable energy sources have their place in our generation mix, Upton makes a great point about the subsidies becoming a "crutch" to the industry and soon the subsidies will lead to massive job losses and higher electricity prices.

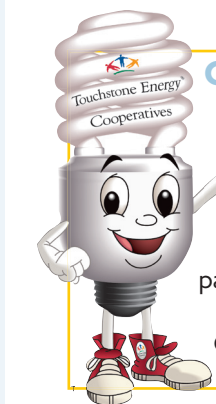
Continue to page 16-E of this newsletter to see the article written by Rep. Upton.

'Til Next Time, TJ



Terry Janson

Upton discusses the role that renewable energy subsidies play in the economy and current budget deficit.



CFL Charlie Says

"Come Get Your Free CFL Bulb!"

And this month's lucky winners are... Alan Wetzel, Clare Shriwise, Martha Ozuna, Timothy Pacheco, Elizabeth Melendez, & Kelli Servis. Come by Victory Electric, talk to Josh or Jerry, and get your free compact florescent light bulb (CFL).

Every month Victory Electric will be giving free CFL light bulbs. Congratulations winners!

Statement of Non-discrimination

The Victory Electric Cooperative Association, Inc., is the recipient of federal financial assistance from the Rural Utilities Service (RUS), an agency of the U.S. Department of Agriculture. In accordance with federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. (Not all prohibited bases apply to all programs.)

The person responsible for coordinating this organization's non-discrimination compliance efforts is Terry Janson, General Manager of The Victory Electric Cooperative Association, Inc. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may file a written complaint with this organization; the Director, office of Civil Rights, U.S. Department of Agriculture, Washington D.C. 20250; or the Administrator, Rural Utilities Services, Washington, D. C., 20250. Complaints must be filed within 180 days after the alleged discriminatory action, or by such later date to which the Director of the U.S. Department of Agriculture's Office of Civil Rights or the Administrator of RUS extends the time for filing. Identity of complainants will be kept confidential except to the extent necessary to carry out the purposes of the rules and regulations of the U.S. Department of Agriculture.



A Touchstone Energy Cooperative

Dodge City Christmas Parade of Lights and Chili Contest

The Christmas Parade of Lights and Chili Contest was held on Monday, November 29, 2010, in Dodge City.

Sponsored by *The Dodge City Globe*, Victory Electric and Western Beverage, the events attracted hundreds of visitors to downtown Dodge City.

The Chili Contest had an impressive 43 entries. The lucky winners in the Judges Choice category were Arrowhead West, first place; National Beef, second place; and Parker Haskins, third place.



Those who impressed the crowd won the People's Choice category. Winners were Headcases Salon, first place; Miss Kitty's Quilters, second place; and Leon Feldt, third place.

All winners received a plaque sponsored by Victory Electric.

The parade sported more than 25 entries, ranging from an old fire truck, to an jewel-embellished car, to floats decked out in lights.

Thanks to all who attended, and we hope to see you next year!

1. Santa passed out candy canes to children.
2. Students from Dodge City High School entertained the crowds with Christmas carols throughout the cold, windy evening.
3. The crowd enjoyed Zaks Cheese's entry in the parade.
4. Headcases Salon won People's Choice Award.
5. Santa rode on one of Victory's trucks, in the parade.

Letter from the President

Victory Seeking Board Member Nominations



Richard Lightner

Dear Victory Electric Members, It is time once again to start thinking about Victory Electric's Annual Membership Meeting held in April 2011. We are currently soliciting nominations for Victory Electric's Board of Trustees.

Positions up for election are in District 2, currently held by John Leis, Minneola; District 4, currently held by Jim Imel, Bucklin; District 6, currently held by Kenny Wehkamp, Cimarron; and District 10, currently held by Milam Jones, Dodge City.

To qualify, you must be a naturalized U.S. citizen; and your principal residence must be served by Victory Electric and located within our territory and within the district which you wish to represent.

Also, if a close relative of yours—within the third degree—is an employee or a trustee of Victory Electric, you are not eligible to run for a trustee position.

Duties of an elected trustee include: attending a monthly six-to-eight hour board meeting, board training opportunities, and some travel will be required.

If you would like to run for a position, or you know someone interested, please send a letter of interest with qualifications to Terry Janson or Richard Lightner at Victory Electric, PO Box 1335, Dodge City, KS 67801.

Sincerely,
Richard Lightner, Board President

Victory Donates Goods

Getting into the holiday spirit, Victory Electric made a donation of toys and canned food in time for Christmas to New Hope Compassion Ministries.

We are thankful to

all the organizations for providing much needed services. This was just a small token of appreciation for the help and support they do for the citizens in our communities.



Victory employees Josh Schmidt (left) and Mike Clark (right) deliver toys and canned goods to New Hope Compassion Ministries.

Area Third Graders Receive Children's Dictionaries



Copeland (left) and Cimarron (right) third graders receive dictionaries courtesy of Victory, Cimarron Rotary Club, and United Telephone.



This year Victory Electric has teamed up with local Rotary Clubs and several local businesses to donate a children's dictionary to every third grader in our service territory.

The Rotary Club Dictionary Project is a 501(c) (3) non-profit organization. The goal of this program is to assist students in completing the school year as good writers, ac-

tive readers and creative thinkers by providing students with a personal dictionary. The dictionaries are a gift to each student to use at school and at home for years to come.

High School Juniors. Win a Free Trip

to Washington, D.C., or Steamboat Springs, Colorado



Last year's D.C. winners were (from left) Shelby Durler and Becca Heeke, both of Spearville.

**Two Winners, All-Expenses-Paid
"Government in Action" Youth Tour
June 9-16, 2011, in Washington, D.C.**



Last year's camp winners, Kate Lock, Cimarron, left, and Vanessa Nuñez, Dodge City, right. Also pictured is camp chaperone, Mellisa Bosley, center.

**Two Winners, All-Expenses-Paid
Cooperative Youth Leadership Camp
July 9-15, 2011, in Steamboat Springs, CO.**

If you are a high school junior and would like to increase your leadership skills, meet new friends and travel, you can apply for Youth Tour through Victory Electric.

During the Government in Action Youth Tour June 9-16, 2011, students will join 1,500 youth from across the nation in Washington, D.C. Participants will visit the monuments and other attractions,

as well as visit Capitol Hill to learn more about how our government works.

At the Cooperative Youth Leadership Camp, July 9-15, 2011, students will join youth from Colorado, Wyoming, Oklahoma and Kansas. Campers will form a mock cooperative, participate in leadership activities, and learn about the cooperative industry.

Students will be selected based on a résumé, application and an interview.

To apply, contact your high school counselor, high school principal, or Jerri Imgarten at Victory Electric Cooperative by calling 620-371-7730 or 800-279-7915 for more information about the contest.

The deadline for applications is February 11, 2011.

Victory Electric Cooperative Youth Tour Application

The deadline for applications is February 11, 2011

Name of Applicant: _____
Mailing Address: _____ City _____ Zip _____
Birth Date _____ Applicant Cell Number _____
Name of Parents or Guardian _____ Home or Parent Number _____
E-mail _____ School _____

I agree that all information supplied in this application is accurate and true. _____
(Signature of Applicant)

I hereby grant permission for _____ to enter the 2011 Youth Tour competition sponsored by The Victory Electric Cooperative Assn., Inc. _____
(Signature of Parent or Legal Guardian)