



Goodcents at a Glance

January 2011

About the program

Goodcents, in the sense that it is a round up program, is not new. More than 250 electric cooperatives across the U.S. have implemented similar programs. And they have been wildly successful.

In 2010, GVEA's Member Advisory Committee suggested the co-op initiate a round-up program. The board of directors agreed it would benefit the cooperative and an amendment to the Bylaws allowing such a program was sent out for membership vote in the 2010 elections. This is how it was worded on the ballot:

GVEA Bylaw, Section 8. Utility Bill Round-up Program

The Cooperative may establish a program to permit members to round up their bills to the nearest dollar. The monies collected shall be used for charitable purposes in the Cooperative's service area. Members may be automatically included in this program, but may voluntarily choose not to participate in the program by request to the Cooperative.

Discussion: ... "This Section allows GVEA to form a fund to assist community organizations, but members may voluntarily choose not to participate. More than 250 electric co-ops have Operation Round Up programs. Approval of this amendment would make GVEA the first in Alaska with such a community-oriented program."

More than 70 percent of the membership that cast a ballot voted in favor of a round up program.

How the program will work

Goodcents will round up a monthly electric bill to the next highest dollar. For example, a bill of \$97.65 will round up to \$98.00 with the additional 35 cents going to the Goodcents fund. The small change, about 50 cents per bill per month, will add up quickly. The funds will be dispersed to qualified organizations and individuals in need on a quarterly basis by the Goodcents Board of Trustees. The goal of the program is to help build a stronger community.

RCA Approval

In October, the RCA approved GVEA's amended tariff sheets for Goodcents. At the same time, they cautioned us that Goodcents may be in conflict with Alaska Statute 45.45.930, dealing with Opt-out Marketing Plans. Shortly thereafter, we received a letter from Senior Assistant Attorney General, Ed Sniffen, expressing the same concern.

GVEA had two options, hold fast to our attorney's written opinion that Goodcents was not in conflict with AS 45.45.930, or pursue a legislative fix. We decided the best course of action was a legislative solution.

After meeting with Assistant AG Ed Sniffen and Senator Meyer's chief of staff, Josh Applebee about the situation, both agreed to support our efforts in a legislative solution.

Where we are now

Legislation has been introduced into the 27th Legislative session to formally authorize electric and telephone cooperatives to offer opt-out charitable giving programs. On January 21, 2011, House Bill 114 was introduced by Representative Steve Thompson (R), Fairbanks and co-sponsored by Mark Neuman (R), Big Lake. It was referred to the Labor & Commerce and Judiciary Committees.

HB 114 includes two provisions. The first to Alaska Statute 10.25.237, where it provides authorization for telephone or electric cooperatives to offer an opt-out charitable giving program. The second is an amendment to AS 45.45.930, which provides clarification that AS 45.45.930 does not apply to telephone or electric cooperative opt-out charitable giving programs.