

Courtney Doyle (00:12):

Welcome back to Co-Op Energy Talk. I'm your host, cherry Land Communications and member relations manager, Courtney Doyle. You might remember just about a year ago, Northern Michigan was hit with a devastating ice storm. Trees were coated in ice that looked like glass power poles and trees were snapping like twigs. And entire communities were without power for extended periods of time. While Cherry land's members didn't take a direct hit, we did have the opportunity to lend a hand and help out our sister co-ops through that storm, which was probably the most devastating storm I have personally witnessed and experienced in my career. That storm was also many of our first experiences with FEMA or the Federal Emergency Management Agency. FEMA exists to help communities recover from disasters, and it's designed to provide support when what we have available locally just isn't enough. Today I have Cherry Land, CEO, Rachel Johnson, and Michigan Electric Cooperative Association, president and CEO John Cran, joining us to dive into why FEMA matters before, during, and after a storm. Thank you guys so much for joining us to talk about not only the ice storm last year, but also fema. That's kind of the, the bigger picture thing right now that we're past the ice storm that we wanna focus on. But I wanna start by taking us back to last year. Mm-hmm <affirmative>. Um, John, can you start by talking us through a little bit about that experience and what stands out to you from that 2025 ice storm?

John Kran (01:37):

Absolutely. Just to preface that I was brand new <laugh>, you know, it, it was all, it was all pretty fresh and new for me as an experience, but, um, I mean, quickly realized that this was more than just a, a small weather event. This was something that was gonna take multiple days and evolve. Um, bringing in cooperative help from across the state and, and even beyond, right. Which we did. Um, this was not a storm that we typically would see in a given year. This was, this was likely the biggest one we've seen in our entire history. Mm-hmm <affirmative>. Um, I think 80 years ago was the last one was even comparable that went across the Midwest so widespread. Um, and then on top of that, you had ice just hanging around for multiple, multiple days, right? Mm-hmm <affirmative>. It didn't, we couldn't, could start working the next day. We had to wait mm-hmm <affirmative>. Really for the ice to Mel before the workers could really get out there and, and do the work that needed to be done. Yeah.

Rachel Johnson (02:25):

Yeah. That was one of the things that struck me as someone who had, you know, 13, 14 years of experience before that ice storm, the, the storms that we had faced in the past, at least in cherry land's, um, service territory. We've had big storms. We've had widespread storms, but most of them moved through and the storm itself was over within a couple of hours. And so then the process of restoration could get started relatively early, right? Mm-hmm <affirmative>. And this storm was really different because the storm itself was like a four day storm, right? The ice came in, stayed, and then continued to accumulate. And so in those very early days, what I saw happening kind of behind the scenes is you had, you did have co-ops immediately deploying resources to restore power. And literally as they were fixing things, things were falling down behind them.

Rachel Johnson (03:10):

Mm-hmm <affirmative>. Mm-hmm <affirmative>. And so it, it, it was a very fascinating storm in terms of the timing of it, and then obviously the, the scope and scale was just unlike anything we had faced in a really long time. But the timing piece was very fascinating, and I think hard for people to understand because they're used to a storm hits immediately, power starts getting restored mm-hmm

<affirmative>. And we just weren't able to begin to make progress until several days into the storm, which was, um, obviously hard, but also gave us the chance to start doing more damage assessment earlier. But certainly a lot of, a lot of differences between the average storm that you would face.

Courtney Doyle ([03:39](#)):

And I think something that we've talked a lot about, and we'll talk more about later in this podcast, but that strikes as the logistics of a storm like this very different. And you touched on that a little bit. Can you talk about, kind of as we transition to our, our broader topic here, fema, is the logistics involved in a regular storm versus something that maybe when we start going, okay, this might be bigger than a regular storm.

Rachel Johnson ([04:02](#)):

So it, and I'll, and I'll maybe just talk about it from Cherry Land's perspective, and John can weigh in from the statewide perspective, from cherry land's perspective. Historically, kind of the logic behind storms is this a storm hits, we immediately say like, do we have, can we just do this with our own staff? If the answer to that is no, we start to lean on the co-op, mutual aid network to bring co-op crews in from generally line crews, sometimes, uh, tree trimming crews as well in from other co-ops or municipal utilities or maybe contractors. That's usually where it stops. So we just kind of expand our field, field-based staff and work through the restoration of that storm. Um, and then, you know, in general, when we talk about storms that from a logistics perspective, you know, it's getting a couple hotel rooms for visiting line crews, um, you know, providing a couple of meals. It's not, I don't wanna, I don't wanna minimize it, it's a lot of work. <affirmative>, you'll have people working, you know, 16, 18 hour days, but it's something that generally one co-op can manage the logistics of mm-hmm <affirmative>. With the extra help coming in kind of on, on the ground with field crews. This storm was very, very different than that

Courtney Doyle ([05:01](#)):

Was not that. Yeah.

Rachel Johnson ([05:02](#)):

It required a much more coordinated statewide effort.

John Kran ([05:04](#)):

If you think about bringing in over a thousand line workers and tree trimmers from across the country, um, some that have worked storms and hurricanes and, um, you know, things in the south or wild wildfires out west. Where do you put all those people in northern Michigan when Northern Michigan doesn't have power? Mm-hmm <affirmative>. Right?

Courtney Doyle ([05:20](#)):

Great question. <laugh>.

Rachel Johnson ([05:21](#)):

So,

John Kran ([05:22](#)):

So quickly, the hotels were, were, were filled up, and we had to think about the next plan, which was to bring in the storm camp and get that set up at the fairgrounds in, in Gaylord. Um, quickly mobilize these, these companies are built for this. They have mobile trailers and um, can, can set up a a,

Rachel Johnson (05:39):

Yeah, they had a, a, a, a huge tent for people to eat. They were doing laundry for people. Mm-hmm

John Kran (05:44):

<affirmative>. Showers, all that was,

Rachel Johnson (05:45):

Yeah. All that stuff. Mm-hmm <affirmative>. And I, and I think that the, um, the other thing that, so in addition to needing to have a much bigger logistical response to house crews, and just to put this in context for you, those storm camps, those are 10, \$15 million investments to stand up. Something like that, right? Mm-hmm <affirmative>. Um, compared to the biggest storm camp land had had in the last 15 years was like a one to \$2 million storm total, right? Mm-hmm <affirmative>. So just thinking through, that's just housing. That's just housing visiting line crews, right? Mm-hmm <affirmative>. But the other, um, pressure point that I saw that I think required a statewide responses, it wasn't just about staffing up line crews. We, we needed more dispatchers, we needed more communication support, we needed more government relations support. We needed just every aspect of those co-ops in order to coordinate those thousand line crews, needed more people mm-hmm <affirmative>. And that was just a very different storm. And, and again, required significant statewide coordination beyond anything we had done. And then you layer in the statewide coordination with other statewide entities mm-hmm <affirmative>. Whether it was the National Guard or the governor's office. And I mean, it was just, it's, it's, it's really, honestly, it's an amazing logistical effort.

John Kran (06:50):

Yes. And I'd add to that, just the number of people that were out making sandwiches and lunches for the line workers, and, uh, the volunteer help we needed to staff the, the storm camp. I mean, that's just a lot of extra bodies.

Courtney Doyle (07:01):

So these are all things I also just wanna like ground people listening here. These are all things happening within a matter of days that the people in this room, the people in lots of other rooms across northern Michigan, were trying to figure out for the first time, really, because this storm was so different than anything else. So take me back to, while all this is happening, when's the point that we realized this might be, we might need to, to, to start thinking about applying for some FEMA support.

John Kran (07:29):

Our staff team at Mecca, you know, realized this early on, and, um, we're on, we're having those conversations with their counterparts from other states at the very beginning and making sure the co-ops had, uh, we're having those conversations too. Because you can't just, it's not something you can look back at, right? You need to be thinking throughout the process, what paperwork are you collecting? Are you saving receipts? Um, are you tracking, uh, where, where polls are coming from, all these types of pieces that FEMA may ask for later on in the application process. Mm-hmm

Rachel Johnson (07:55):

<affirmative>. And, um, you know, I think we all realized pretty early on this was definitely gonna be a FEMA qualifying event. One of the things that starts that process is having the governor and then the president officially make a disaster declaration for the area. And that happened pretty early on in the storm. That is a, that is a, a, a, a first step towards allowing FEMA reimbursement to become available to communities and to, um, and to individuals, to homeowners and to utilities. But the other kind of piece of that I think is, and John hinted at this, and I'll, again, I'll use trail land as our example, even though we weren't, um, impacted by the storm, generally we have like a pretty scrappy response to outage restoration, right? Like, get out there, get the thing fixed, move on to the next thing, get the thing fixed, move on to the next thing when FEMA gets involved, because of the, and I, and I, I agree, I understand this.

Rachel Johnson (08:40):

It's an accountability mechanism, but that requires a, a different way of tracking what you did. And so the sooner, you know, you are likely in a FEMA qualifying event, the better you can track that stuff. But it's also important to keep in mind that tracking itself takes time and effort and resources, right? And so that was a, you know, a lot of the work in addition to the work of restoration, the work of taking care of the people who were restoring power, there was a whole lot of work still ongoing, which I think we should talk about tied directly to the tracking and reporting and accounting for what FEMA was gonna ask for in order to consider reimbursement for utility expenses.

Courtney Doyle (09:16):

Mm-hmm <affirmative>. And before we dive down that hole a little farther, I wanna back up just a little bit and, and get people on the same page of like, what can we ask for, right? Like, FEMA is, it feels really big and there's lots of different categories and things you can and can't ask for. John, can you give us kind of a, a little overview of at least how that applies to utilities or electric utilities?

John Kran (09:37):

Sure. So yeah, for, as you mentioned, FEMA's a lot more broad than just the utilities, right? So the state's looking at it from multiple angles as well, but specifically for utilities, we're looking at the emergency work mm-hmm <affirmative>. That, um, is, is done right at the onset. And then the, the more longer term, um, rebuild that, that needs to happen. So typically the bulk of the work that utilities would fall in that, that second bucket, the, the longer term, um, build out the category F utilities piece, but there's also debris management. There's, there's, uh, resiliency programs built into fema. So there's a couple different buckets that we could traditionally lean on. I dunno if you wanted me to talk about what we're looking at right now, but specifically category A and B, were approved. So those are the emergency measures. So the co-ops are working to make sure that the expenses can be built through those buckets and are working with consultants and lawyers to mm-hmm <affirmative>. Um, to prepare those applications right now. Um, and that's been ongoing really since the fall. They've been, they've had people on the ground since the fall. They've been working with, um, maybe even sooner than that. Uh, just to, just to make sure that they're filling the paperwork the correct way and answering questions on a daily basis from FEMA as they go through this as well.

Rachel Johnson (10:40):

Yeah. I think one of the things that maybe the average person may not see, when we think of fema and you hear about FEMA in national news or whatever, you tend to think of their immediate, uh, kind of on

the ground emergency response support efforts mm-hmm <affirmative>. Right? Which they also do. That's, you know, making sure that they have, whether it's helping with making sure warming centers are available, or food, water, that kind of thing. But then there's this whole other aspect of it, which is once all that emergency management work happens, there's a reimbursement process that communities can go through, that homeowners can go through, that utilities can go through. And all those have different categories inside the fema, um, structures. And that's what, that's what John's talking about. Certain categories have been approved, other categories have not yet been approved, um, maybe won't be approved.

Rachel Johnson ([11:26](#)):

And so part of the, the work that those co-ops that were impacted are doing is trying to figure out how to make, make the case for the highest possible reimbursement on behalf of their members, utilizing the categories of FEMA reimbursement that have been made available so far. Mm-hmm <affirmative>. But generally speaking, in a storm of this magnitude, I mean, you're talking about two co-ops with combined over \$300 million worth of storm expenses. To put that in perspective, cherry land's annual revenue is between 60 and \$70 million a year. Like this is an in an incredible cost burden for the members of those

Courtney Doyle ([11:57](#)):

Co-ops. And I think to that point too, Rachel, at the end of the day, especially for co-ops, all of that is going to be paid by the members anyways, right? Yep. So, so having this money, whether it comes outta A and B or if it's kind of, uh, earmarked and f mm-hmm <affirmative>. It's gonna help the members either way because that money is going to offset the, the bill increases that they're going to have to pay in order to pay for the storm repair itself.

Rachel Johnson ([12:21](#)):

Yeah, absolutely. I mean, we talk about this all the time on the, on the podcast, but we are not for profit co-ops, and 100% of our costs have to be covered by our members. We don't have profits. We don't, we, we, we intentionally don't have huge margins. 'cause that wouldn't be fair to our members. Um, and we, and people always ask, well, why, why don't you have insurance? You can't find anyone to insure a utility against a storm like this. FEMA is that insurance and taxpayers across the United States pay into that insurance with the hopes that it'll be available to them when the time comes. And I know we're gonna talk about this later, but this is one of the reasons we're also working very hard on a FEMA reform package to help make sure that the taxpayer's interest are, are protected in that process, because it, that is the nation's disaster insurance. Mm-hmm <affirmative>.

Courtney Doyle ([13:04](#)):

That's a really great way to put that

John Kran ([13:06](#)):

FEMA's designed to help a community get through the darkest hours, right? And this, and this, it's not meant to make them whole, it's meant to get them about 75% of the way back to where mm-hmm <affirmative>. Where they started. So, um, it's, it's, it's, it is a lot like an insurance policy in that regard. It's never meant to make money, help you make money. It's meant to reimburse you for as much as as as you can get. Right.

Courtney Doyle ([13:26](#)):

So now switching gears back to this kind of process to, okay, A and B have been approved, how do we go about even getting any of that money? And that's a really rigorous, uh, process that doesn't have well, it, it does happen during the storm, but it also very much happens after the storm. Um, can we talk through a little bit some of the things that accounting teams are doing or, uh, the questions that co-ops are answering those kind of hoops that they're jumping through in order to hopefully get some of that money?

John Kran ([13:54](#)):

Yeah. So as I mentioned, they've been meeting with, uh, FEMA, the co-ops have been meeting with FEMA really, um, throughout the fall and, and in the winter here. And, um, they are, they've been preparing documentation as, as outlined, but they've also been having to answer questions as they've come up from FEMA. So maybe there's a piece of documentation that, um, is missing or maybe, or maybe something isn't done the way FEMA would, would like it to be done. Um, and this is all a new process for, for most of us in Michigan, right? Mm-hmm <affirmative>. This is if you're a co-op in, in, in a southern state, that's still dealt with hurricanes. This is maybe a reoccurring theme, but, um, for us, this is really a new territory. Um, but, uh, I mean that's, I think it's just been thousands and thousands of, of hours put into the co-op staff just going back and accumulating this information, making sure they have the right pictures. I mean, you need pictures before and after of, of major improvements. You need the documentation of, um, the workers when they were here, um, how many hours they worked, you know, what meals they may be reimbursed for. All those things just take a tremendous amount of paperwork and, and, uh, and, and space on your data files.

Courtney Doyle ([14:59](#)):

Talk about logistics, right? Like

Rachel Johnson ([15:00](#)):

Yeah. And I think it's this kind of, um, silent work that people don't see. So, you know, everybody saw the swell of support to restore power after the storm. I mean, and it's, it's just a wild restoration story, right? I mean, they replaced something like 8,000 poles. Presskill had a complete loss of their system. I mean, this is, this is just insane, right? Everybody saw that, they understood that work. When I say that costs \$300 million, they think that's a lot of money, but it makes sense to me. The piece that I think people don't see is the year of opportunity cost that these co-ops have borne. But what I will say that they've done really, really well, and I'm really proud of, to, to John's point, we, we don't have a lot of experience with FEMA qualifying storms. Certainly not storms of this scale, but both co-ops immediately said, great, then I'm gonna find outside experts to help us. Mm-hmm <affirmative>. I'm gonna find outside experts who do have experience with this kind of FEMA, um, event to help us make sure that we've done everything in our power to get our members maximum reimbursement through FEMA and offset the cost that they will bear on their electric bills. They have both done everything right as it pertains to utilizing expertise to make sure they have the best possible application. Mm-hmm <affirmative>.

Courtney Doyle ([16:05](#)):

Co-ops are really good at that. Yes.

Rachel Johnson ([16:06](#)):

<laugh> coops love to share among co-ops. Yeah.

Courtney Doyle ([16:09](#)):

So even now, a year later, there is uncertainty around whether or not the co-ops will receive any FEMA funding reimbursement for that \$300 million in restoration. Um, both of you, if you could speak to how that uncertainty impacts cooperatives a little bit differently. I know we talked a little bit about interest. Um, we've talked a little bit about kind of the hoops being jumped through right now, but for the co-ops today, what does that mean and how's that impacting Oh,

John Kran ([16:39](#)):

I'll start that by saying they are still working through the process. Mm-hmm <affirmative>. Uh, we, we don't know what the outcome will be at the end of the day, but we're optimistic that, um, the FEMA process will work to some level for our Michigan cooperatives. Um, but you have that uncertainty hanging over, you know, everything you're doing. Right. Um, I mean, you're taking hours away for people to do other jobs. Um, you know, you're, you're making decisions on, on borrowing money throughout the process. And, and at some point you, you have to pay beyond the interest, right. You have to pay the principal back on that. And, and are you gonna have that spread out over a number of years? Is it gonna be, you know, 30 years, five years, 10 years? We don't, I mean, all those decisions have to be made. And meanwhile, you have to, you have to go back and let the members under and understand that there's this uncertainty and, um, and that they may have to have rate increases in the meantime mm-hmm <affirmative>. Um, but until we know more, it's really hard to say what, what the full effect is gonna be. And, and there's probably a role for the state of Michigan and all this as well at some point. But, um, we need to, we need to see what the federal government, um, program, how it works and how it best functions for our members.

Rachel Johnson ([17:42](#)):

Yeah. And I think, um, again, both co-ops are doing a good job of navigating this, but the reality is this storm isn't over for them. And so I think it's just important to continue to, to, to keep that front of mind, that they're still actively engaged in, in the recovery from this storm. The restoration is done, but the recovery hasn't. It has, there's a long road ahead of them. Um, and every, you know, whether it's a a dollar or an hour that's still working towards recovery from the storm is a dollar or an hour that's not working towards whatever is the next thing in front of them.

Courtney Doyle ([18:16](#)):

Yeah. I think of how often we're planning five, 10 years ahead, and so to have been stuck in this limbo a little bit, where you have this really important piece that you need to fund because it has already happened. Um, and to not know exactly how much of that money you might get support from funding or how much you need to just figure out into your rates and things like that. That's, that's really hard. It

Rachel Johnson ([18:39](#)):

Is. And I think it points to the importance of timeliness. So we can do anything if we can liter, I am 100% confident cherry land can plan through absolutely anything mm-hmm <affirmative>. To the extent that we can have some cer certainty around what we have to plan for. And I think that's, that's an important message as we look forward towards reforming anything with fema. It's not about making it so that everybody gets a yes, it's making it so that we know whether it's gonna be a yes or a no as efficiently as possible, because then we can begin the process of moving forward. Mm-hmm

Courtney Doyle ([19:10](#)):

<affirmative>. I think that's a great transition to, um, after this experience or kind of during this experience, what are some of the opportunities we have seen? I think timeliness is a big one where some change, some opportunities for change or reform could really benefit not only the entire country, but especially rural communities. Right. Are there a couple things that you've, that you think of specifically, John?

John Kran ([19:34](#)):

And one thing I've learned through this whole process is, is that regardless of what, what political party or what state people are found, there's, there's a common theme here that FEMA is broken and it's not working the best way it could for the American people. Um, yeah. That's not, that's not fall on party lines. That's, that's a widely held belief. Um, but they wanna make the program work better for the long run. Right? So, cutting through red tape, making sure that the money can be delivered and decisions can be made on a timely basis. Um, and then addressing this interest, the, this whole concept of interest, um, that they're paying, if you can get the money out the door more quickly, obviously the, the amount of money you're paying in interest is less. Um, but that has been an expense that's been approved in some cases in the past, and legislation would make that permanent. Mm.

Courtney Doyle ([20:16](#)):

So some more clarity around that,

Rachel Johnson ([20:18](#)):

Especially when you, um, talk about a storm of this magnitude, even if 100% of the costs were reimbursed, but that co-op carried that debt for two or three years, the interest costs are significant. They're mm-hmm <affirmative>. They're the equivalent of, or, or greater than cherry land's annual work plan investments. Um, so that's, I think to, to John's point, just a really important expense that has historically been nebulous as to how it would be handled. The other thing that I think we can't emphasize enough is this, um, timeliness aspect. So the, the, the reform package that we're talking about basically says that once the application is put in, so once, not once the storm hits, but once the application is put in for reimbursement, FEMA has 90 days to make a determination on what that reimbursement will look like. And then 30 days after that to disperse. So from application to receipt of dollars is a maximum of 120 days. And I, I cannot emphasize how big of an improvement that is. Again, not because it's, it's a guarantee of Yes. Because it's a guarantee of an answer that you can then use to thoughtfully move forward as a cooperative.

Courtney Doyle ([21:20](#)):

It's not asking for more, it's asking for the ability to be nimble Exactly. Is what it

Rachel Johnson ([21:25](#)):

Is. And for some certainty. Yeah. Yeah. Um, and then, and then to John's point, I think, um, clarifying rules on interest also help because if it is true that FEMA is, um, expected to reimburse for interest, they now also have skin in the game in terms of that expediency, because they don't wanna spend, they're the keepers of taxpayer dollars, right. <laugh>, they don't wanna spend more than they have to either, right? So all those things I think lend themselves towards timeliness as a priority. Um, you know, John talked about cutting through the red tape. The other piece that I, I think about as a utility executive, we talked a little bit about all of the things you have to, um, make sure you document mm-hmm <affirmative>. In a storm response, making sure there's just incredible clarity on what those rules are

before you are in the storm. So we can stand up systems we can use to account for the work that happened in a way that we know in advance will meet the expectations of fema. So it's just really important. The rules don't change after the fact because when the rules change after the fact, it makes it a lot harder for you to catch up. Right. Um, so certainty, certainty, certainty, time, timing, timing, timing. Right. Those are the kind of, for me, at least two really important advancements that are in this FEMA reform package.

Courtney Doyle ([22:35](#)):

Where is that FEMA reform package today, John?

John Kran ([22:38](#)):

It's in the House of Representatives. It made it through committee, uh, over the summer with a vote of 57 to three. So broad bipartisan support, nearly unanimous. Um, there's about 60 co-sponsors to date, including a number of folks from Michigan. Um, and, uh, it's, uh, it's not often you get a, a bill that's this well thought out that has this much wide industry support, um, that's this bipartisan mm-hmm <affirmative>. Um, in, in this political world we we're living in today. Right. So, um, I do think there's definitely a path forward to continue to move this through the House of Representatives this, this year, and hopefully, um, the Senate after that.

Courtney Doyle ([23:11](#)):

So is there any, I don't know, any scuttlebutt on, on what may happen and when <laugh>,

John Kran ([23:17](#)):

The challenge really has been that the House and Senate have spent so much time over the last year really just trying to keep the government funded and having those, those, those fights. Right. So if, if they could move beyond that and start talking about some really substantive policies, um, that there is bipartisan support on Yeah. Both sides can get wins from. Um, there, there're being op there's a good window of opportunity there, but it's, it, we've been caught in these other debates for so long. Yeah. It's, it's been

Courtney Doyle ([23:41](#)):

Tough. Well, and it's good news to have an easy win, right? Right. Where, where the majority of everybody's on the same page.

Rachel Johnson ([23:46](#)):

One of the things that I think makes this so easy in terms of bipartisan support is there's a couple, so we've talked about some of the stuff I think matter for utilities, but there's a lot in here that I think matters a lot for taxpayers. Yes. The, um, public accountability side of it, FEMA will be required to have a public facing dashboard to show the status of applications, to show kind of what is and isn't getting funded. And again, this is the American Taxpayers Federal Disaster er, uh, insurance program. They have every right to see how it's being used. They're the ones who pay for it. Right. So I think that's a, that's a really, IM important improvement for the taxpayers, the people who vote for the both Republicans and Democrats to represent them at the federal level. Right. The other thing that's in here that's FEMA's always had, but it really, uh, strengthens, is the ability to, while you're restore in the, in the moment, restoring a storm, make investments that make the system better and more resilient and storm harden it against the future.

Rachel Johnson ([24:38](#)):

Today, that's not allowable the way you get reimbursed today. It's, if you had a, if you had a poll y you gotta replace it with a poll y If you replace it with a poll X, which might be a better poll. No. Now, now you that, that, that incremental difference is no longer reimbursable. Well, that's not necessarily the best use of resources. Right. If we can take, if we're already gonna be there, we're already gonna be doing the work. I mean, in, in in Pres Gil's example, they almost rebuilt their entire system in three weeks, which is amazing. Right. Um, making sure that the system is designed to, that the FEMA system acknowledges the investments that make the system stronger in the long run are also a good use of that taxpayer dollar. So there's a lot of things in here that do appeal to taxpayers, and I also think that's why you have good bipartisan support for the, for the reform package.

John Kran ([25:23](#)):

One other thing I like about the bill is it elevates the position of the administrator of FEMA to a cabinet level position. So they're directly reported both to the president mm-hmm <affirmative>. So there's, there's just that much closer of the decision making process mm-hmm <affirmative>. So they still have to be approved by the Senate, like a normal cabinet secretary would, secretary would. But, um, it, it just shows how important this program is to the country as a whole by elevating like this,

Courtney Doyle ([25:43](#)):

And might really help with that timeliness piece. Right. It's, it's one less hoop, it's one more direct mm-hmm. Route to where it needs to go.

Rachel Johnson ([25:50](#)):

Yep.

Courtney Doyle ([25:50](#)):

So when we think about this FEMA reform, kind of aside a little bit, I wanna look forward to how co-ops are preparing with what we've learned. Right. Especially through our experience with FEMA is a big part of that. So, John, Rachel, whoever wants to jump in first, but I know we've been doing a lot of work at the Mecca level about how we can make sure Michigan co-ops are ready and some changes we're making today. So that's, that's true. Next time this storm comes our way,

John Kran ([26:14](#)):

I'm excited about the work we're doing at, at the Mecca team and with and with the board. Uh, you know, we've, we've obviously learned a lot through this experience. Um, but we're, we're putting the pen to paper now and, and writing new communications plans that, that include, uh, storms of this magnitude. We we're looking at how our mutual aid system works both in state and outstate, and if we need to be thinking about that differently, we're looking at non-traditional mutual aid. We knew during the storm that we pulled in a lot, a lot of, uh, important positions beyond line workers and tree trimmers from our cooperatives. How do we do we put a system in place that makes that more seamless? Um, you know, and also, uh, just additional training for our, our staff as we prepare for any type of an event and how we partner with the state and external stakeholders, like the media, um, uh, legislators, all that all fits together.

Rachel Johnson ([26:59](#)):

Every storm is an opportunity to learn and improve for the next storm. And I think we're approaching this one at that same approach as we always have, uh, here at Cherryland. So specific to the, and I, and I do wanna just say what they're doing at the statewide level, I'm couldn't be more excited about. I'm absolutely certain it's gonna put us in a, a stronger position for every storm that comes next. But here at cherryland, one of the things we're doing is we're doing a lot of playbook development and kind of table topping of not only just the everyday two, you know, two to three day storm, but also what would, what would it look like at Cherry land if we had a three week storm? One of the, my favorite things about cherry land is we are the leanest electric cooperative almost in the United States of America.

Rachel Johnson ([27:35](#)):

We serve more meters per employee, and that works great for us in terms of keeping our costs stable. We're scrappy, we're nimble, we get the lights back on fast. We are a terrible co-op for a FEMA qualifying event <laugh> because of that scrappiness. And so making sure we have access to the resources we would need, should we have to scale up quickly. And instead of having, you know, two or three full-time communication staff, we might need 10. Instead of having two full-time scheduler dispatchers, we might need to rotate them over a three week period. We might need access to 10 to 12 people who can do that. And so I think a lot of really good work going on to make sure that we are, what, what makes us special and gives us strategic advantage. 99.9% of the time, we're also prepared to flip that switch into a little bit more of a structured bureaucratic model should we need to in a big storm.

Rachel Johnson ([28:23](#)):

And then I think anything that, that strengthens the resources that Mecca brings to that table make all of us better. And so, again, I, I'm, I, I will just continue to say I'm so proud of the way we handled that, that I storm last spring. And I think while we can learn from it, we have so much to be proud of mm-hmm <affirmative>. But it's always still an opportunity to look and say, Hey, what do I, now that I'm not in the crisis, what can I learn from it to make sure that the next crisis is a little smoother and a little easier? Mm-hmm

Courtney Doyle ([28:47](#)):

<affirmative>. And I think we've talked a little bit about it, but in, in our facilities planning, even having experienced this has influenced how we are preparing that new facility for the future. Because that's, it's something that very well could happen here next time. Can you talk about some of those things?

Rachel Johnson ([29:02](#)):

Thank you for asking that question, <laugh>. That was a nice tee up. You're the best communications person I've ever had. Courtney <laugh>. Yeah. So, yeah, so it was kind of interesting because we've been talking four years now about the need to build a new headquarter facility. 'cause we've outgrown our space here and we're just, uh, you guys can find all that information somewhere else, but we knew we were gonna do that. We're actively planning and designing that new headquarter facility. And then the storm hit. And one of the ways we provided aid to those other co-ops was we sent most of our warehouse people, our mechanics and a lot of our other staff, and they came back home and said, Hmm, we need to really look differently at how we've designed this building because there are some things we could add in right now that will make it a better place to serve as the hub of a, of a, of a large storm like this.

Rachel Johnson ([29:45](#)):

And so, I won't get into the details of it, but we actually made a lot of updates to the design of the building so that Cherry Lands headquarters could serve as an emergency spot response central. Not just for cherry land, but also for our, our, um, community emergency managers in an event like that. Um, having extra space where we could potentially stand up storm camps and certainly, um, host mutual aid giving, uh, employees. So a lot, a lot of little, little changes that'll make us a little better off should that storm hit us. 'cause eventually it will. I mean, there's no co-op that is immune to that kind of a storm and making sure we're ready for it is our job.

Courtney Doyle ([30:19](#)):

And the logistics of all that. I still can't get over that. That part is a piece that you just don't see a lot. Mm-hmm <affirmative>. Mm-hmm <affirmative>. Um, before I recap a little bit what we talked about, is there anything else that, that FEMA reform that you wish people knew about or, um, kind of a year later of this ice storm that you wish people understood or knew where we're at today?

Rachel Johnson ([30:37](#)):

I can go first, I think, um, one of the things I always worry about is that people won't understand or won't immediately catch that in a co-op. They own the co-op. We are not for profit, and every dollar we spend is a dollar is their dollar. Mm-hmm <affirmative>. Hard stop. And so this, this FEMA thing isn't, isn't about utilities. It is about rate stability for our members. It's about protection for our members and I, and, and in a storm, every, every single decision that I will have to make, I'm making 100% with them in mind. And so that's for of all the things I just, I watch as, as these types of things happen. And, you know, it's frustrating. Your power's out. Your house is cold, <laugh>, it's stressful. And I think what happens is people tend to kind of say to the utility like, why you need, why didn't you do something different?

Rachel Johnson ([31:24](#)):

And I think it's just really important that our members understand there is no me and you, there's just an us in a co-op and whatever is, whatever we can do with FEMA to protect the US is what's in the best interest of the people we serve. And so I hope, I hope they see it that way. And, and, and I would, I I would do a little call to action. We, they can help support this by, um, we can put it, we can actually probably put a link in the podcast notes mm-hmm <affirmative>. Um, to, to sign a, a campaign, just to let Congress know that this is important, not just for utilities, but important for rural communities and the people who live in them. Mm-hmm <affirmative>.

John Kran ([31:53](#)):

You know, as taxpayers, we have a role too. I mean, it's clearly the government works for us, right? We need to make sure it works the best for us. Mm-hmm <affirmative>. In the most efficient way for us, um, that is there when we need it. Um, and, uh, whether, you know, whether we're an electric cooperative or a local community, um, we're counting on those dollars to come back and help us get through the, the, the darkest days we've dealt with as, as a community.

Courtney Doyle ([32:14](#)):

And that's exactly what the FM reform package aims to do. So thank you both for your time. Just to recap, uh, you know, if you, if you take nothing else away, disasters are expensive. Without relief, those costs fall onto the backs of our members as not-for-profit cooperative. That translates directly into years

of increased bills for our members. So that's, that's a really important thing to remember and that FEMA reform isn't necessarily asking for more, it's just looking for clarity and it's looking for, um, speed in the process so that we can recognize those costs, make a plan and move forward. Um, so I'm sure we'll be talking more about this in the future at some point. But thank you both for taking some time to put a little extra context around it for our members. Thanks

Speaker 1 ([32:57](#)):

For joining us, John. Thank you both.

Courtney Doyle ([32:59](#)):

Join us next time for more co-op Energy Talk.