

Notes to Co-op Nation

March 28, 2014

TO: NRECA Board of Directors
Distribution CEOs
Statewide Managers
G&T Managers

FROM: Jo Ann Emerson

Taking Advantage of New Technologies Highlighted at Directors Conference

I had a great time with 600 electric co-op directors at NRECA's [Directors Conference](#) in St. Louis, where the discussion included changes in electric grid technology and using the latest communications systems to engage member-owners. Missouri statewide CEO Barry Hart and I also stopped in at [KMOX](#) radio for an interview to highlight co-ops and the issues they face in providing affordable power to members.

President Expected to Sign Pension Stabilization Legislation

We anticipate the President signing our [pension stabilization bill](#) (H.R. 4275) when he returns from Europe. The legislation moved through this deadlocked Congress with bipartisan support – passing the Senate by unanimous agreement and the House by voice vote. H.R. 4275 permanently exempts NRECA's Retirement Security (RS) Plan from Deficit Reduction Contribution requirements and certain Pension Protection Act provisions. Without it, RS Plan participants could have seen 30 to 50 percent increases in required contributions starting in 2017.

152 Congressional Leaders Show Support for RUS Loan Program

A big thank you to co-op leaders for getting 152 members of Congress signed on the letter to House appropriators supporting the Rural Utilities Service (RUS) Electric Loan Program (list attached). Three members also sent individual letters. We have more than 30 House members signing the letter this year who didn't sign onto last year's letter. We thank Reps. Conaway (R-TX), Peterson (D-MN), Cramer (R-ND) and Vela (D-TX) for their leadership. The letter closes later today and I'll update you on the final tally next week.

'All-of-the-Above' Campaign Update: Send Loud and Clear Message to EPA

You've sent more than [337,000](#) comments on the Environmental Protection Agency's (EPA) climate change agenda through your grassroots effort on [Action.coop](#) and local partner groups on [TellEPA.com](#)! Keep inviting friends and neighbors to get on [Action.coop](#) and [TellEPA.com](#) to tell EPA why we oppose its climate agenda. See how [Tri-County Electric Co-op](#) line workers in Oklahoma help get members get their messages to EPA.

Wrong Approach in Decision to List Lesser Prairie Chicken as Threatened

I issued a statement highlighting why the Fish and Wildlife Service's (FWS) Endangered Species

Act listing of the lesser prairie chicken as “threatened” is the wrong approach and harmful to co-ops and local economies in five Southwest states. Electric co-ops in those states participated in a broad collaborative effort to develop a range-wide plan that made listing unnecessary. By listing the species, the FWS undermines future voluntary efforts and creates undue uncertainty and regulatory risk by inserting FWS as a federal supervisor over the states’ continuing efforts to implement and build on the range-wide plan.

Administration Should Pull Drain Plug on ‘Waters of U.S.’ Proposal

We’re urging the Administration to stop the “[Waters of the U.S.](#)” proposal released by EPA and the Army Corps of Engineers. This proposal includes a new definition for bodies of water and expands Clean Water Act jurisdiction to cover ditches, flood plains, wetlands and seasonal streams. It has significant utility sector impacts, including [co-ops](#). NRECA is working with a coalition of industry allies and reaching out to friends in Congress, states and the Administration.

Appropriators Voice Concerns on Administration Plans for PMAs

We applaud House Appropriations Energy and Water Subcommittee Chairman Simpson (R-ID) and Reps. Nunnelee (R-MS) and Graves (R-MO) for challenging an Administration budget proposal that would raise Power Marketing Administration rates for preference power customers. We worked with the lawmakers to get questions on Bureau of Reclamation plans to integrate large amounts of renewable energy in a way that undermines preference power.

Electric Co-ops Highlighted as Model at Hearing on Power Africa Initiative

I’m excited about the high praise electric co-ops and our business model received at a Senate Foreign Relations subcommittee hearing on the Administration’s Power Africa Initiative. Sen. Coons (D-DE) mentioned NRECA and the early Rural Electrification Administration as a model for other nations. U.S. Agency for International Development Assistant Administrator Earl Gast testified that NRECA’s International Program has been a long-term partner in increasing access to electricity around the world. NRECA International is a partner with the agency on this Administration initiative to increase electricity access in sub-Saharan Africa.

Problems with Electric Water Heater Standards Aired in Committee Hearing

We thank Rep. Graves (R-GA) for asking if the Energy Department plans to fix problems with its large electric water heater efficiency standards and address co-op concerns during an appropriations hearing. He asked Assistant Energy Secretary David Danielson if the agency was taking our input and working to “find a positive solution.” Danielson said, “Absolutely. We’re in conversations with them. We’re not being inflexible, and we’re going to take all of their considerations into account.” The House passed a bill (H.R. 2126) to fix the water heater standards on March 5 and Senate legislation with a similar provision is waiting for floor votes.

Co-op Leaders Join Other Industry Representatives to Address Physical Security Issues

Arkansas Electric CEO Duane Highley and I emphasized that electric co-ops are very serious about grid physical security during an electricity industry meeting hosted by House Energy and Commerce Chairman Upton (R-MI) and Ranking Member Waxman (D-CA). Other House members, including from the Homeland Security and Intelligence committees and leadership,

participated in the closed-door meeting to address lawmakers' concerns about grid physical security. The ongoing successful government and private partnerships were highlighted.

Co-ops Help Take LIHEAP Action Day Message to Congress

I'm proud of Co-op Nation's support for the Low Income Home Energy Assistance Program (LIHEAP) during LIHEAP Action Day on the Hill. More than 125 utility and community sector leaders highlighted the need for adequate funding in visits with over 300 congressional offices. We're urging Congress to maintain LIHEAP funding at no less than \$4.7 billion for FY15. Our message is critical, because the Administration proposed to cut LIHEAP funding by 18 percent.

Attached: RUS signers list.