

Notes to Co-op Nation

April 11, 2014

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

FROM: Jo Ann Emerson

Great Visit with Oklahoma Cooperatives! Co-ops' International Volunteers Recognized

A big thank you to Oklahoma co-ops for their wonderful hospitality during my visit for their annual meeting this week. We had a lot of discussion about the pension legislation, climate issues, renewable policies and the Fish and Wildlife Service listing the lesser prairie chicken as "threatened." That action undermines the Oklahoma co-ops' outstanding work to develop a five-state, voluntary plan to protect the species in a flexible approach at the state and local level.

I'm very proud of Gascosage Electric lineman Karl Brandt in Missouri and Verendrye Electric and Northern Plains Electric linemen Jody Bruce and Josh Hoffman in North Dakota, who were [recognized](#) on the House floor for volunteering near Caracol, Haiti, through the NRECA International Program. Thank you to Reps. Hartzler (R-MO) and Cramer (R-ND) for honoring these linemen. It was exciting to hear [Haiti President Michel Martelly](#) visited Caracol to tour a 10 MW power plant that [NRECA International](#) helps manage. The plant supplies reliable power to an industrial park that provides 2,000 jobs for the area and power for three rural communities.

It's Done! President Signs Pension Stabilization Bill into Law

It's a big win for electric co-ops to see our pension stabilization bill (H.R. 4275) become [law](#) (Pub.L. No. 113-97). This ends our eight-year legislative battle. It permanently exempts NRECA's Retirement Security (RS) Plan from Deficit Reduction Contribution requirements and costly Pension Protection Act provisions that could have increased cost pressures on co-ops.

Annual Meetings are a Great Place to Promote Action.coop

You've sent more than [368,000](#) comments on EPA's climate change agenda through your grassroots effort on [Action.coop](#) and local partner groups on [TelleEPA.com](#)! We're ramping up our message to EPA as it develops an existing power plant GHG plan. Keep inviting friends and neighbors to get on [Action.coop](#) and [TelleEPA.com](#) to tell EPA why we oppose its climate agenda. See how [Covington Electric Co-op](#) in Alabama got over 1,000 signatures in one day!

25 Senators Show Support for RUS Loan Program

We're at 25 senators - and counting - who signed a bipartisan letter to Senate appropriators supporting the Rural Utilities Service (RUS) Electric Loan Program (list attached). We thank Sens. Donnelly (D-IN) and Inhofe (R-OK) for their leadership. This letter will be sent today and we'll update you on the final tally. It's a good follow up on 184 House [RUS letter](#) signers.

Industry and Regulators Outline Efforts to Keep Grid Reliable and Secure

We and other industry partners coordinated to have American Public Power Association CEO Sue Kelly give unified testimony for the industry to the Senate Energy and Natural Resources Committee on electricity sector efforts to ensure grid reliability and security. We pointed to our ongoing collaboration with Energy and Homeland Security officials, the Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corp. (NERC) to develop appropriate physical facility and cybersecurity standards that reflect their importance to the grid. NERC CEO Gerry Cauley testified that utilities are “doing the right things ... on a prioritized basis,” and continuously improving as they work with government agencies. FERC spoke about senators’ concerns that an internal report on potential grid vulnerabilities was leaked to the media.

Co-op Focus on Reliability and Affordability Highlighted at Energy Review

A big thank you to Arkansas Electric Cooperative [CEO Duane Highley](#) for presenting the electric co-op perspective at the Energy Department’s first Quadrennial Energy Review meeting. He stressed that reliability and affordability are top co-op priorities, especially in rural areas where co-ops work to deliver lowest-cost energy to families in some of the nation’s poorest areas. Highley also highlighted that co-ops actively work to adopt new technologies. He also rejected notions of the electric grid being outdated, noting it’s a robust system and updated with new technologies.

EPA’s Power Plant Wastewater Rule Pushed Back to 2015

We’re taking the delay of EPA’s wastewater guidelines for coal-based power plants as a chance for the agency to fix significant analytical errors and address other co-op concerns before issuing a final rule by a new September 2015 deadline. The rule was due next month, but EPA got an extension of its sue-and-settle agreement with Defenders of Wildlife. EPA didn’t review small business impacts, which we demonstrated could be significant for some coal units and their distribution co-op owners. We’re asking EPA to encourage centralized wastewater treatment and recycling and give sufficient time and flexibility for plant upgrades to meet new guidelines. The extension reflects the need to coordinate this rule with a final coal ash rule due December 2014. We support coordinating these rules because both will affect surface impoundments.

House Committee Approves Bill to Clarify End-User Swaps Exemption

We welcome the end-user relief provisions in the Commodity Futures Trading Commission (CFTC) reauthorization bill (H.R. 4413) the House Agriculture Committee cleared on a voice vote. I sent a letter (attached) supporting language that clarifies entities like the Cooperative Finance Corp., that provide member end-user financing, are exempt from Dodd-Frank Act margin requirements for derivatives trades (“swaps”). We also support a provision to ensure CFTC follows Congress’ intent for physical commodity contracts.

Rail Shippers Urge STB Review of BNSF Service Problems; New STB Member Confirmed

We testified as members of Consumers United for Rail Equity at a Surface Transportation Board (STB) hearing urging action to address BNSF Railway’s very poor service to upper Midwest shippers and other industry complaints about BNSF. I also signed a utility sector letter asking STB to release all information on BNSF’s performance problems and efforts to correct them.

In related news, we look forward to working with STB Member Debra Miller, who the Senate confirmed to a five-year term. The former Kansas Transportation Secretary and transportation planner fills a vacancy that caused delays and uncertainties in rate cases that affect rail shippers.

Urging House Members to Sign Letter Opposing Proposed Waters Rule

We're working on getting House members to sign a letter urging EPA and the Army Corps of Engineers to withdraw their flawed Waters of the U.S. proposed rule. We thank Reps. Collins (R-NY) and Schrader (D-OR) for leading this effort. This proposal has significant utility sector impacts. It includes a new definition of bodies of waters and expands Clean Water Act jurisdiction to cover ditches, flood plains, wetlands and seasonal streams.

House Committee Hearing Highlights Milestone ESA Reform Legislation

We thank the House Natural Resources Committee for holding the first legislative hearing in a decade on proposed Endangered Species Act (ESA) reform legislation. The committee reviewed four bills (H.R. 4315, H.R. 4316, H.R. 4317, H.R. 4318) to bring greater transparency to the species listing process. We're actively working with congressional leaders to modernize ESA by making practical improvements.

137 House Members Sign Letter Supporting LIHEAP

We and partner groups got 137 House members to sign a bipartisan letter to House appropriators in support of the Low Income Home Energy Assistance Program (LIHEAP) – urging at least \$4.7 billion for FY15. We thank Reps. Welch (D-VT) and King (R-NY) for their leadership. Our message is critical, because the Administration proposed an 18 percent cut for LIHEAP.

OSHA Issues Final Rule on Utility Workplace Safety Standards

The Occupational Safety and Health Administration released a final rule on power generation, transmission and distribution worker standards. It has new requirements for training and sharing safety-related information, fall protection and personal protective equipment. We're planning a webinar about the changes before the rule takes effect 90 days after it's in the *Federal Register*.

Sign Up for Webinar on Environmental Policies that Impact RUS Loans

Don't miss our free [webinar](#) next Wednesday at 12:30 (Eastern) and hear our expert panel on how the Agriculture Department's proposed environmental review policies will affect the RUS loan program. We're asking for member input during this webinar. We'll share and discuss draft comments to help us prepare a response to this proposal. Comments are due by May 7, 2014.

Congress on Recess – Next Update in Two Weeks

With Congress out for spring recess, I won't send N2CN next week. I'll update you on April 25.

Attached: Senate letter list, H.R. 4413 support letter.