

May 9, 2014

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

FROM: Jo Ann Emerson

Co-op Leaders Working Together on Capitol Hill

I was awed by the 2,500 co-op [representatives](#) who gave time and resources and worked together to get our positions heard on Capitol Hill during [Legislative Conference](#)! Our core co-op [issues](#) got a big lift from your visits with congressional offices and regulatory agencies this week. We saw progress on several fronts. I had a tremendous time working along with you and hearing your [viewpoints](#) and co-op successes! A very special thanks to Francis Hayes, a director at Upper Missouri G&T, for his inspiring [painting](#) highlighting the Rural Electrification Administration and Rural Utilities Service.

Over a Half-Million Messages to EPA! Gearing Up for Next Phase on Existing Plants Rule

You've topped the half-million mark! Over 515,000 comments about EPA's climate change agenda have been sent through your grassroots effort on [Action.coop](#) and local partner groups on [TelleEPA.com](#)! I issued a media [statement](#) and a [video](#) about your success. Check out your [messages](#) by [state](#) and [co-op](#). I'll send you the final count next week. The comment period on the proposed new plants rule closes today. But, there's more work to do and Action.coop and TelleEPA.com is switching over to collecting comments on EPA's upcoming existing plants proposal expected in June.

Get Your Members of Congress to Sign House GHG Letter

We need your help in getting members of Congress to sign House and Senate letters (list attached) urging EPA to provide at least 120 days for comments on proposed greenhouse gas (GHG) regulations for existing power plants. EPA is expected to release its proposal in June as part of the President's Climate Action Plan. This first-ever existing plants GHG proposal will be far more complex than EPA's new plants proposal. Utilities will need more time to determine the impacts on power plants, grid reliability and consumer costs.

House Passes Electrify Africa Act, Action Moves to Senate

We applaud the House vote (297-117) to pass the Electrify Africa Act (H.R. 2548). Along with boosting U.S. jobs, this bipartisan bill would increase access to electricity in sub-Saharan Africa, and also bolster NRECA International's efforts in the region. Helping to improve rural access to safe, reliable and affordable electricity in less developed countries is part of co-ops' concern for community. We're working to get the Senate to move this bill.

Senate Honors Arkansas Co-ops for ‘Operation Razorback’ in Guatemala

I was so proud to watch several Arkansas electric co-ops and their statewide association get [recognized](#) on the Senate floor by Sen. Mark Pryor (D-AR) for their volunteer efforts to help electrify several Guatemalan villages. So far, three dozen linemen have joined in “Operation Razorback” during 2012 and 2014 to help electrify more than 100 homes in small communities in Guatemala’s mountain region. NRECA Board Vice President Mel Coleman and Arkansas statewide CEO Duane Highley, Vice President Thomas Kirkley and Safety and Loss Prevention Manager Doug Evans have also volunteered in the project.

Poll Shows Most Americans Concerned EPA’s Policies will Raise Electricity Costs

Three in four Americans are concerned that proposed EPA policies to eliminate coal-generated electricity will result in higher electricity costs and summer blackouts and brownouts. That’s the results of a new Harris poll (summary attached). The poll also shows higher winter electricity bills affected many Americans’ daily lives, such as lowering thermostats below comfortable levels and cutting spending for food, necessities and leisure activities. The poll results came out just as the White House issued a new climate report and launched weather forecaster interviews promoting the Administration’s climate agenda.

Co-ops Recognized by President for Solar Projects

It was exciting to see two electric co-op general managers in the spotlight with President Obama today for their co-ops’ efforts to develop solar energy projects – and bring attention to 150 megawatts (MW) of new solar capacity that co-ops plan to build. Bob Marshall of Plumas-Sierra Electric in California is working to develop a 2-MW solar array after launching a solar net-metering program for irrigation systems. David Gottula of Okanogan County Electric Cooperative in Washington state manages a co-op-owned community project and partners with the local government and community organizations on another project.

USDA Urged to Withdraw or Reconsider Proposed Environmental Review Policy

We sent comments (attached) urging the Agriculture Department to withdraw its proposed rule to significantly change its environmental review policies or re-propose it to allow the public adequate time to suggest changes to avoid negative impacts for Rural Utilities Service (RUS) borrowers. In addition, electric co-ops pitched in over the Legislative Conference to send nearly 500 comments on how this proposal would affect their members. Our concern is the proposed rule would make all loan-servicing actions, including consents or approvals, or even just paper changes to the loan agreement, major federal actions requiring National Environmental Policy Act reviews – including paper changes to the loan agreement. Such changes to existing RUS policies would cause delays and additional expenses, and likely would encourage lawsuits by third parties not agreeing with the results of many reviews.

Co-ops Put Spotlight on Federal Policies Causing Reliability Problems and Hazards

A big thank you to Mike Easley of Powder River Energy in Wyoming and Dave Markham of Central Electric Co-op in Oregon for testifying before the House Natural Resources Committee on federal land management policies that make it difficult to maintain power lines. Republican and Democratic committee members voiced frustration at hearing that problems continue after

passing legislation to address Bureau of Land Management and Forest Service policies. They urged the two agencies to review land policies to make it easier for utilities to maintain lines.

Co-op Leader Testifies in Senate on Cybersecurity Issues

Scott Bowers, Indiana statewide Vice President of Government Relations, did an awesome job representing co-op positions during a Senate Appropriations subcommittee [hearing](#) on Homeland Security issues. Scott highlighted electric sector efforts on cybersecurity protections in Indiana and on the national level, including public-private partnerships. He suggested ways the federal government could support those utility sector efforts, including more government-private sector information sharing and more information access, and avoiding “one-size-fits-all” approaches.

Court Approves EPA Deadline for Coal Ash Final Rule

A federal court approved EPA’s new agreement to complete a final coal ash rule by December 19, 2014. EPA’s recent comments suggest it is leaning toward the non-hazardous option. NRECA will continue to work on all fronts, including Congress, to ensure that any final regulatory regime involves a non-hazardous waste program that is workable and can be put in place, as appropriate, by the states.

NRECA’s Martin Lowery Receives Cooperative Hall of Fame Honors

I’m very proud to share news of NRECA Executive Vice President Martin Lowery being inducted into the [Cooperative Hall of Fame](#). It’s the highest honor given by the cooperative community and recognition of Martin’s exceptional commitment to our electric co-op mission and values. Along with his leadership at NRECA, he serves on the International Cooperative Alliance and National Cooperative Bank boards, and is Past-President of the National Cooperative Business Association.

NRECA Portfolio Managers Announce Retirement Plans

Please join me in congratulating Chief Investment Officer Peter Morris and senior equity portfolio manager Stuart Teach in their announced retirements. Peter and Stuart will be retiring at the end of the year after distinguished careers at NRECA. We thank them for their significant contributions to the financial security of thousands of co-op employees!

In the coming months, Peter and Stuart will be working closely with NRECA leadership to transition their portfolio management responsibilities to other members of the investments team. Electric co-ops will continue to be served well on the equity side of plan management with Mark Ashton and Prabha Carpenter, who have each been with NRECA for more than 10 years and have combined industry experience in excess of 65 years.

See the New Annual Meeting and TechAdvantage Highlights Video

Don’t miss the special highlights [video](#) of our unforgettable 2014 Annual Meeting and TechAdvantage Conference & Expo! It was an exciting week, with 9,500 co-op leaders gathered for a week of education, networking and checking out new products and services that help co-ops succeed. I look forward to seeing you at our next Annual Meeting at Orlando in 2015!

Attached: Harris poll summary, House letter signers list.