

May 16, 2014

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

FROM: Jo Ann Emerson

Great Meeting with Northeast Electric Cooperatives!

A big thank you to the New Hampshire, Vermont, New York and Maine electric co-ops for their generous hospitality while hosting me for the Northeast Association of Electric Cooperatives annual meeting. We had a robust discussion about the Environmental Protection Agency's (EPA) climate change agenda, the Energy Department's water heater efficiency standards, renewable energy and rural broadband deployment.

Over 160 Members of Congress Sign GHG Letters, We're in the Final Push

You got 131 House members and 38 senators to sign letters (list attached) urging EPA to provide at least 120 days for comments on proposed greenhouse gas (GHG) regulations for existing power plants! We're in the final push to get more House and Senate signers to send a strong signal to EPA. The Senate letter closes next Tuesday and the House letter closes Wednesday. We thank Reps. Johnson (R-OH), Matheson (D-UT), Smith (R-MO) and Thompson (D-MS), and Sens. Heitkamp (D-ND) and Fischer (R-NE) for their leadership. EPA plans to release its proposal on June 2 and President Obama is expected to personally announce the 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. Your Hill visits during [Legislative Conference](#) gave a big lift to this effort.

'All-of-the-Above' Campaign Update: Ramping Up Comments on Existing Plants Rule

Co-op employees and leaders all over the country have done an outstanding job getting 518,000 comments into EPA on the new plants rule. Check out the final new plant proposal [messages](#) by [state](#) and [co-op](#). While EPA's existing plants rule won't be out until June 2, we can and should start now to collect comments on a rule that could have a much bigger impact on co-ops. Let's keep the momentum rolling on grassroots comments to EPA through [Action.coop](#) and [TellEPA.com](#). See our [Grassroots Toolkit](#) with many new materials for your use.

Two Co-op Wins in Water Infrastructure Conference Report, Floor Action Likely Next Week

The co-op priorities on the water resources reauthorization bill (H.R. 3080) are in the final legislation approved by a House-Senate conference committee! First, the agreement has a provision to help speed up Army Corps of Engineers permit reviews through a cost-sharing program that allows public interests (including electric co-ops) to pay some costs. Second, the conferees dropped Senate language that allowed the agency to change dam operation priorities to

focus on environmental issues, which would harm over 600 co-ops in 34 states that rely on federal hydropower to keep rates as low as possible. Instead, the final bill only allows a study on Corps of Engineers management practices and priorities, with no authority to change the purpose of any agency dam or reservoir. We could see House and Senate floor votes on the report next week.

Co-op Emphasizes Need for ESA Reforms to House Committee

Thank you to Curtis Warner, Director of Compliance and Support at Arkansas Electric Cooperative Corp., for a great job testifying about the need to update the Endangered Species Act (ESA) before a House Natural Resources Committee field hearing in Arkansas. Curtis explained that more transparency and consistency is needed in ESA listing and critical habitat decisions. We thank Rep. Crawford (R-AR) for requesting this hearing on stakeholder concerns.

Senate Energy Efficiency Bill with Water Heater Fix Stalls; Partisan Battles Block Action

We're shifting gears to get legislation with our fix for electric water heater efficiency standards passed after the bipartisan Senate energy efficiency bill (S. 2262) we support stalled in a battle over amendments driven in part by election year politics. The bill fell five votes short of the 60 needed to end debate and move to final passage. We're working with bill sponsors Sens. Shaheen (D-NH) and Portman (R-OH) on getting this bill back to the floor. We also continue to push for a bipartisan, stand-alone bill (S. 1739) by Sens. Hoeven (R-ND) and Pryor (D-AR).

The Senate stalemate is bogging down all major legislation regardless of how broad the support among Democrats and Republicans. A very partisan Senate couldn't pass a bipartisan tax incentives extender package with renewable energy provisions. The bill was another casualty in the showdown over floor amendments, even though it had wide bipartisan support from the Senate Finance Committee.

FERC Urged to Make Changes to Address Cold-Weather Impacts Experienced by Co-ops

We sent written [comments](#) to the Federal Energy Regulatory Commission (FERC) as part of its ongoing review of how this past winter's "[polar vortex](#)" impacted electric utilities (including co-ops). We emphasized the need for greater coordination of electricity and natural gas markets and infrastructure improvements. We're asking FERC to reform the rules for regional and independent transmission operators, as well as its own rules, for both day-to-day operations and broader market issues (including fuel diversity and security). These issues are critical to ensuring wholesale markets can provide the resources necessary to maintain reliable and affordable electricity during extreme cold weather and throughout the year. See our [infographic](#) that your lobbyists, grassroots leaders and communicators can use to explain the issue.

Attached: Congressional GHG letters signers list