

June 6, 2014

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

FROM: Jo Ann Emerson

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***Wonderful Visit with Sussex Electric!***

A big thank you to Sussex Rural Electric Co-op, its CEO Jim Siglin and NRECA New Jersey Director Tom Madsen for hosting [me](#) at the co-op's annual meeting. We discussed EPA's climate change agenda and the existing plants greenhouse gas (GHG) rule, and how co-op members can help advance our political issues through grassroots action.

***EPA's Existing Plant GHG Rule Promises Significant Changes to Electric System***

We continue to speak up loud and clear on EPA's climate change regulations that now includes the existing power plants GHG proposed rule. I issued a [statement](#) to highlight the fact that EPA's proposal goes further than the Clean Air Act allows. EPA's plan would set CO<sub>2</sub> reduction goals for each state by 2030, with an "interim goal" in 2025 based on what EPA believes each state could achieve in four areas: 1) improving the efficiency of existing coal plants, 2) displacing coal with "underutilized" natural gas generation, 3) increasing use of nuclear and renewable sources, and 4) significant end-use energy efficiency improvements.

We believe that EPA can only set a standard based on what can be done at an actual fossil-fuel based power plant, but EPA has gone "outside the fence" of the power plants in setting these standards. While EPA gives states substantial flexibility in developing plans to meet the standards (a good thing), the standards themselves aren't equitable and will present [significant challenges](#) and costs to some states, while others will have a less-difficult time.

EPA did grant our request for a 120-day comment period, which will help provide us the time we need to thoroughly analyze the rule and respond to it when comments are due in mid-October. (The 120-day clock begins when the rule is formally published in the *Federal Register*, which has not yet happened.) We'll continue to evaluate the impacts of the 645-page proposal, as well as the 1,000 or so pages of technical supporting documents and spreadsheets. We'll develop a variety of materials to help you talk about this issue with your membership, colleagues, and local political leaders. We're also looking ahead to coordinating again with our members to participate in the public hearings EPA plans the week of July 28 in Atlanta, GA; Denver, CO; Pittsburgh, PA and Washington, DC.

EPA is expected to issue a final rule in June 2015, and then states will have up to three years to send their plans for EPA review. Compliance with the rule will begin in 2020.

### ***‘All-of-the-Above’ Campaign Update: Ramp Up comments on EPA’s Existing Plants Rule***

We’re in high gear on getting grassroots comments through [Action.coop](#) and [TellEPA.com](#) as we focus on EPA’s existing plants GHG rule. Your messages to EPA have already helped our efforts! The comment period starts when EPA’s rule appears in the *Federal Register* and we’ll push to get comments right up to the expected mid-October deadline. See your progress on [messages](#) and [state](#) and [co-op](#) tallies. Take a look at East Kentucky Power’s [video](#) aimed at getting its grassroots to send messages on Action.coop. Check out our [Twitter](#) post of NASCAR driver Tony Stewart signing a Take Action card at the Missouri statewide’s booth at the Legends of Golf Tournament in Branson!

### ***CRN Focused on Helping Co-ops Meet Carbon Reduction Requirements***

We continue to work on helping co-ops get in the best position to meet any new carbon emission standards. Our Cooperative Research Network is on the team for two research projects that received funding from the Alberta Climate Change Emissions Corp. The first project is a testing process that could improve plant efficiency and reduce CO<sub>2</sub> emissions, both by 5 percent, with millions of dollars in possible fuel savings. A second project on coal processing could lead to improved boiler efficiency and reduced emissions at a very low cost, again with millions in possible fuel savings. CRN’s Generation and Environment Program is also working to provide expertise to G&Ts that will make decisions on investing in new technologies. Check out other great [CRN](#) projects and sign up for the [TechUpdate](#) Newsletter!

### ***Senate Committee Clears Terrorism Risk Insurance Bill***

We support the bipartisan Terrorism Risk Insurance Act reauthorization bill (S. 2244) the Senate Banking Committee passed by a unanimous vote. This legislation provides a federal backstop for private insurance markets to ensure insurance against terrorist attacks is affordable and widely available. Without this federal backstop for catastrophic loss, adequate terrorism risk coverage for facilities would be unaffordable for co-ops or unavailable at any price.

### ***Rural Broadband Grants Open for Applications***

We welcome USDA’s [announcement](#) on providing \$13 million through its Community Connect Grant Program for broadband service in unserved areas. Grant applications are due July 7, 2014. Grants will be awarded to projects for areas without broadband service. Projects must provide a community center with broadband access and offer broadband service to all area residential and business customers.

### ***Getting Congress Warmed Up on LIHEAP Funding***

We’re pushing to get Congress to increase funding for the Low Income Home Energy Assistance Program (LIHEAP) that is important to rural communities, where extreme weather and economic crises hit hard. We’ve signed a coalition [letter](#) urging House and Senate appropriators to provide at least \$4.7 billion in FY15 LIHEAP funding. This issue is moving in the Senate Appropriations Committee next week and the letter will be sent June 10. LIHEAP helps many fixed-income households cope with home fuel costs during both cold and hot weather emergencies.