

July 25, 2014

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

FROM: Jo Ann Emerson

Youth Leadership Council Brings Enthusiasm to DC!

I got another tremendous boost of inspiration from the 44 [Youth Leadership Council](#) members gathered in Washington, DC, this week! They all have the potential to be great [leaders](#) and ambassadors for the electric co-op program. Congratulations to our 2014-15 [YLC](#) spokesperson Breonna Hammon of Utah (Garkane Energy) and runner-up Delance Stephens of North Carolina (South River EMC).

Wonderful Time with Idaho Co-ops!

A big thank you to the Idaho Consumer Owned Utilities Association, Executive Director Will Hart and NRECA Idaho Director Eric Anderson for hosting me at their annual meeting in [Boise](#). We had a good conversation about our efforts to address problems with the Endangered Species Act and our strategy to fight proposed rulemakings giving the Fish and Wildlife Service wider authority to increase critical habitat designations. We also talked about the importance of access to low-cost hydropower and our work with congressional leaders to protect preference power.

Statewide and G&T CEOs Coordinating on Key Points for EPA Public Hearings

A big thank you to the statewide and G&T co-op CEOs for making a special trip to Chicago today to discuss EPA's proposed carbon dioxide regulations for existing plants, the impacts for co-ops and our next steps. We have a new [fact sheet](#) with co-op talking points and continue to provide analysis on how the regulations would impact the electric co-op sector based on available EPA information and other resources.

EPA Gets Tough Questions at Committee Hearing; Co-ops Turning Out for Public Hearings

We "[live-tweeted](#)" Senate Environmental and Public Works Committee discussions on EPA's proposed carbon regulation as EPA Administrator Gina McCarthy testified. Participating in events like this on [Twitter](#) allows us to join the conversation and advocate for electric co-op positions. We highlighted that EPA's proposal does not provide enough flexibility for states to develop their plans and it will hurt electric co-ops and their members. We thank Sens. Wicker (R-MS) and Carper (D-DE) for saying that any carbon regulations for power plants should be flexible and practical. We'll be taking that [message](#) to EPA's [public hearings](#) next week in Atlanta, Denver, Pittsburgh and Washington, DC. **Please note:** EPA just changed the [Atlanta hearing](#) location to the [Omni Hotel](#) due to a power outage at the federal building.

I'm excited to hear there will be strong co-op presence at the hearings to let EPA hear loud and

clear about our concerns with the proposed existing power plant GHG emissions regulations. You can also send a letter (sample attached) to local news outlets about why you're going to the hearings. We're also urging EPA to hold additional public hearings to give citizens and stakeholders more time to understand the complex proposal and provide comments. NRECA staff will be on the ground at each hearing, partnering with co-ops that have put a lot of effort into making personal statements and gaining media attention for the Action.coop and TellEPA.com campaigns.

If you plan to attend a hearing, please note the Real ID Act [requirements](#) for accessing federal buildings and the need for a second ID (such as passports, permanent resident cards, military IDs) if you're using driver's licenses from Alaska, Arizona, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Montana, New York, Oklahoma and Washington state.

'All-of-the-Above' Campaign Update: We're Building Momentum!

You've collected more than 710,000 grassroots comments through [Action.coop](#) and [TellEPA.com](#) in our push for a total 1 million messages to EPA by the October 16 deadline. Please remind your co-op grassroots and our coalition friends to visit Action.coop and TellEPA.com. Check your progress on [messages](#) and [state](#) tallies. (These ***two special read-only links*** will let you see the information without logging on to Cooperative.com. You still need to log on for sensitive and confidential information.) Alabama Rural Electric Association had a great summer meeting activity: They hosted Rep. Bradley Byrne (R-AL) and state Attorney General Luther Strange for an Energy Town Hall on EPA's GHG plans and other issues that impact co-ops' ability to provide low-cost power.

Transmission Task Force Focus: Keeping the Lights On

We had a fantastic Transmission Task Force meeting, with members providing good feedback to NRECA staff on how co-ops can keep the lights on as we adjust to many expected regulatory changes. We had a robust discussion about regional efforts to address compliance with any final EPA rule for existing power plant carbon emissions, and how that would work within the context of organized regional transmission markets. Other topics included Waters of the U.S. proposal, rights-of-way, grid security and reliability, distributed generation and several DOE and FERC issues. We've heard very positive feedback from task force members about the meeting and I truly appreciate their efforts.

FERC Meets with NRECA on EPA Power Plant Proposal

We met with FERC staff to discuss electric co-op concerns about EPA's proposed carbon regulations and potential impacts on co-ops' ability to provide affordable and reliable power. FERC commissioners are expected to testify at a House Energy and Commerce subcommittee hearing next week to answer [questions](#) about potential impacts on electric grid reliability and what information FERC provided as EPA developed its GHG proposal.

Co-ops Talk about Grid Security with Hill Staff

A big thank you to Arkansas Electric Cooperative CEO Duane Highley for highlighting co-ops' engagement on grid security issues at a congressional staff briefing. Duane joined with FERC, North American Electric Reliability Corp., New York Power Authority and PEPCO

representatives to emphasize that industry and government are serious about grid security and work in active partnerships to protect it.

FERC Seeking Comment on Proposed Approval of NERC's Physical Security Standard

The clock is now running for a 45-day [public comment](#) period on FERC's proposed [rulemaking](#) to approve the NERC's physical security standard. Initial comments are due September 8, with reply comments due September 22. FERC's proposed rule directs NERC to make two modifications to the standard and seeks comments on related issues. The proposed standard is a response to physical security events at critical electric facilities during the last 1-1/2 years and focuses on high-voltage substations and related control centers. We'll submit comments with input from our Reliability Task Force. For questions, contact NRECA's [Barry Lawson](#).

Rural Infrastructure Loan Program Launches with \$10 Billion

The White House Rural Council announced a new [loan fund](#) to promote rural development investment – including energy, water, broadband and community facilities. We're reviewing details about the "Rural Infrastructure Opportunity Fund" to see how it could benefit co-ops. CoBank, a national lender for rural projects, committed \$10 billion to help launch the loan program and the Administration said it expects other private investment. The new loan program will be coordinated with programs like [USDA](#)'s private investment initiative.

House Vote Expected on ESA Bill, Leaders Keep Pressure on Lesser Prairie Chicken Issue

We're urging the House to pass Endangered Species Act reform legislation expected to come up for floor votes early next week. Please urge your House members to vote for the 21st Century Endangered Species Transparency Act (H.R. 4315). It's a package of four ESA reform bills (H.R. 4315, H.R. 4316, H.R. 4317, H.R. 4318) that would bring greater transparency to the species listing process. It was a priority issue during our Legislative Conference in May.

On another ESA issue, House leaders sent a [letter](#) keeping pressure on USDA to deliver an overdue cost and effectiveness report on lesser prairie chicken conservation measures. We thank House Agriculture Chairman Lucas (R-OK) and Natural Resources Chairman Hastings (R-WA) for their leadership on the letter signed by several other lawmakers. USDA is more than 60 days late sending the report required by the 2014 farm bill enacted in February. The lawmakers said a recent survey shows lesser prairie chicken numbers increased 20 percent, which raises more questions about the Fish and Wildlife Service's endangered listing for the species.

Co-ops Save Money with National Discounts Program

Check out the savings you and your co-ops can get using NRECA's National Discounts Program (flyer attached) to buy popular products and services, including vehicles, office supplies and hotel stays. The program is a benefit of your NRECA membership. While it's targeted at co-op business needs, many participating suppliers also give co-op employees and directors discounts on personal purchases. Contact [Dale Bartholomew](#) for questions and to suggest new suppliers.

Attached: Sample letter to editor, National Discounts Program flyer.