

August 1, 2014

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

FROM: Jo Ann Emerson

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***Co-ops Send Loud and Clear Message at EPA Hearings***

Wow! I was awed by the strong electric co-op [turnout](#) at EPA's four public hearings on its proposed existing power plant GHG proposal. I send sincere thanks to everyone who took the time and expense to voice our message. The amount of traditional and social media your efforts generated was truly outstanding. Your leadership and all the planning you put into coordinating a recognizable presence at the hearings will encourage co-op staff and member-owners to continue pushing back against EPA over the August recess. See video statements by [Sean Strickler](#) of Alabama Rural Electric Association and [Greg Mullis](#) of Tri-County EMC (GA). Attached is a short summary of this week's hearings.

We've sent an [August Action Toolkit](#) to your statewide organizations with useful tips to plan meetings with members of Congress while they're home for the August recess. Our co-op talking points urge them to take action on the key issues of GHG rules, water heater efficiency, and increased broadband access.

A big thank you to Jack Reasor, CEO of Old Dominion Electric (VA), for voicing co-op viewpoints on EPA's GHG rules at an Environmental Council of States panel discussion and Michalene Reilly, Environmental Manager at Hoosier Energy (IN), for presenting co-op views on implementing EPA's plan at the National Association of Regulatory Utility Commissioners workshop.

We also reinforced those messages at a congressional staff briefing NRECA co-hosted on how the proposed rules would impact co-ops and how the proposal would force many coal plant shutdowns, leaving our member-owners to pay for remaining plant debt for original costs, new environmental upgrades and replacement power.

***FERC Commissioners want More Input on EPA's Carbon Rule***

We welcome FERC commissioners' House Energy subcommittee [testimony](#) recommending more FERC input to EPA on grid reliability impacts of proposed carbon regulations. Acting Chairman Cheryl La Fleur said [FERC](#) wants more discussion with EPA to ensure reliability as the electric sector complies with new environmental rules. Commissioner Moeller suggested a "public and transparent" forum that includes the North American Electric Reliability Corp., power generators, wholesale market operators, state officials and consumers to discuss technical issues of carbon regulations. Commissioner Tony Clark said EPA's proposal would dramatically change traditional electric grid oversight, and affect how the electric sector works through environmental regulation.

### ***‘All-of-the-Above’ Campaign Update: Keep the Messages Coming!***

You’ve collected more than 730,000 grassroots comments through [Action.coop](https://www.actioncoop.org) and [TelleEPA.com](https://www.tellepa.com). We still have time to get 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 TelleEPA.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.)

### ***House Passes ESA Reform Legislation***

We applaud the House for [voting](#) 233-190 to pass the 21<sup>st</sup> Century Endangered Species Transparency Act (H.R. 4315). A big thank you to co-op leaders who urged House members to vote for this ESA reform legislation that would bring greater transparency to the species listing process. I sent a letter (attached) on behalf of NRECA supporting H.R. 4315 before the vote. It includes co-op-supported provisions aimed at improving the law. House ESA Working Group members introduced this legislation as the result of a working group review that started last year with field hearings. It was a priority issue during our Legislative Conference in May. The Senate outlook is uncertain.

### ***House Passes Bill to Reduce Red Tape for Rights-of-Way Maintenance***

Rep. Gibbs (R-OH) refused to surrender and pushed bipartisan legislation (H.R. 935) to block overlapping pesticide regulations to a successful 267-161 House [vote](#). We signed a coalition letter urging the House to pass the bill. The Reducing Regulatory Burdens Act would block a regulation resulting from a court order that forces pesticide and herbicide applicators to get a Clean Water Act permit in addition to complying with long-standing regulations. Requiring the additional permit makes it harder and more costly to maintain rights-of-way. A similar bill passed the House and cleared the Senate Agriculture Committee in the last Congress.

### ***House Panel Airs Concerns on Small Business Review for Waters Proposal***

We applaud the House Small Business Committee for its forthright questions to EPA about not doing a small business impact study for its “Waters of the U.S.” proposal to expand the scope of the Clean Water Act. Thank you to Chairman Graves (R-MO) for bringing this issue before the committee. EPA and the Army Corps of Engineers haven’t said when a Small Business Advocacy Review will be finished on the proposal, which is open for comment until October 20.

Rep. Leutkemeyer (R-MO) said not doing a review is “either extremely naïve and incompetent, or it’s arrogance in its highest.” EPA heard similar criticism from the Senate Small Business Committee in a letter last month. The proposal to expand the law to cover ditches, flood plains, wetland and seasonal streams could harm many co-ops. The Waters Advocacy Coalition (NRECA is a member) sent a letter (attached) supporting the committee’s attention to this issue and urging action to ensure any proposal considers the small business impacts.

### ***House Passes Bill Clarifying DHS’ Role as Cybersecurity Partner with Industry***

We welcome the House passing the National Cybersecurity and Critical Infrastructure Protection Act (H.R. 3696) on a voice vote. The bill reinforces how the Department of Homeland Security works with the private sector on cyber issues while maintaining existing partnerships to provide incident response and technical assistance, as well as information sharing on cyber analysis,

threats and vulnerabilities. The bill does not give DHS any new authority or replace existing information-sharing channels. It would extend liability protections under current law for qualifying cybersecurity incidents. A similar Senate version has cleared committee review, but timing for floor debate is uncertain.

### ***Co-op CEO Stresses Importance of Natural Gas and Electricity Coordination***

A big thank you to Brazos Electric Co-op CEO Clifton Karnei for highlighting the electric co-op views on the need for increased natural gas infrastructure and coordination at DOE's [Quadrennial Energy Review](#) meeting in Denver. He explained how interruptions in natural gas supplies during sustained extreme cold temperatures last winter affected co-ops and the need for better coordination of gas and electricity scheduling. That effort will require development of more pipeline and storage infrastructure to ensure utilities can depend on natural gas deliveries. These issues will only grow more critical as more coal plants are retired and renewable generation from variable resources increases.

### ***Co-op CEO Urges Open Competition for Rural Broadband Trials***

Many thanks to Midwest Energy Cooperative (MI) CEO Bob Hance. He testified to a House Agriculture subcommittee on the importance of electric co-ops having an opportunity to compete for Connect America Fund Phase II funding to provide broadband in rural areas. The FCC is taking comments on Phase II funding until August 8. Hance emphasized that the FCC should provide an open and competitive playing field for providers that offer effective solutions to close the digital divide in rural America. He highlighted that electric co-ops are using different models to deploy rural broadband and the FCC should not exclude any possible providers.

### ***FERC Commissioners Confirmed***

I sent letters congratulating FERC Commissioners Cheryl LaFleur and Norman Bay on their confirmations. We look forward to working with them on addressing the issues confronting the electricity sector. Their appointments ensure all five commission seats are filled. Commissioner LaFleur was sworn in this week and will serve as Chairman until April 2015. The swearing-in ceremony for Commissioner Bay, who will become Chairman in April, has not been announced.

### ***RESMA Regulatory Professionals Workshop Focuses on Growing Agenda***

Thank you to the many statewide association regulatory professional staff for participating in our inaugural regulatory affairs workshop to discuss common issues. The regulatory agenda is packed both in Washington and state capitols, and is only likely to grow in importance to our members.

**Attached:** EPA hearing summaries, ESA bill letter, Waters rule letter.