

September 5, 2014

TO: NRECA Board of Directors

Distribution CEOs Statewide Managers G&T Managers

FROM: Jo Ann Emerson

Regional Meetings Open with Great Start at Region 1-4

A big thank you to Regions 1 and 4 for a great gathering in Indianapolis to kick off our <u>regional</u> <u>meetings</u>. We enjoyed fantastic Hoosier hospitality from the Indiana co-ops! Sen. Donnelly (D-IN) spoke about the need for EPA to take a common sense approach to carbon regulations and work with co-ops to understand their viewpoints. There was lots of good discussion on the issues and resolutions. We'll be in Minneapolis for the Regions 5 and 6 meeting next week!

New this year, and available the day before all regional meetings, is our new director's course, "Maximizing Your Grassroots Strategy," to help co-op grassroots influence policymakers and help get the co-op voice heard in Washington and your state capitols. If co-ops don't speak up loud and clear, the debate would be dominated by voices like Tom Steyer's NextGen Climate political action committee, which plans to deploy 700 staff in seven key midterm election states to focus voters on supporting EPA's climate plan.

Congress Returns Briefly to Unfinished Appropriations, Message Bills

We expect the House and Senate to focus on passing a short-term spending bill when Congress returns for just two weeks. With none of the FY15 appropriations bills completed, Congress is expected to pass a temporary measure to keep the federal government funded beyond the November elections or possibly into December. Most other floor debate will center on message bills for voters back home, with no major legislation likely to move this month. A package of 13 energy message bills could be considered in the House, according to a House leadership memo. We'll be on the lookout for any opening to advance our priorities.

All-of-the-Above' Campaign Update: New Video Ad

You've collected over 855,000 grassroots comments through <u>Action.coop</u> and <u>TellEPA.com</u>. We're making steady progress toward our goal of 1 million messages to EPA by the October 16 deadline. We've produced a great new <u>video ad</u> in the "<u>Voices</u>" series that you can use for web and in presentations and <u>order</u> for local TV buys. It features a retired couple focused on how to make ends meet as electricity prices climb. It can be customized for your co-ops.

We're encouraged by 21 senators signing a letter (list attached) led by Sens. Fischer (R-NE) and Heitkamp (D-ND) urging EPA to provide an additional 60 days for public comment on the existing power plant GHG proposed rule. However, as we drive toward a million comments, please keep the focus on October 16. Please remind your co-op grassroots and our coalition

friends to visit Action.coop and TellEPA.com. Check your progress on <u>messages</u> and the <u>state</u> tallies. (These special read-only links let you see the information without logging on to Cooperative.com. You must log on for sensitive and confidential information.) Check out Tennessee statewide manager David Callis' great <u>commentary</u> in today's *Tennessean* on why an "all-of-the-above" energy strategy is important for electric co-ops and rural Americans.

Potential Endangered Species Listing puts Co-ops Between Conflicting Requirements

We're urging the Fish and Wildlife Service to work with electric co-ops to ensure that a potential endangered listing for the northern long-eared bat does not interfere with co-ops' legal requirement to maintain reliability. We submitted comments (attached) asking the FWS to recognize that an endangered listing for the bat would put co-ops in potential conflict with federal requirements and standards for maintaining transmission and distribution lines. At least 650 distribution and G&T co-ops could be at risk for failing to comply with requirements to maintain rights-of-way if they don't remove trees and vegetation to protect species and habitat. Russ Biggica, the Pennsylvania statewide's Director of Government and Regulatory Affairs, will testify on the issue at a House Natural Resources Committee field hearing this Monday. FWS' decision on this listing is expected in April 2015.

Utility Groups Oppose Civil Lawsuit over Southwest Blackout

We've joined a utility sector filing (attached) in federal appeals court concerning California retail electricity customers' class action negligence lawsuit against Arizona Public Service (APS) seeking damages for a 2011 Southwest blackout. A lower court ruled retail customers could not sue APS for negligence based on violation of North American Electric Reliability Corp.'s (NERC) reliability standards. The retail customers have challenged that ruling. Our filing emphasizes that only NERC and the Federal Energy Regulatory Commission can enforce NERC standards intended to ensure Bulk Electric System reliability, and those standards are not in place to prevent distribution/retail outages.

Attached: Comments to FWS, utility sector court filing, Senate letter to EPA signers list.