

September 19, 2014

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

FROM: Jo Ann Emerson

EPA Extends Deadline on Existing Power Plants GHG Proposed Rule

Your hard work paid off – we have more time to voice our concerns about EPA’s proposed greenhouse gas regulations. EPA is extending the comment deadline on its proposed GHG rule for existing power plants by 45 days to December 1. The new deadline was announced after many states, 53 U.S. senators and other stakeholders requested more time for stakeholders and state regulators to review the complex, 1,600-page proposal and develop comments. EPA said the comment extension for the existing plants proposal will not change its plans to issue a final rule in June 2015 and start the three-year clock for states to submit plans to EPA – but time will tell.

Panel Focuses on EPA Proposal Impacts on Consumers; Co-op Views Aired at Roundtable

Consumer electricity and energy costs that will increase under EPA’s proposed power plant carbon regulations were highlighted at a House Science, Space and Technology Committee hearing just before Congress recessed. As the committee heard testimony from EPA and Administration officials, committee Chairman Lamar Smith (R-TX) said the carbon regulations for power plants will “ultimately boost the costs of electricity, food and gas.”

Just before that hearing, Southern Indiana Power CEO [Steve Seibert](#) was outstanding in telling committee members how electric co-ops will be affected by EPA’s existing plant GHG proposal during a committee roundtable co-hosted by NRECA. We thank Rep. Bucshon (R-IN) for his attention to co-op viewpoints at the roundtable.

‘All-of-the-Above’ Campaign Update: Keep Up the Good Work!

You’ve collected over 926,000 grassroots comments through [Action.coop](#) and [TellEPA.com](#). We’re on pace to reach and even surpass our goal of 1 million messages to EPA. Let’s cross the finish line ahead of the new December 1 deadline for comments and focus on making the most of our comments by publicizing them to our members, lawmakers and allies. Check your progress on [messages](#) and the [state](#) tallies. See Arizona G&T Cooperatives’ creative Facebook [post](#) to boost community awareness of EPA’s proposals and the higher energy costs for consumers.

Iowa Rural Power Kicks off Co-ops’ Awareness Campaign on National Stage

[Iowa Rural Power](#) stepped up their community outreach last weekend by sending [25 members](#), including several Youth Tour alumni, to Sen. Harkin’s (D-IA) final steak fry. Dressed in their [famed](#) green t-shirts, Iowa Rural Power members spread the co-op message to notable elected

officials, including President Clinton and former Secretary of State Hillary Clinton, who is a potential 2016 White House candidate.

Rep. Stivers Speaks at ACRE[®] Speaker Series Launch

I was thrilled that 60 co-op leaders took part in our first-ever ACRE[®] Speaker Series session, featuring Rep. Stivers (R-OH). You had great questions! The series is an exclusive benefit for ACRE[®] President's Club members. We'll host another session after the elections.

Congress Passes Short-Term Funding Bill

Now that Congress has passed a continuing resolution (CR) to keep the federal government funded until December 11, we'll continue to work with members of Congress to ensure FY15 funding for core electric co-op programs during an expected lame-duck session after the elections. The 12 unfinished spending bills could be wrapped into an omnibus package or another CR. How much gets done in the lame-duck will depend in part on election outcomes and if the Senate majority changes.

Senate Panel Unanimously Clears STB Bill with Railroad Reforms

We welcome the Senate Commerce Committee's unanimous vote for a Surface Transportation Board [reauthorization bill](#) (S. 2777) with reforms to help rail shippers get some complaints addressed. I sent a letter of support on behalf of electric co-ops last week urging the committee to move this bill. It now goes to the Senate floor. While we're actively working this measure, its path during the lame-duck session is unclear. The bill includes provisions that would ease the STB case review process for rail shippers and ensure their complaints are reviewed in a timely and balanced manner. STB's authority to launch investigations would be expanded. The bill also contains language allowing STB members to speak with stakeholders outside of public meetings and allows voluntary arbitration to settle cases.

Senate Committee Discusses Future Legislation Proposals and Tax Extenders

We'll follow up on the Senate Finance Committee's hearing on energy tax code provisions by sending written comments urging that any tax legislation with incentives for the for-profit sector include parity for electric co-ops. The committee heard testimony on potential legislative proposals for the next Congress, including a carbon emissions tax, clean and renewable energy tax incentives, solar-wind production credits, and transmission siting incentives.

On a related note, we could still see another Senate attempt this year to pass a tax extenders package that includes renewable production tax credits along with other expired incentives. Committee Chairman Wyden (D-OR) and Ranking Member Hatch (R-UT) want to get a extenders bill on the Senate floor after the elections.

House Committee Urges FCC Chairman to Increase Rural Broadband Speeds

We thank the House Small Business Committee for keeping a focus on rural broadband access issues and hearing testimony from FCC Chairman Tom Wheeler. Committee members on both sides pressed the Chairman on how the commission is working to improve broadband access in rural America. The committee raised concerns with the FCC's current low broadband speed

definition and urged the FCC to increase speed requirements to minimize rural Americans having to depend on second-class service.

Co-op Leaders Speak at Critical Infrastructure Communications Forum

Special thanks to Great River Energy Principal Telecommunications Engineer Kathy Nelson, BARC Electric CEO Mike Keyser and Co-Mo Connect General Manager Randy Klindt for presenting co-op views at the UTC Critical Infrastructure Communications Policy Summit that NRECA cosponsored.

Appeals Court Rejects FERC's Rehearing Motion on Demand Response Regulation

We got another big win when a federal appellate court denied FERC's rehearing petition on a [ruling](#) last May that overturned FERC's demand response regulation ([Order No. 745](#)). We filed a brief opposing the rehearing request. In its earlier ruling, the court agreed with NRECA, Old Dominion Electric Co-op and others that FERC exceeded its authority and intruded on states' jurisdiction when it issued a 2011 rule on compensation for demand response. We argued that FERC can't regulate retail transactions by re-characterizing them as wholesale services. FERC was attempting to regulate retail rates directly by ordering utilities to pay retail customers not to consume energy. FERC could appeal the ruling to the U.S. Supreme Court.