

October 3, 2014

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

FROM: Jo Ann Emerson

Great Visits in Pennsylvania and Missouri; Celebrating National Co-op Month

I had a wonderful time at Adams Electric Cooperative's (PA) [ACRE® Celebration](#) to recognize their ACRE® and Co-op Owners for Political Action® members. Adams Electric has 100 percent President Club membership among the board and managers and 100 percent board spouse participation. I also enjoyed visiting co-op friends back home at the Missouri statewide association's [annual meeting](#). There was a lot of discussion about EPA's power plant GHG regulations and other issues.

NRECA and electric co-ops are highlighting [National Co-op Month](#) by telling the [electric co-op story](#) and spotlighting your great efforts like [Operation Round Up®](#) and [NRECA International](#) projects. I'm very proud of our member co-ops' consumer-focus and concern for community!

It's Your Opportunity to Tell Us What You Think about NRECA

How we engage with our member co-ops is one of NRECA's most important areas of strategic focus. Our program is, and always will be, about relationships. So, how we can create and maintain relevant and productive relationships with you is a key question we want to answer. We need your help to do that. We've arranged for Loyalty Research Center (LRC) to do 2,000 interviews from October 13 through November 21. Co-op managers will be contacted by telephone and directors and staff will be asked to do web-based surveys.

We're interested in your insights on how we can best serve you. By listening to your expectations and learning from your experience, we can continue to strengthen our strategic partnership. If contacted by LRC, please take time to participate in the 20-minute interviews. Your responses are completely confidential. Thank you in advance for your participation.

SBA Backs Congressional, Stakeholder Calls to Withdraw Flawed Waters Proposal

We applaud the Small Business Administration for sending [comments](#) urging EPA and the Army Corps of Engineers to withdraw a proposed Waters of the U.S. (WOTUS) rule. SBA said that more state and industry input is needed and EPA should do a required small business impacts review before moving forward. The comments emphasized that EPA and the Army Corps improperly determined the WOTUS proposal would not directly affect small businesses and skipped the impacts review. SBA's comments support co-op concerns that the proposal would create more red tape and delays for power line siting and maintenance.

EPA and the Army Corps still show no signs of backing down from their regulatory overreach to expand the Clean Water Act to include ditches, flood plains, wetland and seasonal streams.

EPA's Science Advisory Board issued a statement supporting the underlying science of the WOTUS proposal and even recommended the proposed rule could also include groundwater and isolated waters with little or no connection to navigable waters.

Agriculture Leaders Urge USDA Action on EPA's GHG Proposal

We thank the Senate and House Agriculture committee leaders for urging USDA to continue raising concerns with EPA about how its existing power plant greenhouse gas rule could impact the Rural Utilities Service Electric Loan Program and its borrowers. The letter signed by the committees' chairs and ranking members (attached) noted that EPA estimates the plan would force 17 co-op coal-fired power plants to shut down to comply with the rule. The letter asks Agriculture Secretary Vilsack to ensure that RUS electric borrowers are not adversely impacted and have tools to manage additional capital investment or early plant retirements.

'All-of-the-Above' Campaign Update: And the Messages Keep on Coming!

You've collected over 987,000 grassroots comments through [Action.coop](#) and [TellEPA.com](#) in our effort to send 1 million messages to EPA by December 1. Check your progress on [messages](#) and the state [tallies](#). Watch my latest [video](#) that highlights your tremendous efforts and includes a discussion with NRECA's Political Affairs Director Pat Ahearn about new resources for you.

Sign Up to Get Electricity Sector Information Alerts

You can take one easy action during National Cybersecurity Awareness Month to ensure that you and key co-op staff get updates on electric utility security events and related business continuity and disaster planning information. Sign up for the [Electricity Sector Information Sharing and Analysis Center](#) portal operated by the North American Electric Reliability Corporation. The more active participation our industry has on the portal, the more efficient we can be at sharing information.

Register Now for All-New Innovative Power Summit

You can still sign up for our new [Innovative Power Summit](#) in Indianapolis on October 28-30. The summit will provide a forum for frank and open discussions on the transformation underway in the utility sector and how co-ops can respond with practical knowledge and workable ideas. [Specialists and co-op leaders](#) will take a deep dive into higher penetration of distributed energy resources and related issues. The summit will include many forums and business strategy roundtables that encourage collaboration and sharing information with other co-op colleagues.

RUS Acting Administrator Chosen from Rural Development Staff

We look forward to working with the new Acting RUS Administrator Jasper Schneider. He has served as the Rural Development Director in North Dakota the past five years. Schneider, a Fargo native, served four years in the state House of Representatives before joining the USDA staff. He also served as legal counsel at former U.S. Sen. Kent Conrad's (D-ND) Fargo office. Schneider earned his law degree from Hamline University School of Law in Minnesota, and was an adjunct professor at Minnesota State University – Moorhead.

Co-ops Mentioned Among Takeover Prospects in Citigroup Report

I want to alert you to a [Citigroup](#) report listing electric co-ops and municipal utilities as attractive

acquisitions for investor-owned utilities. We have no specific information about any new co-op takeover plans or that acquisition attempts are increasing. And, the report appears to be more a business development effort than an indication of any particular threat. When addressing takeover issues, NRECA is ready to provide information like the [Electric Cooperative Takeover Considerations](#). For questions about the Citigroup report, contact NRECA's Chief Member Counsel [Ty Thompson](#).

Attached: Agriculture committees' letter.