

October 10, 2014

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

FROM: Jo Ann Emerson

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***1 Million Messages to EPA and Still Going Strong!***

You did it! 1 million messages to EPA on its power plant greenhouse gas proposals! Stacked up, the messages would tower nearly 10 stories higher than the Statue of Liberty (see attachment). I'm very proud of the hard work, time and expense invested by you and your co-op grassroots to take a stand on this important issue. Because EPA extended the comment period, there's time for us to reach out to new audiences and grow our grassroots. As we celebrate your achievement, we'll keep working with you to strengthen our numbers and expand our network of advocates who can partner with us. See your progress on [messages](#) and the state [tallies](#).

***Great Visit at Southern Maryland Electric!***

A big thank you to Southern Maryland Electric and CEO Joe Slater and NRECA's Maryland Director Danny Dyer for hosting me yesterday. A leader in energy efficiency, SMECO has operated a demand response program for over 30 years and continues to adopt new technologies to serve members. SMECO has two long-term agreements to purchase power from solar farms.

***STB Orders Railroads to Release More Service Backlog Data***

We applaud the Surface Transportation Board (STB) for issuing an [order](#) requiring freight railroads to provide weekly status reports on service delays and backlogs. The order is in response to testimony from electric co-ops and other rail shippers on the need for greater transparency during a hearing in North Dakota last month. Access to more detailed information on rail service backlogs should increase real-time understanding of regional and national service problems. This is a good step forward, but we still need Congress to address this issue. While we're actively working a STB reauthorization bill (S. 2777) that would address some rail shipper complaints, it's unlikely to move forward during the expected lame-duck session. On a related problem, Sens. Baldwin (D-WI), Franken (D-MN) and Vitter (R-LA) sent a [letter](#) urging the STB to begin a long-anticipated rulemaking on improving the "competitive switching" process to allow shippers to more easily use another railroad during service delays.

***EPA Extends Water Rule Comment to November 14***

We welcome EPA's decision to extend comment on the proposed [Waters of the U.S.](#) (WOTUS) rule another 25 days to Friday, November 14. That will allow public review of the EPA Science Advisory Board's (SAB) upcoming report supporting the WOTUS proposal to expand the Clean Water Act's scope. The SAB recommends that the rule include groundwater and isolated waters with little or no connection to navigable waters. We need to speak up more, because some

Administration officials are listening to our concerns that EPA did not get state and small business input on this plan. The Small Business Administration's Office of Advocacy [recommended](#) that EPA and the Army Corps of Engineers withdraw the proposal and do a required small business impacts [review](#) before moving forward. NRECA will participate in an EPA meeting with small businesses and communities about WOTUS on October 15. We're also developing comments on the rule, along with a comments template for member co-ops, outlining our opposition to the proposal.

### ***NRECA Emphasizes Key Co-op Issues for QER Report***

We sent comments urging that DOE's [Quadrennial Energy Review](#) (QER) report include several key points that electric co-op officials raised during public meetings this year. Our overall theme was the importance of an "all-of-the-above" strategy for maintaining and expanding the nation's energy infrastructure. The report should ultimately recognize the role that the nation's electric grid will continue to serve in meeting the demand for reliable and affordable electricity. NRECA took exception with the view presented at DOE's "Future of the Grid" forum that the utility of the future will simply be a conduit for customized consumer services improvements. NRECA stressed that there is a need to speed up and simplify transmission siting. Finally, we urged DOE to continue supporting the valuable research and educational programs it funds to assist regulators and the industry to understand operational grid developments, and how to assess costs and benefits of new technology impacts. The QER meetings were the start of a new four-year energy infrastructure analysis and could influence the FY16 budget.

### ***Industry Leaders Look at Long-Term Plans for Sharing Grid Security Information***

A big thank you to Arkansas Electric Cooperative Corp. CEO Duane Highley and Old Dominion Electric CEO Jack Reasor for presenting co-op positions at the Electricity Subsector Coordinating Council meeting with senior industry partners and DOE, DHS and FERC officials. The group focused on long-term planning to continue boosting government-industry information-sharing and coordination to protect the electric grid from physical and cyber threats.

### ***NRECA Opposes Changes in ESA Critical Habitat Proposal***

We joined in industry comments opposing the Fish and Wildlife Service (FWS) and National Marine Fisheries Service proposals that would significantly change how critical habitat is designated under the Endangered Species Act. We worked with the National Endangered Species Act Reform Coalition, Utility Air Regulatory Group and Utility Water Act Group to develop comments that address electric co-op concerns.

On a related issue, a federal district court in Washington, D.C., accepted NRECA's motion to intervene in a lawsuit by environmental groups challenging the FWS' decision last March to list the lesser prairie chicken as threatened. The lawsuit asks the court to order the lesser prairie chicken listed as endangered. While we're disappointed that the FWS issued a threatened listing for the lesser prairie chicken, an endangered listing would make matters even worse.

### ***Public Comment Extended for Tribal Lands Rights-of-Way Proposal***

The Bureau of Indian Affairs (BIA) has extended for the second time a proposed [rule](#) to change how BIA regulates tribal rights-of-way across Indian lands, including rules for compensation and reviews for electricity and broadband lines. The 30-day extension until November 30 was issued

at Rep. Ben Lujan's (D-NM) request. We're working with statewides on comments. Please review this proposal to assess its impacts on your co-op and contact NRECA's [Carol Whitman](#) with concerns and questions.

***Electric Co-op Efforts to Improve Rural Communities Highlighted at International Summit***

I was honored to speak on behalf of NRECA at the [2014 International Summit of Cooperatives](#) in Quebec, Canada. I highlighted the electric co-ops' history and how rural electrification and living the [cooperative principles](#) helps improve U.S. communities and co-op members' quality of life. I emphasized the electric co-op commitment to community, political engagement, cooperation and innovation. I also participated in a summit panel discussion on affordable energy and economic development, and highlighted the findings of NRECA's study, "[Affordable Electricity and Economic Development: The Role of Electric Cooperatives in the 21st Century](#)," presented by NRECA Chief Economist Russell Tucker.

**Attached:** 1 million messages graphic