

October 17, 2014

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

FROM: Jo Ann Emerson

Great Time at Regional Meeting in Nebraska; Tour TVA's Watts Bar 2 Plant

Thank you for a great meeting at Regions 7 and 9 in Omaha. Nebraska statewide Board President Randy Papenhausen welcomed the regional meeting participants. New Acting RUS Administrator Jasper Schneider presented the annual Rural Utilities Service program update. Discussion of the [resolutions](#) continues to be engaging. We're in the home stretch as we head to the Regions 8 and 10 meeting in Little Rock next week.

I was greatly impressed with the Tennessee Valley Authority's operations during my visit today along with American Public Power Association CEO Sue Kelly. We toured the Watts Bar 2 nuclear plant now under construction and may be coming on line in late 2015 – early 2016. We also addressed the Watts Bar Women in Nuclear luncheon. A big thank you to NRECA Board Directors Eston Glover (KY) and Larry Elkins (TN) for joining us, as well as Tennessee statewide CEO David Callis and East Mississippi Electric CEO Wayne Henson, the current Tennessee Valley Public Power Association Board Chairman.

NRECA Tells EPA to Withdraw Proposed GHG Rule for Modified Power Plants

We sent [comments](#) urging EPA to withdraw its flawed proposal to regulate carbon emissions from modified-reconstructed power plants. Like the previously proposed rules for new power plants and existing power plants to control greenhouse gas emissions, the modified-reconstructed power plants proposal is another sweeping overreach of EPA's authority under the Clean Air Act. The EPA proposal would require modified-reconstructed power plants to improve efficiency to levels that are not achievable by many units. Moreover, EPA has not provided any evidence demonstrating that those efficiency gains are possible at any units.

'All-of-the-Above' Campaign Update: Keep Sending a Loud and Clear Message

You've delivered nearly 1.1 million grassroots comments through [Action.coop](#) and [TellEPA.com](#) to EPA. EPA still needs to hear our loud and clear message. The Union of Concerned Scientists and other groups are telling the Administration that EPA's proposed overall existing plant GHG reduction target is too low and should be increased to 40 percent. Check your progress on [messages](#) and the state [tallies](#). See our new "EPA Regulatory Maze" infographic (attached) that highlights the confusion and difficulties EPA's existing plant proposal will create. There are several formats of this [infographic](#) in the Action.coop online resources.

FERC Focuses on Outages in Extreme Winter Cold; NERC Highlights Grid Weaknesses

We welcome the Federal Energy Regulatory Commission's (FERC) focus at its monthly meeting on possible steps to limit negative impacts of extreme sub-zero weather on the electricity grid and natural gas deliveries. With another very cold winter possible, FERC is considering potential market fixes and winter reliability program upgrades. Some of those issues will be discussed at an October 28 workshop, where electric co-op officials will be panelists. The North American Energy Standards Board recently sent FERC a [report](#) recommending changes in natural gas operating day and scheduling practices as part of a rulemaking started last March.

FERC is also reviewing the North American Electric Reliability Corp. (NERC) [report](#) on electric grid reliability problems during last winter's polar vortex. NERC said increased U.S. reliance on natural gas generation has created new cold-weather challenges and risks to grid reliability. Grid operators maintained reliability thanks to training and cold-weather readiness, but saw significant problems with natural gas availability and frozen equipment. On a related issue, FERC has launched investigations of possible market manipulation during last winter's polar vortex.

FCC Broadband Trials Bidding Starts Next Week, Deadline is November 7

The Federal Communications Commission will start accepting [rural broadband experiments](#) applications at 9 a.m. (EDT), Thursday, October 23. FCC will post its required Form 5610 on the [webpage](#) on that morning. Interested co-ops only have two weeks to file an application. The deadline is 6 p.m. (EDT) Friday, November 7, to file Form 5610. The FCC has application process information on its webpage, including links to a [webinar](#) on how to complete Form 5610 and screenshots of it.

STB Orders Railroad to Provide Better Information on Freight Service Delays

We welcome the Surface Transportation Board stepping up scrutiny of Canadian Pacific Railway's service problems and failure to respond to fall peak demand. The STB [ordered](#) the railroad to provide more information about resolving freight service delays in North Dakota, Minnesota, Iowa, Wisconsin and Illinois. Many Midwestern utilities have already started conservation measures to cope with rail delivery problems as winter nears and October coal stockpiles are down 25 percent. The STB acted after Canadian Pacific failed to provide information requested of all major rail haulers for a September hearing, when electric co-ops and other rail shippers called for greater transparency. This is another good step forward, but we'll still push Congress to address this issue.

NRECA Presses EPA, Army Corps to Withdraw Flawed Waters Proposal

I issued a [statement](#) urging EPA and the Army Corps of Engineers to withdraw their proposed [Waters of the U.S.](#) (WOTUS) rule and complete an appropriate small business impacts review after EPA met yesterday with NRECA and other groups. EPA held the meeting under pressure from congressional leaders and the [Small Business Administration's Office of Advocacy](#) to pull the WOTUS proposal and do the required impacts review before moving forward. The meeting is too little, too late and not a substitute for an impacts review with full input from small businesses and states. EPA claims the proposal only clarifies the scope of waters covered under the Clean Water Act and a small business impacts review is not needed.

New DOE, NRC Appointees Sworn In

We look forward to working with new appointees sworn in this week. DOE Deputy Secretary Elizabeth Sherwood-Randall replaces Daniel Poneman, who stepped down. Dr. Sherwood-Randall is responsible for overall agency management. She is a former White House special assistant for defense policy and National Security Council senior director for European affairs.

Jeffrey Baran is a new Nuclear Regulatory Commission member. He'll finish a term that ends June 30, 2015. Commissioner Baran was willing to hear co-op positions when he served as the House Energy and Commerce Committee's Democratic staff director for energy and environment. He also served as House Oversight and Government Committee counsel.

Enter Your Co-op for the Community Service Awards!

Go ahead and brag a little about your co-op's innovation and community service by nominating the best efforts for the [Community Service Awards](#). Award categories highlight Community Investment, Energy Efficiency and Youth Programs. Entries are due November 21.

Attached: EPA rule infographic