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

FROM: Jo Ann Emerson

Elections Bring Shift in Senate and Talk of Gridlock Easing

We're reviewing the congressional election results that put Republicans in control of both the Senate and House for the upcoming 114th Congress and the best approaches to advancing electric co-op issues. Many co-op friends will return for the next Congress, but we lost a few. We're reaching out to over 60 new lawmakers to educate them about electric co-ops. Check out many of the new members at this [webpage](#).

When this Congress returns for a lame-duck session next week, the Senate and House will elect their caucus leaders and start filling committee posts. It's uncertain what unfinished business Congress will address. We may see action on the FY15 appropriations bills. The current continuing resolution funds the federal government until December 11. House and Senate appropriators have started talks on an omnibus bill. Congressional leaders are also talking about legislation on energy, cybersecurity, tax extenders, defense authorization and the Ebola crisis.

The new Congress starts early January with lawmakers likely to have only nine months to get legislation passed before partisan positioning for the 2016 presidential elections makes it hard to get business done. Although the Senate majority has flipped and Republicans have at least 52 seats and as many as 54, depending on the election outcome in Alaska and the runoff in Louisiana, many bills will still need 60 Senate votes to pass. Sen. McConnell (R-KY) said he'll become "offensive coordinator" instead of being on defense. The path for major or controversial legislation will remain complicated.

NERC Preliminary Analysis Identifies Concerns on EPA's Coal Plant Shutdown Estimates

We welcome the North American Electric Reliability Corp.'s (NERC) [study](#) warning that EPA's existing power plants GHG rule may threaten grid reliability in 2020, when the proposal would take effect. NERC identified coal plant shutdowns much higher than EPA estimates. "The proposed timeline does not provide enough time to develop sufficient resources to ensure continued reliable operation of the electric grid by 2020," the study found.

NERC also raised concerns that EPA's proposal underestimates power plant efficiency gains already achieved, relies too much on natural gas generation and overestimates renewable energy expansion. The study cautioned EPA's proposal could lead to a greater need for new electric transmission. NERC will discuss the proposed GHG rule in its annual long-term reliability assessment report expected this month. I issued a [statement](#) highlighting NERC's study and

urging EPA to withdraw the proposal and work with industry to develop an achievable plan.

‘All-of-the-Above’ Campaign Update: Still Going Strong

You’ve passed the 1.1 million mark in grassroots comments to EPA through [Action.coop](#) and [TellePA.com](#). Check your progress on [messages](#) and the state [tallies](#). Hard work by Alabama electric co-ops resulted in Gov. Robert Bentley sending a [message](#) opposing EPA’s proposal. We’ll update you soon on plans to expand Action.coop and TellePA.com to continue growing the grassroots strength you worked hard to build and use these resources to boost other co-op issues.

NC Co-ops Honored for Outstanding Rural Development

I’m very proud of the North Carolina Electric Membership Corp. being honored by Agriculture Secretary Tom Vilsack for “Enhancing the Economic Vitality and Quality of Life in Rural America.” Eddie Miller, North Carolina Association of Electric Cooperatives Vice President of Member Communications and Economic Development, received the Secretary’s Honor Award on behalf of the co-ops. They were recognized for their excellent collaboration with USDA Rural Development Business Loan Specialist David Thigpen to launch economic development projects resulting in over \$372 million in investment and creating nearly 1,700 jobs.

NRECA Gives Input on Capacity Markets Change for NYISO

We participated in the first-ever Federal Energy Regulatory Commission and New York Public Service Commission joint technical conference to consider changes in the capacity markets managed by the New York Independent System Operator (NYISO). Some generation owners in the NYISO region say the current capacity market design does not provide enough revenues or long-term certainty to encourage new generation investment. As in other regions, last winter’s extreme cold snap has raised issues about fuel deliveries and other capacity performance issues. Within the last two years, at least three different studies and reviews – including one by NRECA – found no problems with NYISO capacity markets and no major overhaul is needed.

Some generation owners want the New York market to be more like the PJM capacity market, which NRECA has continually opposed. Such a change would be harmful and costly to cooperatives and other load-serving entities. We see having a lot of momentum in 2015.

Comment Period Extended Again for Tribal Lands Rights-of-Way Proposal

For a third time, the Bureau of Indian Affairs (BIA) has extended the comment period for a proposed [rule](#) on tribal rights-of-way across Indian lands, including rules for compensation and reviews for electricity and broadband lines. The new deadline is November 28. We continue to work with statewides and individual co-ops on comments that urge the BIA to ensure that rights-of-way payments for transmission and distribution lines on tribal lands are not unreasonable. Contact NRECA’s [Carol Whitman](#) with concerns and questions.