

November 14, 2014

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

FROM: Jo Ann Emerson

Great Meeting with RESMA on Issues Facing Co-ops

A big thank you to RESMA for hosting me at its meeting in Nevada. There was good discussion about the elections, the congressional and Administration agendas for the lame-duck session and next year, and EPA's existing power plant GHG proposal. Acting RUS Administrator Jasper Schneider also addressed the group.

Congress Starts on Unfinished Business, Looks to Next year

We expect congressional debate to pick up now with many early organizing tasks completed this week. But, timing of FY15 appropriations legislation is still uncertain. A continuing resolution (CR) keeps the federal government funded until December 11, and floor debate on another funding bill may wait until next month. House and Senate appropriators are negotiating on an omnibus package, but another CR into next year is possible. Leadership has yet to announce when they'll move the appropriations bills. The legislative focus now is Keystone XL pipeline legislation as Democrats and Republicans seek advantage in the Senate election runoff between Sen. Landrieu (D-LA) and Rep. Cassidy (R-LA). The House voted 252-161 to pass Rep. Cassidy's pipeline bill today and a Senate vote on Sen. Landrieu's bill is planned for next week.

How much the parties cooperate, or not, during the lame duck will have big influence on how well the next Congress works together. Already, President Obama's stated plans to bypass Congress to address immigration and other issues through executive action is riling up Republicans, and significant congressional backlash is likely if the President signs executive orders. Those tensions are dampening expectations as lawmakers plan their agendas for the next Congress that starts in January. While most top committee posts will likely be decided in the next few weeks, many subcommittee slots will wait until next year.

Appeals Court to Hear Lawsuit Challenging EPA GHG Rule as 'Double Regulation'

A federal appeals court in Washington, D.C., has agreed to hear a lawsuit challenging EPA's existing power plant GHG proposal as "double regulation." The Administration asked the court to dismiss the lawsuit filed by Murray Energy, saying the legal challenge was premature since EPA has not issued a final rule. All preliminary briefs are due by March 2015. Murray Energy, a mining company, says EPA is incorrectly trying to regulate existing power plants under Clean Air Act Section 111(d), when those same power plants are already regulated for hazardous air emissions under Section 112. Murray Energy's court filings contend that Section 111 language prevents double regulation under Section 112. We agree with that position and we'll also make that argument in our comments.

All-of-the-Above' Campaign Update: Comments Still Coming In!

You're still going after passing the 1.1 million mark in grassroots comments to EPA through [Action.coop](#) and [TelleEPA.com](#). Check your progress on [messages](#) and the state [tallies](#). We're extremely proud of your co-ops for answering the call to collect over a million comments for submission to the EPA. We're now 17 days from EPA's December 1 deadline for comments. As we near the finish line, thank you for all the hard to make this effort a huge success. Please ask your co-ops to send all collected cards as soon as they can so we can get them entered and submitted. Let us know if you expect a large amount of data entry in the final two weeks of the comment period. Check out the Arizona statewide association's [video series](#) focusing attention how EPA's proposal will hurt co-ops and their members.

NRECA Tells EPA to Send Flawed WOTUS Proposal Back to Drawing Board

We sent comments urging EPA and the Army Corps of Engineers to withdraw the proposed [Waters of the U.S.](#) (WOTUS) rule. We emphasized that major changes are needed to address electric co-op and other stakeholder concerns. Unless it is changed, WOTUS will create uncertainty and delays in co-op transmission, distribution and generation operations and raise co-op members' electric rates. We're very concerned that EPA did not complete a required small business impacts review and consult with state and local officials and small businesses before issuing its proposal. The [Small Business Administration's Office of Advocacy](#) and congressional committees also raised concerns about EPA not completing that important review. EPA should restart the process. Any new proposal should include an appropriate small business impacts review and be based on a stakeholder consensus. We also signed letters with the U.S. Chamber of Commerce, Water Advocacy Group and Utility Water Act Group.

'Threatened' Listing for Gunnison Sage-Grouse Harmful to Electric Co-ops

We're disappointed by the Fish and Wildlife Service (FWS) [decision](#) to list the Gunnison sage-grouse as threatened under the Endangered Species Act. While a threatened listing is less problematic than an endangered listing, as the FWS first proposed, it's the wrong approach and harmful to electric co-ops and local economies in Colorado and Utah. The FWS said it will propose a special rule in 2015 that may exempt a number of ongoing activities from ESA restrictions.

Co-op Youth Tour Directors Start Planning for 2015

A big thank you to the Youth Tour Directors from 27 states for coming to Washington, D.C., to continue discussing the future of this important program. We're so proud to partner with you to host over 1,600 students on a tour of the nation's capital each June. Working together, we can also make sure the program highlights even more co-op history and provides value to these young people who should be a big part of our co-op future.