

November 21, 2014

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

FROM: Jo Ann Emerson

Fantastic Day at Berkeley Electric Co-op Annual Meeting

I was excited to see a standing room only crowd at Berkeley Electric Cooperative's (SC) [annual meeting](#) last Saturday, where I joined in celebrating the co-op's grassroots sending nearly 50,000 messages on EPA's proposed GHG rules. Berkeley Electric Co-op collected nearly 7,000 messages (photo attached) at the meeting! A big thank you to CEO Dwayne Cartwright and the co-op board for their great hospitality.

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

Over 1.1 million grassroots messages to EPA and still counting as we push toward the December 1 deadline for comments on the GHG proposal. We're making sure all of your grassroots' messages will arrive at EPA by the deadline. Check your progress on [messages](#) and the state [tallies](#). We're extremely proud of your co-ops for collecting over a million comments to EPA.

Happy Thanksgiving! Next Update in Two weeks

I won't send an update during the Thanksgiving holiday next week. I do want to express my heartfelt appreciation for your hard work and strong support in our effort on EPA's GHG proposals as we near the finish line for comments. If you haven't done so already, please take a moment to send a message at [Action.coop](#) before you sit down for the turkey dinner and enjoy football.

I'll send the next update on December 5.

Another RTO Says EPA's GHG Plan Threatens Reliability; Carbon Tax Bill Emerges

We welcome the Electric Reliability Council of Texas' (ERCOT) [report](#) on how EPA's existing power plants GHG proposal would force coal plant shutdowns, threaten grid reliability, make adding renewable resources more difficult and drive up energy costs for consumers. ERCOT's findings on how EPA's plan would impact the grid raised issues that are also concerns for the [Southwest Power Pool](#), [Midcontinent Independent System Operator](#), [PJM Interconnection](#), [North American Electric Reliability Corp.](#) and [Federal Energy Regulatory Commission](#).

On the legislative front, climate proponents are staking out positions for the next Congress. Sens. Whitehouse (D-RI) and Schatz (D-HI) introduced a "long-shot" [carbon tax bill](#) that would set a \$42 per ton fee on large greenhouse gas emission sources starting in 2015. The lawmakers acknowledged the bill won't pass during the lame-duck, but they'll likely reintroduce it in 2015.

NRECA Joins Letter Asking Appropriators to Delay WOTUS Rule

We've signed on the Water Advocacy Coalition letter (attached) urging Senate and House appropriators to ensure any FY15 spending measure includes House language that delays the Waters of the U.S. (WOTUS) rulemaking. This would delay the proposed rule until the fiscal year ends September 30, 2015. [Our goal](#) is to get EPA and the Army Corps of Engineers to withdraw the rule and restart the process. Any new proposal should include an appropriate small business impacts review and be based on a stakeholder consultation. The timing of the appropriations legislation is very uncertain after the President announced his new order to address immigration issues. We may see legislation to push the appropriations issue into the next Congress.

EPA Revises Standards for Power Plant Startup and Shutdown

We're reviewing EPA's [final rule](#) addressing coal and oil-fired power plant compliance with the mercury and air toxics standards (MATS) regulations during startup and shutdown operations. The rule took effect on November 19 and will be enforced after it appears in the *Federal Register*. The rule covers issues raised in earlier rulemakings but not resolved, and includes "work practice standards" to be used during startups before emission control devices can be brought up to operational mode. EPA is also amending its MATS [data reporting rule](#). The rule takes effect January 5, 2015, unless the agency receives negative comments. The comment deadline is December 19.

FERC Approves NERC Physical Security Standards

We welcome FERC's [approval](#) of the North American Electric Reliability Corp.'s physical security standards developed with industry stakeholder input. FERC made some minor changes, to the proposed standards, which were developed in response to physical security events at critical electric facilities over the last 1-1/2 years. We support NERC's standards because they'll provide a framework for utilities to assess physical system risks, identify critical facilities, evaluate physical threats and vulnerabilities and develop an approach to address risks. For more information, contact NRECA's [Barry Lawson](#).

NRECA Joins in Urging Congress to Pass Cybersecurity Bill

We joined in an electricity sector letter (attached) urging Congress to pass cybersecurity information-sharing legislation (S. 2588) before final adjournment. The bill, now awaiting floor action after clearing committee review on a 12-3 vote, would help the government and private sector voluntarily share cyber threat information. The bill would limit liability, prevent unwanted disclosure of private information and maintain existing reporting relationships. Cybersecurity got attention this week when National Security Agency Director Admiral Michael Rogers warned of increasing cyber threats to critical infrastructure – including the electric grid – during testimony before the House Intelligence Committee.

Co-ops Seek Clarification on Robocall Rules for Cellphones

We're urging the Federal Communications Commission (FCC) to ensure that federal regulations on auto-dialer calls (robocalls) allow electric co-ops to make recorded calls to members' cellphones about electricity bill information. NRECA filed comments supporting other consumer industry groups in asking the FCC to clarify that calls to consumers with information

they want, and that benefits them, are allowed under the Telephone Consumer Protection Act. Our comments highlighted calls to consumers that participate in prepaid programs. We also asked the FCC to clarify that co-ops should not be liable for calls to cellphone numbers that have been reassigned if the co-ops have not been informed of the change.

Energy Efficiency Loan Program Webinar Series Offers Insights

Get insights on how your co-op can make the best use of the RUS Energy Efficiency and Conservation Loan Program in a USDA and DOE [webinar series](#) each Thursday from December 4 through January 22. The December 4 (3 p.m. EST) [webinar](#) will focus on energy savings evaluation, monitoring and verification requirements. You can watch some or all of the webinars (list attached). RUS awarded the first loans to two electric co-ops last month under this program.

HR Advisory Group Engages on Next Generation Workforce Challenges

Thank you to our HR Advisory Group and guest CEOs for taking the time and expense to meet with us on identifying strategies that support development of programs that ensure the continuity of talent within the electric cooperative workforce and leadership. Our meeting focused on organizational change and creative solutions to attract, develop and retain our next generation workforce. We'll update you early next year as we incorporate the advisory group's feedback into NRECA's Next Generation Workforce Initiative.

Attached: Berkeley Electric photo, WOTUS letter, cyber bill letter, USDA-DOE webinars list.