

March 13, 2015

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

FROM: Jo Ann Emerson



WORKFORCE FACT: \$14,000 = The average cost for a job vacancy of three months or longer.

Urge Your House Leaders to Support RUS Loan Program

We're working to ensure an adequate loan level for the Rural Utilities Service (RUS) Electric Loan Program at this key point in the annual appropriations cycle. We're working with the Statewide Associations to get members of the House to sign the RUS letter led by House Agriculture Chairman Conaway (R-TX) and Ranking Member Peterson (D-MN). Our deadline is next Thursday, March 19 (current signers list attached). The letter supports current RUS loan levels. It also asks the House Appropriations Committee to reject RUS loan restrictions in the Administration's budget similar to those we've seen and defeated before. A key selling point in our letter about the RUS program – RUS loans will reduce the deficit nearly \$300 million in FY16 alone. A Senate letter led by Sens. Inhofe (R-OK) and Heitkamp (D-ND) will go to appropriators the week of March 27.

Co-ops Emphasize Regional Issues at FERC Reliability Conference

Electric co-ops' [voice](#) was heard again at the third Federal Energy Regulatory Commission (FERC) conference on reliability impacts of EPA's existing plants GHG proposal. FERC Commissioner Colette Honorable said we brought a clear reliability and affordability message. Commissioner Philip Moeller said he appreciated the co-ops' input and participation at the first three conferences. James Frauen, Seminole Electric Cooperative's (FL) Vice President of Technical Services and Development, gave a great [presentation](#) urging FERC to push EPA to address significant flaws in the proposal that can harm reliability and the economy. He urged FERC to work with EPA on key issues:

1. Eliminate the 2020 interim goals for reliability purposes and extend the 2030 goals to allow operation of existing generation resources for their useful life cycle.
2. Coordinate a detailed review of reliability impacts at both the national and regional levels.
3. Support a dynamic reliability safety valve concept.

We continue our [#WeKeepTheLightsOn](#) co-op reliability message in energy and political trade publications and social media. We'll also stress that message at FERC's final conference on March 31 in [St. Louis](#).

House Committee Starting Review on DOE Water Heater Standards Bill

A House Energy and Commerce subcommittee [hearing](#) on its stand-alone bill (H.R. 906) to fix

DOE's electric water heaters efficiency standards is planned for next Thursday, March 19. The House is moving the bill through "regular order." Holding the hearing gets justification for the bill on the record before the full committee marks up and reports the bill for floor consideration. Without congressional action, large electric resistance water heaters will become unavailable for co-ops that use them to manage peak load and provide cost savings for members. The DOE standards take effect on April 16, after which manufacture of these water heaters is illegal.

New RUS Administrator Announced

We look forward to working with the new [RUS Administrator Brandon McBride](#). He has served on the Senate Agriculture Committee staff since 2009. McBride graduated from graduate of Arkansas State University, where he earned a Master's degree in Public Administration. We also thank Acting RUS Administrator Jasper Schneider for his leadership over the past six months.

Senate Committee Spotlights State Concerns with EPA Rule

We thank the Senate Environment and Public Works Committee for [focusing attention](#) on states' concerns about reliability impacts of EPA's proposed existing plants GHG rule. Indiana, Wisconsin and Wyoming regulators and environmental officials said they need more flexibility to meet EPA's reduction targets. They testified that EPA's plan has unrealistic compliance deadlines and will hurt reliability and regional economies. Their states lack authority to adopt many strategies in the EPA plan, which doesn't provide adequate time to pass legislation and adopt regulations needed to meet reduction targets. The officials noted there are "data errors or incorrect assumptions" in the plan, and it failed to fully consider concerns with interstate pipelines, intermittent resources and plant retirements. Officials from California and New York, states with aggressive policies to cut fossil-based generation, said they can comply with the plan. Responding to criticisms, EPA Administrator Gina McCarthy vowed, "EPA is going to regulate - mid-summer is when the Clean Power Plan is going to be finalized."

Senate Committee Clears Cybersecurity Information-Sharing Bill

We [applaud](#) the Senate Intelligence Committee's vote (14-1) to approve the Cybersecurity Information-Sharing Act. It goes to the Senate floor, with debate expected later this month. Senate Intelligence Chairman Burr (R-NC) and Ranking Member Feinstein (D-CA) are leading this bipartisan bill to help government and businesses voluntarily share cyber threat information. It would limit liability for sharing threat information and protect sensitive information from unwanted disclosure. The measure would help electric co-ops better protect the grid by ensuring they have timely information. We emphasized these points at a congressional staff briefing before the Senate markup hearing. Senate Homeland Security Chairman Johnson (R-WI) is expected to let the bill bypass his committee and go straight to the floor.

Co-ops Care about Helping LIHEAP Get Much-Needed Funding

Your help is needed to emphasize to Congress the Low Income Home Energy Assistance Program's (LIHEAP) importance in rural communities. Sign the LIHEAP coalition [letter](#) now to join other co-ops in urging Congress to maintain LIHEAP funding at no less than \$4.7 billion for FY16. The letter closes next Friday, March 20, and we'll deliver it on Capitol Hill during [LIHEAP Action Day](#) on March 25. You can still [register](#) to participate. LIHEAP helps co-ops take care of low-income members during extreme weather and economic crises. The form

allows co-ops to list multiple states and be recognized in service territory that crosses state lines.

New Touchstone Energy COO Featured in Latest Video Update

Check out my latest [video update](#) featuring our new Touchstone Energy COO Mary McLaury. You'll hear about the [Touchstone Energy](#) mission and our goals to re-energize the co-op brand and highlight the benefits of Touchstone membership. You can also see recent [updates](#) on NRECA activities and co-op issues.

Attached: RUS letter list