

March 27, 2015

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

FROM: Jo Ann Emerson



WORKFORCE FACT: Social media is the best tactic for Millennial recruitment, say 42 percent of respondents to a survey by Futurestep, a consulting firm, followed by word of mouth/networking (28 percent) and online talent communities (19 percent).

Senate RUS Letter Gets 27 Signers; House Letter Ends with 193!

Another strong co-op effort resulted in 27 senators signing our letter, and at least one individual letter, urging appropriators to ensure adequate Rural Utilities Service (RUS) electric loan levels. The letter also opposes RUS loan restrictions in the Administration's budget. We thank Sens. Inhofe (R-OK) and Heitkamp (D-ND) for their leadership. Our House letter got more signers for a total of 193! Thanks again to Reps. Conaway (R-TX) and Peterson (D-MN) for leading that effort (lists attached).

Efficiency Bill with Water Heater Standards Fix Passes Senate

We applaud the Senate voice vote to pass an energy efficiency bill (S. 535) that includes a fix for DOE's electric water heater efficiency standards that take effect April 16. We're working now to get House leaders to very quickly move the bill directly to floor votes the first week after spring recess. Without congressional action, water heater manufacturers will not be able to make large electric resistance water heaters used by co-ops to manage peak load and provide cost savings for members.

Costa Rican Co-ops Celebrate 50th Anniversaries

I joined NRECA Board President Mel Coleman in visiting Costa Rica's Coopelesca and Coopeguanacaste [electric co-ops](#), which have 144,000 members, for their 50th anniversary celebrations. Representatives from Adams Electric (PA), Coopelesca's sister co-op, and Coweta- Fayette Electric (GA), Coopeguanacaste's sister co-op, also participated. We issued a [statement](#) on the success of these co-ops started with help from NRECA's International Program.

Great Meeting with RESMA!

A big thank you to the statewide CEOs for taking time during their meeting here in Arlington to talk about our work together on legislative and regulatory issues, workforce development needs and our communications strategies going forward. It was great to see so many of you!

Co-op Testifies on WOTUS to Senate Panel; Senate Passes Resolution on Limiting Rule

Minnkota Power CEO Mac McLennan gave outstanding [testimony](#) to the Senate Agriculture

Committee on how his co-op and others will be harmed by the proposed Waters of the U.S. (WOTUS) rule and urged its withdrawal. McLennan said the WOTUS rule would create costly red tape and regulatory delays for critical power line siting to meet demand and connect to intermittent renewable resources, significantly raise power costs and threaten reliability. We applaud the Senate's 59-40 vote for Sen. Barrasso's (R-WY) budget amendment to prevent WOTUS applying to puddles, irrigation ditches and wastewater systems. It would most likely have gotten 60 "ayes" if Sen. Cruz (R-TX) had voted. The symbolic vote gets Congress' intent on record and keeps pressure on EPA and the Army Corps of Engineers.

Coal Ash Measure Advances in House Committee

We support coal ash legislation the House Energy and Commerce subcommittee passed on a bipartisan 16-5 vote and now goes before the full committee on April 15. The measure would allow states to implement EPA's final [coal ash rule](#) released in December. While NRECA supports EPA's decision to regulate coal ash as non-hazardous, this bill would provide greater certainty for electric co-ops by making EPA's non-hazardous determination permanent.

Draft Bill would Give States a Time-Out on EPA GHG Rule, Allow Opt Out

While co-ops oppose EPA's proposed existing power plants GHG rule, we [welcome](#) Rep. Whitfield's (R-KY) draft "[Ratepayer Protection](#)" legislation to give states a time-out on complying. Under the bill, EPA's requirement for state implementation plans would take effect only after courts hear all legal challenges. The draft bill would also allow a state to opt out of carbon reductions if the governor determines that complying would have "significant adverse effect" on power rates or threaten grid reliability. We're still urging EPA to withdraw its proposal and work with co-ops to develop a more viable and realistic plan.

Co-ops Oppose Proposed Changes to Environmental Review Process

We joined coalition [comments](#) opposing the Council on Environmental Quality's (CEQ) draft National Environmental Policy Act (NEPA) guidelines that recommend federal agencies include greenhouse gas emissions and climate change in environmental reviews. Expanded NEPA review would make it even more difficult to build electric transmission and natural gas projects needed to comply with EPA's existing plants GHG plan. We issued a [statement](#) urging the CEQ to withdraw the draft guidance. We welcome a [letter](#) by six Senate Republicans stating the same.

WAPA Preference Customers Discuss 2015 Outlook

There was robust discussion at the Mid-West Electric Consumers Association [meeting](#) NRECA hosted. I highlighted NRECA's new communications initiative on the importance of hydropower in co-op generation portfolios. The discussion included possible energy legislation, grid technologies, the Endangered Species Act and cyber/physical security. I and other speakers stressed that educating Congress and Hill staff is still key to advancing our legislative priorities.

NRECA Supports Bill to Protect Utilities Responding to Reliability Orders

We issued a [statement](#) supporting bipartisan House and Senate legislation to protect electric utilities, including co-ops, that comply with emergency orders to keep power flowing on the grid. We thank Rep. Olson (R-TX) and Sen. McCaskill (D-MO) for introducing the Resolving Environmental and Grid Reliability Conflicts Act (H.R. 1558, S. 848). The legislation would help ensure electric utilities do not face EPA fines and private lawsuits for breaking federal

environmental laws while under orders to provide additional power to the grid. Similar House legislation passed in the last two Congresses, but no bill reached the Senate floor.

Co-ops Help Take LIHEAP Action Day Message to Congress

Electric co-ops were among nearly 200 utility and community leaders [highlighting](#) the need for adequate Low Income Home Energy Assistance Program (LIHEAP) funding during LIHEAP Action Day on the Hill. Thank you also to the 127 electric co-ops that signed the coalition letter delivered to over 300 congressional offices. Over 700 organizations signed the letter. Our [statement](#) urges Congress to maintain LIHEAP funding at no less than \$4.7 billion for FY16. Co-op grassroots sent over 1,100 messages to Congress supporting LIHEAP.

Cybersecurity Information-Sharing Bill Clears House Committee

We welcome the House Intelligence Committee's unanimous voice vote to move a bipartisan bill that would promote cybersecurity information sharing between the private sector and government. The Protecting Cyber Networks Act (H.R. 1560) provides liability and privacy protections for businesses, including electric utilities, that share information about cyber threats and defensive measures. We thank Chairman Nunes (R-CA) and Ranking Member Schiff (D-CA) for moving the bill quickly to the House floor, where votes are expected in April. House and Senate leaders are pushing to pass a bill by April 30.

Committee Clears STB Reauthorization Bill with Provisions to Help Rail Shippers

We welcome the Senate Commerce Committee's unanimous voice vote for a Surface Transportation Board (STB) reauthorization bill (S.808) with freight railroad reforms that would help rail shippers. The bill would restructure the STB and set timelines for rate case reviews.

FEMA Reauthorization Bill would Streamline Disaster Assistance

We support provisions in a Federal Emergency Management Agency (FEMA) reauthorization bill (H.R. 1471) that would reduce administrative costs and streamline the disaster assistance program. The bipartisan bill by House Emergency Management Subcommittee Chairman Barletta (R-PA) would expedite the process for many applicants, including [electric co-ops](#), by raising the Public Assistance small projects threshold from \$35,000 to \$1 million and reinstating a three-year limit for FEMA to reclaim funds (deobligation). We expect markup in mid-April.

Co-ops Join Request for FCC Approval of Autodial Calls to Wireless Numbers

We joined in a [petition](#) asking the Federal Communications Commission to rule that when customers provide a wireless telephone number to a utility, the requirement for "prior express consent" to contact the customers using autodial calls or text messaging is met. The request would allow utilities to autodial call or text message customers about their utility service.

Sign Up Now for FirstNet Webinar

Hear about the First Responder Network Authority's (First Net) progress in rolling out its national public safety broadband network, and how co-ops can benefit, in our free [webinar](#) on April 7 (1 p.m. EDT). You'll hear from NRECA's Martha Duggan, Great River Energy's Kathy Nelson and RUS Deputy Administrator Jessica Zufolo.

Attached: Senate and House RUS letter lists, LIHEAP letter.