

April 17, 2015

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

FROM: Jo Ann Emerson



WORKFORCE FACT: An estimated 60 percent of Millennials (born 1981-1998) will leave their job in under three years, according to a recent Oracle study. However, organizations that highlight career growth, mission-oriented work and team collaboration are most likely to retain these Millennial populations for longer stretches. If they do leave, be prepared to entice them back to your co-op after they've gained expertise and broadened their skills.

Jim Andrew was Tireless, Dedicated Rural Electrification Advocate

Our electric co-op family's heartfelt thoughts and prayers go out to the family of Jim Andrew, the widely respected former RUS Administrator, NRECA Board President, CFC Board Member and Georgia co-op leader who died Tuesday. Jim's wife Mary and their family will celebrate his life in services Saturday, April 25. He's [remembered](#) as a great friend and leader and a kind man who loved to tell a good story. Before becoming RUS Administrator in 2005, Jim's co-op service included 16 years on NRECA's board and 25 years as a statewide and local co-op leader. His honors include NRECA's Clyde Ellis Award, Georgia EMC's Lifetime Achievement Award and the Georgia Cooperative Council's Distinguished Cooperator Award. While devoting nearly 50 years to rural electrification, Jim also operated an irrigation machinery company for 21 years.

Great Visit with Utah Co-ops!

A big thank you to the Utah co-ops and statewide Executive Director and NRECA Board Utah Director Mike Peterson for hosting my visit for their annual meeting. We had good discussion on public lands issues, the Endangered Species Act, coal ash regulation and impacts of EPA's GHG proposal.

Co-op Leaders Outline Concerns to EPA Administrator

NRECA Board President Mel Coleman and I joined several [G&T co-op CEOs and senior executives](#) in a meeting with EPA Administrator Gina McCarthy to discuss co-op concerns with the existing power plants GHG proposal. The group included Arizona's G&T Co-ops, Arkansas Electric, Great River Energy, Hoosier Energy, Oglethorpe Power, East Texas Electric, Seminole Electric, South Mississippi Electric and Sunflower Electric CEOs and senior executives.

We stressed that the final rule should allow co-ops to use existing plants for their remaining useful life, drop the 2020 interim emission reduction goals, change how state goals are set to reflect realistic data we submitted, and provide a "safety valve" to ensure reliability in

unforeseen situations. McCarthy said EPA is making changes to the plan, but gave no details. After the meeting, several co-ops spoke with the media about the meeting and highlighted how EPA's plan would impact co-ops. You can watch an [interview](#) of Arkansas Electric Cooperative CEO Duane Highley and Seminole Electric Cooperative CEO Lisa Johnson.

Water Heaters Bill Listed for House Floor Action!

We got exciting news this afternoon about our legislative to fix for DOE's electric water heater standards. House leaders plan to bring up the Senate-passed energy efficiency bill (S. 535) next Tuesday for a vote to pass the bill under an expedited procedure used to quickly pass bills that have broad support. There is limited debate, no amendments and it requires a two-thirds majority (at least 289 votes). We're urging the House to vote yes on S. 535 and move it to the President's desk. We're hopeful because a legislative fix for DOE's water heater standards passed the House with 375 votes under this process last year. The standards took effect on Thursday, and legislation is needed now to ensure water heater manufacturers can make the large electric resistance water heaters co-ops use to manage peak load and provide cost savings to members.

Co-op Stresses Reliability, Affordability Impacts of EPA GHG Rule

Seminole Electric CEO Lisa Johnson [testified](#) to the House Energy and Power Subcommittee in support of the draft Ratepayer Protection Act that would provide a "safe harbor time out" to delay implementing EPA's existing plants rule until courts rule on legal challenges. She outlined how EPA's existing plants rule will harm electric co-ops and changes needed to make the plan workable and avoid huge cost increases for co-ops and their members. She emphasized that the co-op's members would have to pay the cost of shutting down a coal plant before the end of its useful service life and the cost of replacement generation – a situation other co-ops face. She also explained Florida cannot meet the GHG plan, because it does not recognize the state's unique characteristics, transmission constraints, reliability concerns and limited renewable power options. Subcommittee Chairman Whitfield (R-KY) said he expects to markup the Ratepayer Protection Act next week.

Key Committee OKs Bill to Send WOTUS Back to Drawing Board

We welcome the Transportation and Infrastructure Committee's 36-22 vote to pass a bill (H.R. 1732) directing EPA and the Army Corps of Engineers to withdraw the Waters of the U.S. (WOTUS) proposed rule. The measure would give the agencies 30 days to withdraw the rule and three months to consult with state and local officials on resolving problems and confusion before moving forward. A big thank you to Mike Heinein, CEO of Jefferson Davis Electric Co-op (LA), for [testifying](#) at the House Water, Power and Oceans Subcommittee hearing about how the WOTUS proposal would delay power line siting, threaten reliability and increase co-op costs.

Bipartisan Coal Ash Bill Clears House Committee, Clock Starts on Final Rule Compliance

We [applaud](#) the House Energy and Commerce Committee's 32-19 vote to pass legislation (H.R. 1734) to address uncertainty in coal ash regulations. The bill would put states in the lead on enforcing the regulation and make EPA's non-hazardous determination permanent. While NRECA supports EPA's decision to regulate coal ash as non-hazardous, this bill would provide greater certainty. The bill now goes to the House floor. EPA's final [coal ash rule](#) appeared in

the [Federal Register](#) today and electric co-ops should be developing implementation plans now because some [compliance deadlines](#) start in six months.

House Cybersecurity Bill Clears First Round of Committee Review

We [support](#) a cybersecurity bill the House Homeland Security Committee passed in a unanimous voice vote. The National Cybersecurity Protection Advancement Act (H.R. 1731) would make the National Cybersecurity and Communications Integration Center the main portal for voluntary sharing of cyber threat information between federal government and private sector. The House will consider H.R. 1731 and the Protecting Cyber Networks Act (H.R. 1560) next week. Both bills provide liability and privacy protections for businesses that share cyber threat information.

FEMA Reform Bill Passes Committee

We welcome the House Transportation and Infrastructure Committee's unanimous voice vote to pass Federal Emergency Management Agency disaster assistance reform legislation (H.R. 1471). Our [letter](#) supports the bill that would streamline disaster assistance, particularly provisions that raise the small projects threshold from \$35,000 to \$1 million and set a three-year limit on FEMA pulling back approved funds (deobligation). We could see this bill on the floor this summer, but the Senate has not given any indication that FEMA reform is an issue on its agenda.