



June 19, 2015

TO: NRECA Board of Directors

Distribution CEOs Statewide Managers G&T Managers

FROM: Jo Ann Emerson



WORKFORCE FACT: HR professionals say their most important issue in 2015 is culture and engagement, according to a recent <u>Deloitte study</u>.

Resolutions Committee Reviews Proposals to Start the Annual Resolutions Process

Thank you to the NRECA <u>National Member Resolutions Committee</u> for their outstanding work at the annual Issues Meeting today to review proposed resolutions. Chairman Dave Wheelihan and the committee members were thoughtful and thorough in reviewing the proposals. We also thank the co-ops that submitted proposed resolutions and the many members who watched the Issues Meeting online and submitted comments and questions. The Resolutions Committee's report and proposed resolutions will be posted on the <u>Regional Meetings page</u> in July and sent to the Regional Resolutions Committees to be considered at their <u>Regional Meetings</u> later this year. We'll post a video of the meeting soon on the National Member Resolutions Committee page.

Future Leaders Bring Energy, Creativity to Electric Co-op Youth Tour!

I'm still energized after spending time with the 1,726 high school juniors and seniors who came to Washington, D.C., for the annual <u>Electric Cooperative Youth Tour</u>. Their energy, optimism and creativity really impressed congressional leaders and staff. We thank Sen. Moran (R-KS) for highlighting Youth Tour in his Senate <u>floor speech</u>. Check out the Youth Tour posts on <u>Facebook</u> and Twitter at <u>#YTDC</u> and the <u>Electric Co-op Today</u> article. We're proud of these young leaders!

Great Meeting with RESMA on Outlook for Rest of 2015

A big thank you to RESMA for hosting me at its meeting in Georgia. There was good discussion about the electric co-op push for legislation on the Administration's environmental agenda and the outlook for other legislation, the Rural Power program to educate presidential candidates on electric co-ops, enhanced mutual assistance, and ways to modernize communications to our members.

House Appropriations Bill Maintains RUS Loans at Current Levels

We support the Rural Utilities Service electric loan levels in the FY16 Agriculture spending bill that cleared House Appropriations subcommittee review. The bill maintains \$5 billion in electric loan levels and \$500 million for the Guaranteed Underwriter Loan Program. It also includes \$33.07 million for the Rural Economic Development Loan and Grant Program. This bill keeping

RUS lending at current levels is the direct result of the co-ops' hard push to get 193 House signers on the March letter to the Appropriations Committee. Thank you!

House Committee Clears FY16 Interior-Environment Spending Bill Addressing Co-op Issues

We welcome the House Appropriations Committee's vote (30-21) to approve an FY16 Interior and Environment spending bill with several provisions electric co-ops support. The bill is listed for House floor debate next week. It would prohibit EPA from implementing GHG emission regulations for new and existing power plants, and from imposing new federal ozone National Ambient Air Quality Standards (NAAQS). The bill would also block the EPA and Army Corps of Engineers' proposed Waters of the U.S. (WOTUS) rule to change the definition of federally regulated waters.

Other provisions would extend for another year language to delay Endangered Species Act (ESA) listing for the greater sage-grouse and increase funds for sage-grouse conservation plans developed as an ESA alternative. It would expand permitted activities allowed under a <u>special</u> (4d) rule issued with the northern long-eared bat "threatened" listing in April.

Senate Committee also Approves FY16 Spending Bill with Environmental Restrictions

We also thank the Senate Appropriations Committee for voting (16-14) to pass its FY16 Interior-Environment spending bill with provisions that would stop GHG emission regulations for new and existing power plants and new ozone NAAQS, and blocks the proposed WOTUS rule. The committee also approved language to delay the sage-grouse ESA listing for 10 years and added a provision to block enforcement of the lesser prairie chicken threatened listing and block an endangered listing.

Co-op Leader Urges Congress to Pass Coal Ash Legislation

Mike Kezar, General Manager of South Texas Electric Cooperative, gave compelling testimony to the Senate Environment and Public Works Committee for legislation to address uncertainty in coal ash regulations. He urged the committee to work with other congressional leaders to pass legislation that makes EPA's nonhazardous designation for coal ash permanent and put states in the lead on enforcing the regulations. Though EPA's latest rulemaking continues to regulate coal ash as nonhazardous, the agency said it could reconsider the issue later.

Kezar also urged that any legislation give EPA and the states the ability to oversee coal combustion residuals management through federally approved state permit programs. After the hearing, committee Chairman Inhofe (R-OK) and several committee members said legislation is needed to address concerns with coal ash regulations. In the House, floor debate could start in July on a coal ash bill (H.R. 1734) that electric co-ops support.

House Floor Debate Anticipated on Ratepayer Protection Act Next Week

The House Ratepayer Protection Act we support is expected to come up on the House floor next week, House Republican leaders said. The bill would give states a "safe harbor time out" to delay implementing EPA's existing plants GHG rule until the courts rule on legal challenges. We're urging Congress to pass this legislation. We have an <u>Action.coop</u> alert urging House members to cosponsor and support this bipartisan bill.

Co-ops Have More Work Ahead on FY16 LIHEAP Funding

We'll continue to work with the House Appropriations Committee to restore Low Income Home Energy Assistance Program (LIHEAP) funding after a subcommittee approved \$3.365 billion in the first review of the FY16 Labor-Health and Human Services bill. The subcommittee level is a slight cut from \$3.39 billion for this year. We continue to urge Congress to restore LIHEAP funding to no less than \$4.7 billion. LIHEAP is important to rural communities and helps electric co-ops take care of their members during extreme weather and economic downfalls.

Clarification of Telephone Rules Doesn't Adequately Address Autodial Calls

We're disappointed that the Federal Communications Commission didn't adequately address our petition seeking clarification of the Telephone Consumer Protection Act (TCPA) on the requirement for "prior express consent" to contact the customers using autodial calls or text messaging. We're waiting to see the commission's written order. But, discussion during the commission meeting indicates the order will have a wide interpretation and penalize companies that act in good faith to provide information consumers want and need. We'll send an update when we see the order and will be working on legislative efforts to ensure utility calls do not result in violations of TCPA.

Part II in NRECA Technology Series Looks at Co-op Role in New Technology Investments

Check out the Business and Technology Strategies team's second report in a three-part series on the rapidly converging telecommunications and electric industries and the electric co-op role in making key infrastructure investments that directly benefit co-op members. The report, <u>Meeting Telecommunications Challenges: Cooperative CEO's Thumbnail Guide</u>, looks at key questions on effective telecommunications planning in the smart grid era.