

July 17, 2015

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

FROM: Jo Ann Emerson



WORKFORCE FACT: Diversity fosters a more creative and innovative workforce.

Bringing together workers with different qualifications, backgrounds, and experiences are all key to effective problem-solving on the job, according to a recent Center for American Progress [issues report](#).

Great Time Visiting with Georgia Co-op Leaders and Touring NISC!

Thank you to the Georgia statewide for hosting NRECA Board President Mel Coleman and me at the annual managers meeting. We discussed our communications strategy for the release of EPA's final new and existing power plants GHG rules this summer and the next steps on the Waters of the U.S. final rule. We also talked about the outlook for legislation and how hard it will be to get our priorities passed during the legislative gridlock.

I also had a great visit today at the National Information Solutions Cooperative in St. Louis. I enjoyed talking with all of their employees, senior leadership and CEO Vern Dosch. There are many opportunities for us to partner with NISC on IT technology.

Co-op Leaders Press OMB on EPA's GHG Plans

Thank you to the leaders of Arizona G&Ts, East Kentucky Power, Hoosier Energy, Seminole Electric and South Mississippi Electric Power Association for meeting with the Office of Management and Budget (OMB) to emphasize our concerns with EPA's proposed existing power plants GHG emissions rule. They asked for changes to address problems with the EPA proposal before a final rule is issued this summer and gave examples of the major impacts EPA's plan will have on electric co-ops and their members. NRECA had a similar meeting with OMB last week. OMB is having dozens of sessions with the electricity sector and other stakeholders during the review before the final rule is released.

Co-op Highlights Challenges of Serving Remote Communities; Energy Bills Expected

A big thank you to Alaska Village Electric Co-op CEO and Alaska NRECA Director Meera Kohler for [testifying](#) on the energy and infrastructure challenges of operating power microgrids for small communities in remote areas before the Senate Energy and Natural Resources Committee. She urged Congress to provide adequate funding for programs that help "islanded" utilities meet the high costs of supplying affordable and reliable power in remote regions. She also emphasized funding needs for more electric grid infrastructure and renewable energy in areas where utilities must currently operate as stand-alone systems.

The hearing was one of several called by committee Chairman Murkowski (R-AK), who continues to develop a broad energy bill. Chairman Murkowski has said she would like to get a bill out of the Energy Committee before the August recess, but negotiations continue with Sen. Cantwell (D-WA), the top Democrat on the committee, and it's unclear when they'll release a draft for public review. On the House side, Energy and Commerce Chairman Upton (R-MI) said a subcommittee could markup on a comprehensive energy bill next week, but they also have not yet released any draft language for the committee's consideration.

Co-ops Urging House to Pass Coal Ash Bill

We're urging the House to pass bipartisan coal ash legislation (H.R. 1734) coming up on the floor next week. The bill would put states in the lead on enforcing the regulation and make EPA's non-hazardous determination on regulating coal ash permanent. We have a coal ash legislation [Action.coop alert](#) for your grassroots to urge Congress to pass it. EPA's final [coal ash rule](#) appeared in the [Federal Register](#) in April. Electric co-ops should continue to develop implementation plans; the first [compliance deadline](#) is October 19.

House Panel OKs Homeland Security Spending Bill

We welcome the House Appropriations Committee's vote (32-17) to pass its FY16 Homeland Security spending bill with \$7.4 billion for the Federal Emergency Management Agency Disaster Relief Fund – full program authorization. The measure also provides \$993 million for the Office of Cybersecurity and Communications, an increase of \$75.3 million. With the appropriations process stalled, this measure will likely get wrapped in a continuing resolution (CR) or omnibus spending package. We'll continue to work with Congress to ensure these funding levels hold.

Agriculture Appropriations Funding Clears Senate Committee

We thank the Senate Appropriations Committee for passing (28-2 vote) an FY16 Agriculture spending bill with \$6 billion in Rural Utilities Service electric loan levels and \$750 million for the Guaranteed Underwriter Loan Program. The bill also provides \$48 million for the Rural Economic Development Loan and Grant Program, with \$15 million possibly being available for efficiency programs. Your advocacy efforts earlier this year to get 27 senators to sign a letter supporting the program definitely helped convince the committee to provide these higher loan levels for electric co-ops. RUS levels in the Senate Agriculture bill are higher than the House version; differences will be resolved as Congress works to pass an expected CR or omnibus package.

FERC Sends Co-op Petition to Hearing

The Federal Energy Regulatory Commission (FERC) voted 4-1 Thursday to refer a petition from Navopache Electric Cooperative to a hearing and settlement procedures before an Administrative Law Judge. Navopache Electric had asked for a declaratory order that its power supply agreement with Public Service of New Mexico doesn't restrict the co-op's ability to enter into power purchase agreements with other suppliers. Commissioner Cheryl LaFleur wrote a dissenting opinion supporting Navopache's position, saying the contract language was clear and unambiguous. Commissioner Tony Clark, while finding the contract provision in question to be "not particularly ambiguous," stated his willingness to provide an additional process for the parties to reach a settlement.

FERC Issues Proposed Rule on Revisions to NERC Cybersecurity Standards

FERC approved a proposed rule on revisions to the North American Electric Reliability Corp.'s cybersecurity standards, but also proposed several directives for potentially making certain revisions to the standards. The directives were focused on communications systems transient devices (thumb drives, laptops, etc.) and supply chain/procurement issues. Comments are due 60 days after the proposal is published in the *Federal Register*, which should be in late September. The proposal would take effect in 2016. We'll work with our Cyber Security Task Force to develop comments on the proposed rule.

Advocacy Webinar on Congressional Recess Talking Points Next Friday

NRECA is holding an Advocacy [webinar](#) at 2 p.m. (EDT) next Friday designed for co-op lobbyists and grassroots professionals to talk about our efforts to reach members of Congress while they are home during the August recess. We'll explain the Recess Toolkit that statewide associations will receive July 27 with talking to use for meetings with your members of Congress while they are home.

Community Solar Webinar: Electric Co-ops Share Experiences

Hear insights on starting community solar systems from electric co-ops who've done it during our free August 13 [webinar](#). Lynn Thompson, CEO of Eau Claire Energy (WI); Brent Bishop, Vice President and CFO of CoServ Electric (TX); and Steve Oden, Member Services Director of Duck River Electric (TN), will share their experiences. They'll talk about business models, financing, promotion and unique challenges. Thomas "TJ" Kirk of our Business and Technology Strategies Department will give an overview on community solar business models.