

July 24, 2015

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

FROM: Jo Ann Emerson



WORKFORCE FACT: In 2014, approximately 54 percent of new electric co-op hires were Gen Y (born 1981-1998); 33 percent were Gen X (born 1965-1980) and 13 percent were Baby Boomers (born before 1965).

Youth Leadership Council Brings Enthusiasm to DC!

We had a fantastic time hosting the 44 [Youth Leadership Council](#) members in Washington, D.C., this week! It's always inspiring to listen to these young people, who have the potential to be great leaders and ambassadors for the electric co-op program. Congratulations to our 2015-16 [YLC](#) spokesperson Colin Craig of Alabama (Wiregrass Electric Cooperative), runner-up Janel Meldrum of Nevada (Lincoln County Power District) and 2nd runner-up Travis Anderson of North Dakota (Slope Electric Cooperative). We also congratulate the 2015 Glenn English Foundation Scholarship recipients: Hayden Hafer (Oklahoma Electric Co-op), Justin Korth (Cedar-Knox Public Power District - NE), Jordan Geisert (Midwest Electric Co-op - NE), Sarah Hempen (Monroe County Electric Co-op - IL) and Samantha Rhodes (Kosciusko REMC - IN).

Co-ops Talk with Administration on Funding Efficiency, Renewable Technologies

CEOs and senior staff from more than two dozen electric co-ops met at the White House with Doug O'Brien, senior rural policy advisor to the President, and Rural Utilities Service Administrator Brandon McBride this morning on how co-ops can use federal resources to build more energy efficient and renewable resources. We were encouraged to use the RUS Energy Efficiency and Conservation Loan Program. I really appreciate the co-op leaders for taking the time to attend this meeting and share insights about the best ways for federal agencies to assist co-ops with efficiency and renewable projects.

House Passes Coal Ash Legislation, Administration Issues Veto Threat

We applaud the House for passing (258-166 vote) bipartisan coal ash legislation (H.R. 1734) that would make permanent EPA's non-hazardous determination on regulating coal ash and put states in the lead on enforcing the regulation. We thank Rep. McKinley (R-WV) for leading this legislation. Nineteen Democrats voted for the bill even in the face of a White House veto threat. It's the first strong signal of Administration opposition on coal ash legislation that the House has passed in the past two Congresses. The bill now goes to the Senate.

NRECA Emphasizes EMPs are Different from GMDs, Different Planning Needed

We [testified](#) at a Senate hearing to stress how electromagnetic pulses (EMP) are different from geomagnetic disturbances (GMD) and different strategies are needed to protect critical

infrastructure like the electric grid from EMPs. NRECA Senior Principal Bridgette Bourge told the Senate Homeland Security and Government Affairs Committee that electric co-ops support federal planning for all-hazards recovery, and we'll continue to work with Congress on developing distinct and accurate EMP and GMD definitions. We also urged Congress to ensure that grid owners/operators and the Energy Department have a direct role in developing strategies for electric grid resilience and recovery. We also emphasized that EMPs are man-made events and response planning is a national security issue, while GMDs are natural events that are an industry issue.

Committee Chairman Johnson (R-WI) introduced critical infrastructure protection legislation similar to the House Homeland Security Committee's bill (H.R. 1073), which requires the Department of Homeland Security to include EMP and GMD in emergency planning scenarios and recommend a national strategy. The Senate bill will be marked up next week and the Chairman will likely amend it to include up to \$100 million for grid protection efforts.

Energy Legislation Moving in House, Senate Action Expected Next Week

I sent the House Energy and Power Subcommittee a letter (attached) supporting its work on legislation to modernize the electric grid, promote efficiency and boost the energy workforce. The subcommittee unanimously approved its bipartisan bill and sent it to the full committee. It would streamline natural gas pipeline siting, protect utilities that respond to DOE reliability orders from potential Clean Air Act violations, protect government and industry cybersecurity information sharing, recommend steps for cyber attack emergency orders, and provide protections to improve government and industry cybersecurity information sharing. We'll continue to work with the committee to address co-op issues as it advances. More provisions are likely to be added as it moves to full committee markup the week of September 14.

We also got the first look at the Senate Energy and Natural Resources Committee's 357-page draft "Energy Policy Modernization Act" that includes sections on infrastructure, efficiency and supply. The bipartisan draft includes sections from 114 energy bills introduced by committee Chairman Murkowski (R-AK) and committee members this year. Committee markups are expected to start next week, and the full committee could report the bill before the August recess.

House, Senate Letters Urge Reconsideration of EPA GHG Rule

We greatly appreciate the many members of Congress who have written to the Administration highlighting flaws in the EPA's proposed existing power plant GHG regulations. A group of House and Senate energy leaders sent a clear, strong [letter](#) to the Office of Management and Budget (OMB) stressing that rule will threaten grid reliability and hurt consumers. They urged OMB to send the rule back to EPA for further review if it would force states to implement EPA's plan before courts rule on legal challenges. They also urged a full review of the plan's impacts on reliability, electricity rates and other issues before allowing EPA to issue a final rule. We also thank the Mississippi congressional delegation for sending a bipartisan [letter](#) to OMB, EPA and USDA emphasizing how the proposed GHG rule will harm their state and urge more review. We thank Arizona Sens. McCain (R) and Flake (R) for their [letter](#) urging OMB, EPA and USDA to address problems with the proposed rule that would disproportionately affect their state.

Appeals Court Revises Ruling on RICE Rule for Backup Generators

We're waiting for further action by the federal appeals court after it changed the order for EPA

to reconsider parts of the 2013 emissions rule for reciprocating internal combustion engines (RICE). The court clarified that its May 1 order applies only to EPA's regulations that allow RICE units not fitted with emission controls to operate up to 100 hours a year for demand response. The latest court action leaves questions about when the 100-hour allowance is no longer in effect. EPA has asked the court to give the agency until May 1, 2016, to issue an alternative standard and keep the current rule until then. NRECA supports that proposal. The court also said its decision on the RICE rule doesn't apply to the standard allowing backup generators not fitted with emission controls to operate 50 hours annually for local emergencies.

Senate Committee OKs Tax Extenders Package

The Senate Finance Committee voted 23-3 to approve a broad tax extenders bill that continues several energy incentives, including the wind production tax credit, through 2016. The bill is not expected to reach the Senate floor until much later this year.

Attached: Letter to House Energy and Power Subcommittee on energy bill.