

October 9, 2015

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



WORKFORCE FACT: Nationally, electric cooperatives hired approximately 36 percent more staff in 2014 than in 2013! As recruiting needs have grown, LinkedIn has become a key resource for many cooperatives. In 2015, LinkedIn created [LinkedIn for Nonprofits](#). The site includes discounts on LinkedIn services for nonprofits, recruiting tips, community building tips, webinars, as well as access to their Nonprofit Talent Solution Specialists.

House Power Struggle Continues, Legislative Outlook Uncertain

The surprise decision by House Majority Leader McCarthy (R-CA) to drop his bid for House Speaker shocked Washington just minutes before he was likely to win at least 80 percent of the GOP Caucus votes. However, it appeared he would not be able to get to a majority (218) of the total House when the vote went to the House floor, prompting him to drop his bid. It is unclear when Speaker Boehner will reschedule the leadership elections, but he will remain speaker until the House elects a new Speaker. The House and Senate are not in session next week, virtually guaranteeing at least 10 days of political intrigue.

Federal Court Puts the Brakes on WOTUS in All States

A federal Circuit Court of Appeals in Ohio this morning issued an [order](#) temporarily blocking the Waters of the U.S. (WOTUS) rule in all 50 states. The court's nationwide stay prevents EPA and the Army Corps of Engineers from any action to implement the rule in the 37 states not covered by a federal District Court's stay for North Dakota and 12 other Midwest states before the rule took effect on August 28. The nationwide stay is in place until the appeals court decides if the WOTUS challenge is within its jurisdiction. The court also indicated that states and other groups challenging the WOTUS rule have raised significant arguments against the rule's legality, stating, "We conclude that petitioners have demonstrated a substantial possibility of success on the merits of their claims." We're actively participating in the Utility Water Act Group lawsuit for the electricity sector, which will be coordinated with at least 27 states and other groups challenging the rule.

Electrify Africa Bill Clears Senate Committee

We welcome the Senate Foreign Relations Committee's unanimous voice vote to pass the Electrify Africa Act (S. 1933). It now goes to the Senate floor. We appreciate Sen. Corker's (R-TN) leadership on this legislation. Our [letter](#) supporting S. 1933 highlighted that it would create public-private partnerships to increase access to electricity for 50 million people in sub-Saharan Africa, particularly rural communities, by 2020. The bill would boost NRECA International Program efforts in the region, and increase positive attention for electric co-ops in Congress. A

similar House bill (H.R. 2847) has been introduced.

Co-op Carbon Project Advances as XPRIZE Challenge Issued

We're proudly working with our member cooperatives on the next step in research efforts aimed at transforming carbon dioxide from power plants into commercial products. NRECA and co-ops are providing funds, research teams and resources to test potential breakthrough carbon capture technologies, including \$1 million toward the Integrated Test Center (ITC) project that [Wyoming officials](#) announced yesterday will be hosted at Basin Electric Cooperative's [Dry Fork Station](#) near Gillette. The state pledged \$15 million to the ITC project, with \$5 million from other sources.

The project has been in development for several years as Tri-State G&T worked with the XPRIZE Foundation to develop a competition for reducing carbon emission. The foundation last week issued a \$20-million [prize](#) challenging inventors to develop new coal and natural gas technologies for transforming CO₂ into valuable commodities. The XPRIZE coal technology finalist will be tested at the ITC facility.

EPA GHG Rule Air Affordability Impacts Raised in Committee Hearing

A key congressional panel scrutinized how EPA's final power plant GHG rules will impact affordability and reliability. During a House Energy and Power Subcommittee hearing, Chairman Whitfield (R-KY) told EPA Acting Assistant Administrator Janet McCabe about concerns that the regulation deadlines are rushing states to comply before the courts can rule on the many legal challenges expected. States are being forced to take immediate steps that will jeopardize jobs and electricity prices, he said. Asked when the final rule will be in printed the *Federal Register*, McCabe said it's expected during the second half of this month.

Stalemate on FY16 Spending Bills Continues

Even though the federal government is operating under a continuing resolution through December 11, Senate Republicans are bringing up some spending bills in a messaging effort during negotiations on FY16 spending levels. An FY16 Energy and Water appropriations bill (H.R. 2028), which includes DOE, Power Marketing Administrations, Army Corps and Bureau of Reclamation funding, failed to get the 60 votes needed to move the bill to debate. Mostly Senate Democrats voted to block the bill as part of their campaign to get Republicans to negotiate a new budget deal that lifts spending caps. The White House has threatened to veto the bill, saying it underfunds clean energy technology programs.

NRECA Supports Principles for New Northwest Voluntary Power Market

We joined in a filing to the Federal Energy Regulatory Commission (FERC) supporting the principles behind a Northwest Power Pool proposal to create an "all-voluntary" regional power market that sells in 15-minute trades. The proposal would allow utility trades on a Centrally-Cleared Energy Dispatch Market to meet spikes in Pacific Northwest power demand for less than an hour. We also support a request that FERC's order include language that a generator choosing not to sell in the market at any time is, by itself, not evidence of market manipulation. We endorsed the utility group's request that FERC's order ensure that utilities will not lose their current exemption from FERC jurisdiction if they participate in the market.

Drought Relief Concerns Bill Federal Preference Power Customers

We sent a [letter](#) urging the Senate Energy and Natural Resources Committee to ensure that potential changes to federal hydropower dams in proposed drought legislation do not harm preference power customers – including electric co-ops. The committee held a hearing on drought relief to boost water supplies for California. Senate and House bills to address the problem include a feasibility study on increasing water storage capacity at federal dams and other new benefits unrelated to hydropower generation. We're asking Congress to include language to clarify that the cost of "new additional benefits" will be paid by the interests that benefit. Preference power customers shouldn't pay for additional facility construction to meet other water needs and interests.