

October 23, 2015

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

WORKFORCE FACT: Research shows there's greater millennial interest in working for companies that stand for more than their bottom line. Vern Dosch, President and CEO of National Information Solutions Cooperative, shared insights on this trend with <u>RE</u> <u>Magazine</u>. The co-op story resonates with this generation and creating a culture that focuses on our employees will help to find and keep the next generation workforce, he says.

Great Regions 8 & 10 Meeting, Regions 2 & 3 to Wrap Up Regionals

Thank you to Regions 8 and 10 for a fantastic meeting in Albuquerque. Special thanks to former Rep. Charlie Stenholm (D-TX) for speaking at the ACRE[®] breakfast on the need for sustained political engagement by co-op members. We're heading to the Regions 2 and 3 meeting in Biloxi. It's not too late to sign up for the <u>Director Education Courses</u>: "Strategic Technologies and Their Impact on Today's Cooperative" and "Communicating the New Energy Landscape."

Co-ops File Legal Challenge to EPA Final GHG Rule

We filed a lawsuit challenging EPA's final power plant GHG rules as soon they were published in the *Federal Register* today. Thirty-seven G&T co-ops joined in this lawsuit. The rule becomes effective in 60 days (December 23). Our lawsuit emphasizes that the GHG rules will negatively affect co-ops' ability to provide affordable, reliable power, causing irreversible longterm harm to co-ops. The co-op lawsuit is being coordinated with other utility sector challenges. A coalition of states also filed lawsuits today.

In related action, EPA published its <u>proposed rule</u> on a Federal Plan for implementing the existing power plants rule if a state does not develop an implementation plan. EPA also published its proposed model emission trading rules for federal plan, which could also be included in state plans. Comments on these proposals are due in 90 days – January 23, 2016. NRECA will submit comments.

Co-op Leader Highlights Important Role of Rural Development Programs

Sunflower Electric Power Corp. (KS) CEO Stuart Lowry gave powerful <u>testimony</u> at a Senate Appropriations subcommittee hearing on the important role of rural development programs in the 21st century. Lowry highlighted how the creation of electric co-ops helped transform life in rural America and boosted the nation's economy. He emphasized USDA efforts like the Rural Economic Development Loan and Grant (REDLG) Program that allow electric co-ops to continue to play a major role in strengthening small and rural communities. He also explained how regulations, like EPA's power plant GHG emissions rule, negatively impact rural communities.

Senate moving Cyber Information Sharing Bill

The Senate began debate on the Cybersecurity Information Sharing Act (S. 754) and voted overwhelmingly to move the bill forward, and it could see a vote on final passage as early as Tuesday. It will take a few more days to work through amendments. We joined a utility sector <u>statement</u> opposing amendments that significantly undermine the information sharing incentives and legal protections in the bill or unnecessarily complicate information sharing efforts. When this bill passes, it will be sent to conference with similar House bills (H.R. 1560, H.R. 1731). This legislation would help businesses voluntarily share information about cybersecurity vulnerabilities, alerts and defensive measures without fear of lawsuits or burdensome requirements. The White House issued a <u>statement</u> supporting the bill.

Issues-Focused National Co-op Member Survey Underway

Frederick Polls, which has conducted several national and regional issue-focused surveys for NRECA over the past two years, will be in the field over the next two weeks. With a survey aimed at getting 750 responses from member-owners from across the nation, we just wanted CEOs and boards of directors to know a few households in each co-op service territory could receive phone calls. Our fall 2015 survey focuses on member-owner attitudes toward and awareness of climate change, solar power and emerging energy technologies. We'll have preliminary results in hand by mid-November and look forward to sharing them with you at upcoming NRECA forums.

Sign Up for Coal Ash Rule Webinar

Don't miss our free <u>webinar</u> on enforcement of the new coal ash regulations for power plants at 1 p.m. (EDT) next Friday, October 30. NRECA's Dorothy Kellogg will moderate the discussion with legal experts providing an overview of the regulations and how to prepare for and defend against citizen lawsuits. Since EPA and the states will have no direct role in permits and enforcement, power plant operators must figure out how to comply with technical standards of the rule and wait for environmental organizations to agree. For registration questions, contact <u>NRECA@commpartners.com</u> or call 800.274.9390.

Failing ACA Health Plans are Not Cooperatives

Alarming news headlines about "Another co-op shuts down" or "Obamacare co-op announces closure" are about health "Consumer Operated and Oriented Plans" created by the Affordable Care Act. These entities that <u>not</u> cooperatives, and have nothing to do with NRECA or electric co-ops. While we have consistently educated policymakers that these health plans are <u>not</u> run as cooperative businesses, some of your members may have concerns. The National Cooperative Business Association issued an <u>op-ed</u> reminding the media and policymakers about the distinction between successful, member-owned co-ops like us, and these government-created insurers.