

December 11, 2015

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

NRECA Board Sets the Course for 2016

Many thanks to the NRECA Board of Directors for their hard work this week reviewing our 2015 efforts and setting direction for 2016. We have had a busy, but productive year, and we are looking forward to 2016. We had in-depth discussions over business and policy issues impacting co-ops like Distributed Energy Resources and the Clean Power Plan; reviewed plans for the upcoming Annual Meeting; reviewed our retirement and health care benefits programs; and countless other topics during the 3-1/2 day meeting. Finally, on behalf of the staff, thank you to the Board for approving our 2016 budget!

Surface Transportation Board Bill Passes with Railroad Reforms

In yet another win for electric co-ops, the House passed (voice vote) the Surface Transportation Board (STB) reauthorization bill (S. 808) amid the year-end efforts to finish legislative business. The President is expected to sign the bipartisan measure. The bill will restructure the STB and expand the board to five members, which will make it easier for the board to handle cases that come before it. The bill also expands the STB's authority to start investigations, streamlines rate case procedures, sets timelines for rate case reviews and creates new procedures for settling rate disputes. It's the first time the STB has been reauthorized or reformed since it was created in 1995.

FY16 Omnibus Deadline Extended Amid Talks on Policy Riders

Our legislative efforts on the FY16 omnibus spending bill are consistent as Congress works into next week to pass it. Republicans and the White House have agreed to a five-day continuing resolution to fund the government until this Wednesday, December 16, but House Speaker Ryan (R-WI) said talks could stretch to next Friday. We could see draft text at any time. We'll push until the final gavel rap to ensure the bill addresses electric co-op priorities.

Co-ops Push for 'Cadillac Tax' Delay in Tax Extenders Package

With the holiday recess plans delayed, House and Senate tax committee leaders have stepped up negotiations for a tax extenders package that could be tacked onto the final FY16 spending bill or moved as a stand-alone measure. We're pushing for a two-year delay of the "Cadillac Tax" – a 40 percent excise tax on health plans – until 2020. With no time left this year to pass a full repeal, the two-year delay gives us more time to work toward that goal. If Congress doesn't pass the delay language, businesses will have to start changing their health plans in 2016 to avoid the onerous tax.

Republican leaders are leveraging the extenders bill to win votes for the FY16 omnibus package.

Bargaining points include making several business and family tax credits permanent, lifting oil export restrictions, renewing the expired wind production tax credit and extending current solar incentives. It's uncertain if negotiators can get a final agreement before Congress goes home.

Hill Briefing Highlights Private-Public Grid Security Partnerships

Twenty-five Hill staff attended the electric grid security briefing NRECA co-hosted with other electric utility groups to highlight industry leadership on grid reliability and security. Barry Lawson, NRECA's Associate Director of Power Delivery and Reliability, spoke on behalf of the Electricity Subsector Coordinating Council about how ESCC utility CEOs, including co-op leaders, work with many government agencies to ensure coordinated responses to national incidents that affect critical electric infrastructure. Other utility officials discussed why utilities need legislation to improve government and industry information-sharing.

House GOP Elects Steering Committee Members

We look forward to continuing our work with several lawmakers joining the House Republican Steering Committee under House Speaker Ryan's (R-WI) reorganization. They all represent electric co-op communities and have worked with us on co-op legislative priorities: Chairman Upton (R-MI) and Reps. Brooks (R-IN) - an NRECA Distinguished Service Award recipient, Cole (R-OK), Huelskamp (R-KS), Rogers (R-AL) and Smith (R-MO).

2016 Annual Meeting Registration Now Open

[Register](#) now for NRECA's 2016 [Annual Meeting](#) in New Orleans on February 11-18. General sessions will be shorter and we'll offer more educational forums on diverse topics. You'll hear from [nationally-renowned experts](#) including Chip Heath, the best-selling author of *Decisive*, and technology strategist Salim Ismail. [Entertainment Night](#) will feature country superstars LeAnn Rimes and Lonestar. There's still time to register an extra co-op employee in the new [Next Generation Leaders](#) program. Please consider sending someone who has never attended before.

New Directors Orientation Offers a Great Start

You can help your new electric co-op directors get off to a strong start in the upcoming year by sending them to the NRECA's 2016 [New Directors Orientation](#) on January 25-27 in Arlington and Dulles, VA. There's no registration fee for co-op directors to attend. We're highlighting this opportunity because over 40 percent of new directors enrolled in the Winter School for Directors in Nashville next week have served less than two years. The New Director Orientation will familiarize your directors with NRECA, CFC, Federated RE Insurance Exchange and NRTC, and resources available for them.

Help Take Glenn English Foundation to the Next Level

As we continue to build on the success of the [Glenn English National Cooperative Leadership Foundation](#), we're asking to electric co-ops to help take this young leaders scholarship program to the next level. We'll be sending a letter next week that outlines the foundation's success and urge your co-op boards to help sustain this annual college scholarship program for students who have participated in the annual Electric Co-op Youth Tour. We'll kick off our third year of awarding scholarships on February 16, when the application will be posted on our [webpage](#). The deadline to apply is April 1.