

January 22, 2016

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

Committee Okes Bill to Reduce Red Tape for Rights-of-Way Maintenance

A bill (S. 659) that would eliminate overlapping permit requirements for herbicide and pesticide applicators, like electric co-ops, for vegetation management passed the Senate Environment and Public Works Committee (12-8 vote). We thank Sens. Crapo (R-ID), Carper (D-DE) and Fischer (R-NE) for leading efforts to get our amendment to the “Bipartisan Sportsmen’s Act” to fix the pesticide regulation. This duplicative regulation was issued after a 2009 court order and forces pesticide and herbicide applicators to get a Clean Water Act permit in addition to complying with other long-standing regulations. The additional permit makes it harder and more costly to maintain rights-of-way. A House bill (H.R. 897) on this issue cleared committee review last year and waits for floor debate.

Court Denies Electric Co-op Request to Delay GHG Final Rule

In news that was disappointing, but not totally unexpected, the Circuit Court of Appeals in Washington denied an NRECA and electric co-op petition for a stay of EPA’s final CPP rule implementation. The court also pushed up the schedule for our lawsuit challenging the CPP, setting June 2 as the date for oral arguments. NRECA and 37 G&T co-ops filed a petition for review of the CPP last October. Our lawsuit emphasizes that the GHG rules will negatively affect co-ops’ ability to provide affordable, reliable power, causing irreversible long-term harm to co-ops.

NRECA Outlines Fixes Needed in GHG Rule Implementation Proposals

We filed [comments](#) outlining major fixes electric co-ops need in EPA’s proposed Federal Plan and Model Trading rules for states that don’t submit their own compliance plan. Our comments stress the proposed Federal Plan does not include a dynamic reliability safety valve to ensure reliability and help avoid negative impacts on co-ops and their members. A dynamic reliability safety valve would allow temporary or permanent adjustments to compliance obligations in response to unexpected electricity demand during extreme weather, unexpected power plant retirements and failures. We emphasized the proposals fail to address concerns about stranded assets and remaining useful service life that NRECA and co-ops raised in prior statements and meetings with EPA and other Administration officials. We explained that electric co-op members will see substantial increases in electricity rates whether the GHG rules are implemented under the proposed Federal Implementation Plan or a state plan – particularly in states where emission reductions will be more stringent.

We also issued a [statement](#) emphasizing that EPA’s Clean Power Plan underestimates the cost

impacts for electric co-ops. NRECA's analysis of EPA's estimates of the Clean Power Plan's (CPP) impact on "small entity" electric co-ops shows compliance costs in 2030 would be 19 to 33 times higher than EPA's estimates.

Senate Falls Short on WOTUS Bill Veto Override

The Senate's 52-40 [vote](#) fell short of the 67 votes needed to override the President's veto of a Congressional Review Act (CRA) disapproval resolution (S.J. Res. 22) to block the Waters of the U.S. (WOTUS) final rule. However, it again demonstrated bipartisan opposition to the rule. We're still working with Congress to address concerns that regulatory burdens and compliance costs undermine co-ops' ability to build and maintain electric infrastructure. WOTUS rule implementation was to start October 1, 2015. A federal Circuit Court of Appeals issued a [temporary stay](#) in all 50 states until that panel decides if it has jurisdiction over the legal challenges.

Senate Energy Debate Expected Next Week

NRECA is working to support energy legislation (S. 2012) that will move to floor debate next Tuesday. "Energy Policy Modernization Act" includes sections to improve energy infrastructure, boost cybersecurity safeguards, promote renewable energy development and reform federal energy programs. We'll probably need to fight back some harmful amendments which appeared during the Senate Energy and Natural Resources committee markup last July, including language on community solar facilities, energy efficiency resource mandates and distributed energy resources.

NRECA Addresses Website Accessibility/ADA Issues

Many NRECA members recently received a letter alleging their website violates the Americans with Disabilities Act. To assist members and their attorneys in analyzing and addressing the letter, NRECA retained outside legal counsel experienced with these issues and prepared a memorandum (attached). If you have questions about the letter, please contact NRECA attorneys [Nicholas Pascale](#) (703.907.5557) or [Bill Roche](#) (703.907.5783).

NRECA Partnering on DOE Large-scale Energy Storage Project

We're very excited about NRECA being selected as a [partner](#) with Carnegie Mellon University and Aquion Energy in Pittsburgh on a DOE grid modernization project to boost use of large-scale storage for solar generation. Our Business and Technology Strategies staff will work on a \$2 million research effort to develop smart inverters that can link with computer software systems to help utilities integrate solar power into the grid. The three-year project will include a demonstration at one Pennsylvania, Maryland or Delaware electric co-op in 2017. This energy storage project is just the latest effort by [electric co-ops](#) on [solar](#) and other [energy resources](#).

NRECA International Foundation Sets Fundraising Record in 2015

NRECA International Foundation celebrated a record-breaking year with \$2.39 million in cash, pledges and in-kind donations in 2015. The cash total of \$1.53 million was fueled by large gifts from the National Rural Utilities Cooperative Finance Corp. and CoBank, as well as NRECA's member co-ops, statewide associations, co-op directors, managers, employees and the

Committee of 100. The Committee of 100 grew to 129 members who committed more than \$140,000 last year. At the same time, equipment and volunteer efforts (76 volunteers from 20 states and even more co-ops) valued at \$860,000 were committed to projects in Guatemala, Haiti and the Philippines. Thank you for your tremendous support to help provide service to more than 110 million people in 42 countries.

Annual Meeting Forums Provide Co-op Focus on Issues

Check out the 2016 NRECA Annual Meeting [forums](#) on co-op issues, including solar technology, cybersecurity, power supply, capital credits, rate design and Next Gen Workforce. More time is dedicated to educational opportunities this year, with 20 sessions in five time blocks. Check Cooperative.com for updates on the Annual Meeting set for February 14-17 in New Orleans, LA.

2016 Glenn English Foundation Scholarships Available February 1

The [Glenn English National Cooperative Leadership Foundation](#) scholarship applications will be available on February 1, when the application form will be posted on our [webpage](#). The deadline to apply is 11 p.m. (EST) Friday, April 1.

Attachment: Website ADA memo.