

March 4, 2016

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

Significant Changes in Final Rule on RUS Environmental Policies

In positive news for electric co-ops, the Rural Utilities Service addressed many key concerns in its [final rule](#) to update environmental policies for all agency programs, including the Electric Loan Program. The final rule affects National Environmental Policy Act (NEPA) requirements for the RUS program and all borrowers, and is a significant improvement over the rule that was proposed in 2014. The final rule (summary attached) clarifies that loan servicing actions and agency consents are routine actions and not considered “Major Federal Actions” requiring NEPA compliance. We are continuing to evaluate all of the details of the final rule, which takes effect April 1, 2016, and we are working with RUS to develop a webinar for RUS borrowers to learn more about the final rule.

Co-ops Vote to Boost Your Voice in Elections

The Co-ops Vote website (www.vote.coop) is ready for your co-ops to use. This non-partisan campaign is designed to get as many co-op members as possible to take the pledge to ensure our collective voice is heard on Election Day. We’re gearing up for a grassroots rollout to encourage voter registration and participation in the upcoming elections. We have lots of [resources](#) online for you and, as always, they can be customized. Use the social media hashtag [#CoopsVote](#) to spread the word. Share our launch [video](#) with employees and directors. Contact NRECA’s [Patrick Ahearn](#) or [Laura Vogel](#) with questions.



Appeals Court Upholds Ruling on Outage Liability

In a big win for electric utilities, the U.S. Circuit Court of Appeals in California upheld a lower court decision that an Arizona utility is not liable for a 2011 Southwest outage resulting from non-compliance with North American Electric Reliability Corp. (NERC) standards. The case is the first ever on whether NERC reliability standards make electric utilities liable for customer losses during power outages. NRECA joined a “friend of the court” brief supporting the Arizona Public Service Co.’s position against a lawsuit seeking damages.

House Passes FEMA Reform Bill Co-ops Support

Electric co-ops support Federal Emergency Management Agency reauthorization legislation (H.R. 1471) the House passed (voice vote). The bill includes language reinstating a three-year limit on FEMA’s ability to reassess and reclaim distributed disaster relief funds. Currently,

there's no time limit on when FEMA can reassess funds and require repayment after recovery efforts are completed. It also raises the threshold for small projects from \$35,000 to \$1 million. The measure now goes to the Senate.

Co-op Testifies on FERC Transmission Standards for GMD Events

Michael Steckelberg, Great River Energy's Senior Transmission Planning Engineer, did a great job testifying at a FERC technical conference on transmission reliability standards for geomagnetic disturbances (GMDs). He emphasized NRECA's support for efforts to develop a standard that starts the process to assess GMD impacts on the grid. We expect responsible entities will have sufficient time to comply with requirements.

Electric Co-ops Help Take Message LIHEAP Funding to Congress

Electric co-ops joined over 100 utility and community sector leaders on Capitol Hill to push for adequate funding of the Low Income Home Energy Assistance Program during LIHEAP Action Day. We're urging full funding of \$4.7 billion for this critical program. We're following up to get lawmakers to sign the House and Senate LIHEAP letters. See more about our LIHEAP position and other issues on Vote.coop.

International Program Starts Tanzania Project

NRECA International is starting another new project in Tanzania through an agreement with the International Finance Corp. (a World Bank institution). The \$349,200 contract will define standards and specifications for mini-grid project developers. Jim Van Coevering, International Program Director of Engineering, leads a team with several NRECA experts, including Doug Danley, the technical liaison on renewable energy and storage in our Business and Technology Strategies Department. The Electrify Africa Act enacted last month will help efforts like this. At a reception to celebrate the Electrify Africa Act, U.S. Ambassador to the U.N. Susan Rice and USAID Administrator Gayle Smith specifically mentioned electric co-op efforts in getting the law passed. Sen. Coons (D-DE) said the electric co-ops and our business model are "the purest expression of democracy in action."

NRECA Accepting Applications for Summer Internships

Help get the word out to college juniors and seniors in your co-op service territories about NRECA's Internship Program. The paid summer internships provide work experience and enrichment activities for 12 weeks from May 16 through August 5. Applicants must have a 3.0 GPA and provide a resume, college transcripts and two professional recommendations when they apply for positions listed on our [internship opportunities](http://internshipopportunities) webpage. E-mail questions to humanresources@nreca.coop.

Attached: RUS NEPA rule summary