

April 8, 2016

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

---

### ***Electric Co-ops Pushing for Geothermal Tax Credit Extension***

We sent a [letter](#) to the Senate Finance Committee stressing the need for Congress to extend the Geothermal Heat Pump (GHP) Tax Credit for residential and commercial use. Electric cooperatives rely on the GHP Tax Credit to encourage member-consumers to install geothermal heating systems and reduce their energy consumption. We're urging the Senate to include a geothermal tax credit extension in Federal Aviation Administration reauthorization legislation (H.R. 636). We're also seeking improvements to tax incentives for nuclear power and carbon capture technology. A floor amendment with some or all of these tax incentives could be considered next week.

We also signed a [letter](#) supporting an amendment Sens. Inhofe (R-OK) and Booker (D-NJ) are offering that will require the FAA to allow utilities to operate unmanned aerial vehicles (UAV), commonly called drones, for inspection, repair, maintenance and protection of infrastructure and facilities. The bill on the Senate floor would give the FAA specific authority to set rules for beyond line-of-sight and nighttime drone operations, helping co-ops interested in using drones to maintain their systems.

### ***Propane Industry Rolling Out New Attack on Electric Water Heaters***

We're closely watching the Propane Education Research Council's (PERC) unveiling of a \$10-million "education" campaign today at a National Propane Gas Association meeting. It's PERC's latest effort to boost propane sales at the expense of electricity. A few years ago, a propane industry campaign attempted to portray electricity as unreliable. PERC's efforts are a step in the wrong direction as the grid evolves toward a complex system of distributed energy, particularly wind and solar, with water heaters and other electric appliances making it easier to integrate renewable resources. NRECA will develop resources to meet this propane industry attack, including materials for communicating with your members.

### ***Freight Rail Shippers Go to the Hill; Sen. Baldwin Honored for Leadership***

Thank you to electric co-op leaders who went to Capitol Hill on Freight Rail Shipper Day to urge Congress to provide adequate funding to implement the Surface Transportation Board (STB) reauthorization law passed last year. We stressed the need for legislation to ensure power plant deliveries during severe fuel supply emergencies (S. 1405) and railroad antitrust reforms (S. 1634). Freight Rail Customer Alliance (FRCA) members honored Sen. Baldwin (D-WI) for more than a decade of leadership as a champion for rail shippers. David Sauer, COO and Senior Vice President of Dakota Gasification Co. in North Dakota, a Basin Electric Power Cooperative subsidiary, is FRCA President.

### ***Co-ops Support on DOE Transmission Permitting Proposal***

NRECA sent [comments](#) on DOE's revised proposal for an [interagency pre-application process for federal permitting of electric transmission](#). We're asking DOE to ensure the proposed process includes participation by other relevant agencies to improve coordination and prevent duplication of effort. This proposal could significantly impact electric co-op transmission projects, since a large percentage of co-op lines run on or near federal lands, and co-ops must routinely get federal agency approval for new projects or system upgrades.

### ***FERC Power Markets Proposal Would Needlessly Increase Customer Costs***

We filed [comments](#) at the Federal Energy Regulatory Commission (FERC) stressing that consumers should not be burdened with yet another additional payment to generators. We urged FERC to reject proposals to increase the current \$1,000/MWh energy offer caps. Offer caps limit what generators can bid to provide power to a customer and FERC has not made the case for why the existing region-specific offer caps are no longer just and reasonable.

### ***Co-ops Should be Exempt from New Entry-Level Driver Training Requirements***

We filed [comments](#) asking the Federal Motor Carrier Safety Administration to exclude electric utility vehicle drivers from the proposed entry-level driver training requirements for persons [seeking to obtain a Commercial Driver's License](#) (CDL). Our comments emphasized that co-ops proactively do in-house specialized training for drivers before they apply for a CDL. We also emphasized that utility vehicle drivers do not drive continuously over long distances like long-haul tractor-trailer operators.

### ***Webinar Engages Next Generation Power Engineering Workforce***

To increase awareness of electric co-ops among the 43 universities involved in the DOE funded Grid Engineering for Accelerated Energy Deployment ([GEARED](#)) program, NRECA presented a webinar to engineering students and faculty on April 5. We highlighted how co-ops differ from other electricity sectors and the benefits of working for a co-op. We introduced the [NRECA sponsored job board](#) used by many co-ops to post internships and jobs, and to NRECA's [TechAdvantage Conference](#) as a great networking and learning opportunity.