

May 20, 2016

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

Celebrating 80th Anniversary of Rural Electrification Act – Looking to the Future!

We join electric cooperatives across the country in celebrating the 80th anniversary of the Rural Electrification Act becoming law on May 20, 1936. We're working to ensure the [tremendous legacy](#) passed down by our electric co-op pioneers continues to be an empowering resource for the member-owners [today and tomorrow](#).

Full Appeals Court to Hear Clean Power Plan Lawsuit

The full D.C. Circuit Court of Appeals abruptly decided to review our litigation around the [Clean Power Plan](#) (CPP), by-passing the usual process of having a three-judge panel hear the litigation first. As a result, oral arguments are now delayed from June 2 to September 27. It is extremely rare that the full court hears cases without an earlier 3-judge panel review, and is an indication that this is an extraordinary case rather than a “run of the mill” case as the proponents of the rule have indicated. Chief Judge Merrick Garland, the U.S. Supreme Court nominee, recused himself. Judge Nina Pillard, an Obama Administration appointee, didn't participate in the order and likely will not hear the case. That leaves nine judges for the review. Although the decision delays the case at least four months, skipping the usual judicial step of an initial three-judge panel review will likely speed up the lawsuit's ultimate conclusion.

New Video Emphasizes Grassroots Engagement; Help Boost @CoopsVote on Twitter

See former Rep. Stephanie Herseth Sandlin (D-SD) [talk](#) on Co-ops Vote about the difference that co-op voters can make for cooperatives across the country by being politically engaged at all levels. You can help raise our issues and message on social media by following [@CoopsVote](#) on Twitter. Ask your co-op members, employees and directors to join you in following [@CoopsVote](#) on Twitter and visit www.vote.coop to pledge to show up at the polls on Election Day. During the Legislative and Connect Conferences, we highlighted online [resources](#) that you can customize.



Senate Committee OKs FY 17 Agriculture Spending Bill

The Senate Appropriations Committee unanimously passed an FY17 Agriculture spending bill that funds bill the Rural Utilities Service (RUS). It includes \$5.5 billion for the Electric Loan Program and rejects RUS loan restrictions in the Administration's budget proposal. The bill provides \$33 million for the Rural Economic Development Loan and Grant Program. Another \$750 million is included for the Guaranteed Underwriter Loan Program. The Rural Energy Savings Program is funded at \$8 million.

House Leaders Highlight Co-op Caucus and Cooperative Business Model

It was exciting to see the D.C. [blog post](#) by House Foreign Affairs Chairman Royce (R-CA) and Rep. Pocan (D-WI) highlighting the Cooperative Business Model and the [Congressional Cooperative Business Caucus](#) they co-chair and [launched](#) with several lawmakers. Their efforts to champion the co-op business model include a [caucus letter](#) urging Commerce Secretary Penny Pritzker to include co-ops in the [2017 Economic Census](#). Urging House members to join the co-op and Rural Broadband caucuses was a grassroots push at the Legislative Conference.

FERC Maintains Requirements in Streamlined Market-Based Rates Program

We're reviewing the Federal Energy Regulatory Commission's (FERC) [rehearing order](#) clarifying issues raised about Order No. 816 issued in 2015 regarding market-based rates for wholesale electricity sales. Important for electric co-ops, FERC's rehearing order keeps most requirements in Order No. 816 intended to "increase transparency while continuing to ensure that the standards result in market-based rates that are just and reasonable." In a win for co-ops, the commission denied a rehearing request to eliminate requirements for market-based rate sellers in organized markets to file horizontal market power analyses (called indicative screens) that show their ability to exercise market power. We opposed that request in our response to the filing.

Defense Bill with ESA Language Helpful to Co-ops Passes House

A defense authorization bill (H.R. 4909) with language delaying Endangered Species Act (ESA) listings that impact electric co-ops passed the House (277-147 vote). The measure would block the greater sage-grouse listing for 10 years and allow continued development and operation of range-wide collaborative conservation plans. It would also delay action on a lesser prairie-chicken listing and remove the American burying beetle from the ESA list. These ESA issues are in the defense bill because they impact operations at military bases and facilities. The bill now goes to the Senate.

House Committee Clears Bill to Delay EPA Enforcement of New Ozone Levels

A House Energy and Commerce Committee passed (30-23) a bill (H.R. 4775) that would delay EPA enforcement of a 2015 ozone air quality standards [final rule](#). It now goes to the floor. The bill sponsored by Rep. Olson (R-TX) would delay the 70 ppb ozone limit for eight years to 2025, while EPA implements the 75 ppb ozone standard finalized in 2008. Without H.R. 4775, states must start implementing plans to meet the 2015 ozone standard while also working to meet the 2008 standard. It would cause hundreds of additional counties in the U.S. to be 'out of attainment,' and require adoption of costly emission control strategies.

Utility Sector, Agencies Address Congressional Concerns about EMP Threats to Grid

NRECA joined in a [statement for the record](#) to the Senate Homeland Security and Government Affairs Committee on electric utility efforts to protect grid infrastructure and ensure reliability. We emphasized active government-industry partnerships to address threats to the grid and enhance security. During the hearing, committee Chairman Johnson (R-WI) raised concerns about the potential for man-made electromagnetic pulse (EMP) attacks on the electric grid under scenarios in former journalist and author Ted Koppel's recent book. Johnson criticized the Energy and Homeland Security departments for not taking action on an EMP Commission's recommendations in 2008.

Bill to End Red Tape for Rights-of-Way Maintenance Stalls, Second Vote Next Week

A House bill (H.R. 897) that clarifies that Clean Water Act permits are not required for pesticide applications in or near water failed to get two-thirds House support to pass on an expedited vote (262-159). We joined a coalition letter in support of H.R. 897. Pesticides play an important role in helping electric co-ops maintain rights-of-way for critical infrastructure. H.R. 897 would eliminate the duplicative permit requirement that provides no additional environmental benefit while leaving pesticide applicators exposed to potential citizen lawsuits under the Clean Water Act. The House is expected to take the bill up again under regular order next week with only a majority vote required.

Get Your Questions Answered on FEMA Gifts and Gratuities Regulations

Sign up for a free [webinar](#) that answers your questions on the Federal Emergency Management Agency's focus on gifts and gratuities regulations at 1 p.m. Thursday June 2. NRECA has a [sample code of conduct](#) that your co-op can customize. Guest speakers Ernie Abbott and Wendy Ellard of Baker Donelson will join NRECA's Martha Duggan and Jessica Healy. Submit questions in confidence to [Martha Duggan](#) and the experts will address the issues.