

July 1, 2016

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

---

### ***NRECA Intern Highlights the Importance of Voting in Video***

Check out NRECA intern Ivy Prater's Youtube [video](#) asking her friends and other Young Americans across the country to vote in the upcoming elections. Ivy, who's from Elkhorn Rural Public Power District in Nebraska, made the video as part of our [Co-ops Vote](#) campaign. You can share Ivy's video on the importance of going to the polls on Election Day with your co-op members. Help spread the word on social media using the hashtag [#CoopsVote](#) on [Facebook](#) and [Twitter](#).



Michigan and Kansas electric co-op staff will share their [Co-ops Vote](#) success stories and practical tips for encouraging your co-ops' members to take the pledge to go to the polls on Election Day during a [webinar](#) NRECA is hosting at 1 p.m. (EDT) Tuesday, July 12. Under the Co-ops Vote umbrella, Michigan has developed a comprehensive communications campaign and Kansas is conducting dozens of candidate forums. Sign up today!

### ***NRECA Stresses Co-op Challenges in Quadrennial Energy Review Comments***

NRECA filed written comments (attached) for the Energy Department's 2016 [Quadrennial Energy Review](#) reinforcing several issues that electric co-ops and NRECA raised during public meetings this year. NRECA focused DOE's attention on three big challenges for electric co-ops as we emphasized affordability and reliability. We asked DOE to help ensure co-ops can maintain affordable and reliable power as they work to comply with EPA's Clean Power Plan (CPP) final rule. We urged that the QER process recognize that the CPP and other changes confronting the electricity sector are creating industry uncertainty and increasing the need for costly new grid infrastructure. DOE should ensure that QER recommendations do not interfere with electric co-ops' flexibility to make local decisions on providing resources for members. NRECA also stressed that electric co-ops, along with the entire electric utility sector, are facing challenges in "next generation workforce" development. A particular co-op concern is difficulties with worker recruitment in rural areas.

### ***Senate Committee OKs State-Foreign Operations Appropriations Bill***

The Senate Appropriations Committee passed (30-0) an FY17 State-Foreign Operations spending bill that includes \$12 million for the Overseas Cooperative Development Program. NRECA's International Program receives some of that program funding and joined coalition partners in pushing for the \$12 million funding level.

### ***FERC Rejects G&T's Request to Recover Lost Revenues***

The Federal Energy Regulatory Commission (FERC) issued an order rejecting Tri-State G&T's

request to recover lost revenues from member co-op Delta-Montrose Electric Association, which purchases power from qualifying facilities (QFs), such as renewable generation, instead of the G&T. FERC said Tri-State's request is inconsistent with a June 18, 2015, FERC order in a related case involving Delta-Montrose. FERC found that Tri-State's petition would effectively undo Delta-Montrose's statutory obligation to purchase from QFs and limit QFs from selling power to Delta-Montrose at negotiated rates.

***Interior Department Issues New Rule on Valuing Leasing Royalties***

NRECA is reviewing an Interior Department [final rule](#) issued today to change regulations on valuing oil, gas and coal produced under federal leases starting January 1, 2017. The 257-page regulation focused on how to determine the royalty value of coal sold in "non-arms-length" transactions. It includes a new definition of the term "coal cooperatives." The rule now states the relationship between a coal cooperative and its members, and between a coal cooperative's members, is not "at arm's length" for valuation purposes. The rule will impact some NRECA G&T members who own mines that supply their power plants.

**Attached:** NRECA's QER comments