

August 5, 2016

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

FCC Eases Rules for Utility Autodial Calls

In good news for electric co-ops, the Federal Communications Commission (FCC) issued a [final decision](#) granting the utility sector a limited waiver to make autodial calls (robocalls) or send automated text to their customers with important service outage, field work, balance and account information. The ruling eases Telephone Consumer Protection Act requirements for “prior express consent” to contact customers using autodialers or text messaging. It will make it easier for co-ops to notify their member-owners about outages, prepaid low-balance alerts and other information. The utility sector has been pushing to get this issued addressed since 2014. At NRECA’s urging last month, Rep. Adam Kinzinger (R-IL) asked FCC Chairman Tom Wheeler during a [House hearing](#) about when the agency would respond to the [utility sector petition](#).

Administration Issues Climate Impact Guidance for NEPA Reviews

The Administration issued [final guidelines](#) to all federal agencies directing more consideration of greenhouse gas emissions and climate change impacts during new National Environmental Policy Act (NEPA) reviews. The White House Council on Environmental Quality (CEQ) said the guidelines are intended to provide greater clarity and more consistency in how agencies address climate change in NEPA reviews (summary attached). They apply to all agency initiatives and private sector applications that require NEPA reviews. The guidelines do not expand the list of federal actions requiring a NEPA review or specify what GHG emissions level is a significant impact.

CEQ also said agencies should “exercise judgment” on using the guidelines to the “extent practicable” in an on-going NEPA process. CEQ told agencies they also should consider using the guidelines for projects already in the environmental impact statement or environmental assessment preparation stage. The guidelines are based on the “rule of reason” that allows agencies to use their expertise and experience in deciding how to consider an environmental effect and do analyses using available information.

Congress Urged to Make Passing Energy Legislation a Priority

NRECA sent a letter (attached) urging Senate and House energy leaders to ensure the upcoming energy legislation conference negotiations produce a final bill that keeps consumers’ costs affordable, promotes system reliability, and avoids imposing burdens on electric co-ops. We highlighted electric co-ops’ support for several priority provisions.

We also urged the conference leaders to reject certain provisions that would add new federal standards to the 1978 Public Utility Regulatory Policies Act (PURPA). We also expressed concern over language directing the Federal Energy Regulatory Commission (FERC) to unilaterally develop mandatory electric reliability standards to address a single type of threat to the electric grid from electromagnetic pulses (EMPs). The conferees expect to start negotiations after Congress returns in September.

Rate Case Studies Show Electric Co-op Innovation in Meeting Member Needs

NRECA has developed [seven case studies](#) to help electric co-ops consider options for reassessing their rate structures in response to electricity industry shifts, including the addition of distributed energy resources and state policy changes. The studies of six distribution co-ops and one G&T show some of the innovative and unique ways co-ops are reassessing rate structures to better fit the needs of their member-consumers while ensuring fair recovery of costs and margins.

FERC Restarts Rulemaking for Wholesale Energy Market Price Reforms

FERC staff will hold a [technical workshop](#) next Thursday as it restarts the [rulemaking](#) process to improve its surveillance of market-based rate sellers. FERC staff will discuss a draft “data dictionary” that all market-based rate sellers would use to report information on relationships to other sellers. The [proposed rule](#), issued last month when FERC withdrew an earlier rulemaking started in 2015, would require sellers to report their financial and legal connections to other wholesale electricity market participants. It would also apply to sellers of virtual products and financial transmission rights. The new proposal is expected to take a narrower approach to collecting data on the business connections between sellers. NRECA will continue to urge the FERC to avoid a one-size-fits-all approach.

NRECA Webinar on Western Power Market Developments Next Week

There’s still time to register for NRECA’s [webinar](#) on Western power market developments next Thursday, August 11 (11 a.m. PDT/noon MDT). Our presentation will focus on rapid market developments in the West and potential impacts on electric co-ops in the region. Speakers include Jason Painter, ACES Vice President of Portfolio Strategy; Dan Walter, Tri-State G&T Senior Manager of Energy Markets; Aleka Scott, PNGC Power Senior Vice President of Transmission and Contracts; and David Timson, a California ISO Account Manager. They will discuss market developments in their areas, and the potential advantages and disadvantages of efforts to create a regional power market. Please send your questions for the panel in advance to NRECA’s [Pam Silberstein](#).

Attached: NRECA letter to energy conferees, NEPA guidance summary.