

September 16, 2016

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

---

### ***NRECA Reception Highlights CEO and Electric Co-op Story***

Thank you to NRECA Board President Mel Coleman and several statewide managers who joined NRECA CEO Jim Matheson at a Capitol Hill reception to greet members of Congress and congressional staff. Nearly 200 turned out for the event, including House and Senate leaders Jim worked with during his tenure in the House. Jim also spoke with members of the media to highlight the electric co-op story and the technological, economic, political and regulatory challenges electric co-ops face (see attached media reports).

### ***CFTC Pulling Back on Third-Party Lawsuits in Wholesale Power Markets***

In a win for electric utilities, including co-ops, the Commodity Futures Trading Commission (CFTC) is changing course on a [proposed amendment](#) to allow private (third-party) lawsuits against organized wholesale power markets regulated by the Federal Energy Regulatory Commission. In a letter responding to Senate energy and agriculture leaders and others, CFTC Chairman Timothy Massad said he'll recommend that a final order on the issue exempt regional and independent grid operators from all rights of action under the Commodity Exchange Act. He said the Federal Energy Regulatory Commission and state regulators raised valid concerns, including that private actions could create unforeseen costs in ways that regulators could not anticipate.

NRECA actively opposed the CFTC proposal that would allow lawsuits against utilities, power producers, marketers and other market participants, and worked to get the Senate Energy and Agriculture committees to write the CFTC in opposition. We expect a CFTC vote soon.

### ***Look for Co-ops Vote Pledge Card at Regionals 5 and 6 Registration***

Look for the Co-ops Vote pledge card at the "scan and go" registration kiosks at the [Regions 5 and 6](#) meeting in Minneapolis next week. Thank you to the 250 electric co-op leaders who signed the pledge card at the Regions 1 and 4 meeting in Michigan. Also check out the [5 Star Co-ops list](#) recognizing 86 co-ops for activities promoting Co-ops Vote participation.



### ***Water Resources Bill Clears Senate with Coal Ash, House Action Next***

The Senate passed (95-3 vote) a Water Resources Development Act (WRDA) reauthorization bill (S. 2848) with several provisions important to electric co-ops. The measure, which primarily funds water development projects, includes compromise language on coal ash. It provides state

environmental departments with the authority to enforce EPA's final non-hazardous coal ash rules, rather than having enforcement come solely through citizen lawsuits.

We appreciate the leadership of Senate Environment and Public Works Chairman Jim Inhofe (R-OK) and Ranking Member Barbara Boxer (D-CA) and Sens. Roy Blunt (R-MO), Shelley Moore Capito (R-WV), John Hoeven (R-ND) and Joe Manchin (D-WV). House Transportation and Infrastructure Chairman Bill Shuster (R-PA) is among lawmakers pushing to get a House version of WRDA on the floor next week.

### ***Senate Aims to Finish FY17 Spending Bill Next Week***

The Senate is aiming to pass next week a continuing resolution (CR) to keep the government funded into the new fiscal year that starts October 1. The Senate will hold a procedural vote Monday on a short-term CR to keep the government running through early December. Discussions are taking longer than expected as lawmakers work out differences on Louisiana flood relief and Zika virus funding. The House is also working toward passing a CR next week. It is entirely possible that Congress will finish work next week to return home to campaign. They will return after the November elections to wrap up work for the year.

### ***Senate Committee Moves Wildland Fires Bill, but More Work Needed on Funding Issues***

The Senate Agriculture Committee passed a bill (11-9 vote) to address catastrophic wildland forest fires. The Resilient Federal Forests Act (H.R. 2647) is aimed at reducing shortfalls in forest fire suppression and preparedness funding. However, committee Chairman Pat Roberts (R-KS) and others raised concerns about bill language that would create a new sub account in the Federal Emergency Management Agency's Disaster Relief Fund specifically for wildfires. Chairman Roberts said the bill is "placeholder language for future discussions with other committees of jurisdiction." NRECA will continue to work with lawmakers to resolve concerns with using disaster relief funding.

**Attached:** Media articles on electric co-op issues