

September 30, 2016

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

Court Hears Co-op Points Against GHG Rule; Decision Expected Next Year

Electric co-ops and other petitioners challenging the [Clean Power Plan](#) (CPP) presented strong arguments to the D.C. Circuit Court of Appeals during oral arguments session that stretched for almost seven hours – twice as long as planned. The judges showed keen interest in the complex issues and ensured that challengers had opportunity to make their case. NRECA CEO Jim Matheson explained our positions in a media [interview](#) after the hearing ([transcript](#) available). We prepared a [brief summary of the oral arguments](#). The court will likely issue a decision sometime this winter. You can listen to the court hearing [audio recordings](#).

Short-term FY17 Spending Bill Passed, Congress Faces More Work after Elections

The President signed a continuing resolution (CR) for FY17, which provides the current rate of funding for government operations through December 9. House Appropriations Chairman Hal Rogers (R-KY) said House and Senate aides will work throughout the October recess to draft a plan to fund the government past early December. Congress returns on November 14, four weeks before the CR expires. House and Senate leaders would like to wrap the unfinished spending bills into two or more “minibus” packages.

House Passes Water Resources Bill, Sets Stage for Conference with Senate

The House passed (399-25 [vote](#)) its Water Resources Development Act (WRDA) reauthorization bill (H.R. 5303) with provisions important to electric co-ops. The measure that primarily funds water infrastructure projects includes language to expedite Army Corps of Engineers permit reviews by allowing third-party contributions to offset the costs. The bill now goes to conference committee after the elections and we’re urging the House to accept the Senate’s compromise language on coal ash. The Senate bill would provide 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.

Co-ops Vote to Highlight Electric Co-op Voice at VP Debate

The Co-ops Vote initiative (www.vote.coop) is stepping up our efforts to help electric co-ops encourage voter registration and provide updates for your members who’ve taken the co-op voter pledge. We’re working with the Virginia statewide and Southside Electric Co-op to have a Co-ops Vote presence for the vice presidential debate at Longwood University next Monday. We’re reinforcing our non-partisan theme to increase the electric co-op voice in the elections and highlighting your co-ops’ community leadership. Our



[Co-ops Vote toolkit](#) has resources to help your co-op members exercise their right to vote. Use the social media hashtag [#CoopsVote](#). See the [5-Star Co-ops list](#) recognizing more than 95 co-ops for promoting Co-ops Vote participation.

DOE Issues Final Rule on Transmission Infrastructure Reviews

The Energy Department issued a [final rule](#) to amend its Integrated Interagency Pre-Application Process, an optional framework intended to improve electric transmission facilities siting, permitting and review. The final rule is aimed at getting transmission projects permitted faster and only applies to qualified high voltage projects under the Federal Power Act. The rule encourages early engagement with local, state, and tribal stakeholders; coordination between transmission project proponents and permitting agencies; and facilitates the early identification of project issues. It takes effect 60 days after publication in the *Federal Register*.

Agencies Stop ESA ‘Mega-Petitions’ and Increase Transparency

Endangered Species Act listing requests can no longer list dozens and hundreds of species in a single petition under a [final rule](#) issued by the Fish and Wildlife Service (FWS) and National Marine Fisheries Service (NMFS). The new rule, which takes effect October 27, requires a separate petition for each species listing request. The one species per petition policy is aimed at ending the tactic of filing “mega-petitions” for hundreds of species, which caused review backlogs and confusion. Now, petitioners must also consult state agencies to get information and expertise on a species before filing petitions. Petitioners must tell states within a species’ range about plans to file a petition. The FWS and NMFS started the rulemaking in 2015 after states and Congress raised concerns about petitions filed since 2007 to list over 1,200 species.

Broadband Bill Introduced to Help Boost Rural Access

NRECA supports bipartisan rural broadband legislation introduced by Sens. Kirsten Gillibrand (D-NY) and Shelley Moore Capito (R-WV) to would help close the broadband gap and ensure rural Americans have access to high-speed internet. The Broadband Connections for Rural Opportunities Program Act (S. 3408) would authorize loan/grant combination financing in the RUS broadband loan program and double the budget authority authorized for the program. Broadband access is a necessity for the future of rural America today just as electricity was in the 1930s and we look forward to working with Congress to solve this important problem. This proposal is likely to be to be reintroduced and considered during farm bill reauthorization debate in the next Congress.

NRECA asks Court to Review PJM Reliability Pricing Rules

NRECA filed the initial brief in the D.C. Circuit Court of Appeals challenging a Federal Energy Regulatory Commission (FERC) order approving PJM Interconnection’s “Capacity Performance” model for reliability pricing. We and others are asking the court to review FERC’s 2015 order that unlawfully approved PJM’s Capacity Performance plan, which requires generators to meet commitments to deliver electricity during system emergencies. Our concern is FERC failed to evaluate the expected benefits and estimated costs of the model, which sets prices for the region’s electricity suppliers and directly affects rates paid by 61 million electricity customers. Notably, FERC Chairman Norman Bay dissented in the decision, and basically agreed with NRECA that PJM’s model will likely increase costs to ratepayers with no significant

benefits. PJM proposed its model after the 2014 polar vortex forced a large number of outages. PJM claimed it would improve reliability by increasing the rewards for capacity resources that provide power during high demand and increasing penalties for those that do not.

Electric.coop Showcases Electric Co-op Story in New Digital Experience

[Electric.coop](#), our new website rolled out this week with an updated version of [Cooperative.com](#), is the result of NRECA's two-year effort to create a better way to communicate with our members and tell the electric cooperative story. Electric.coop showcases how America's electric cooperatives are making life better for people and businesses in the communities we serve, and the updated Cooperative.com is more user friendly and intuitive. These new digital experiences reinforce NRECA's commitment to member service, telling our story and engaging with our members and stakeholders in unique and meaningful ways.