

October 7, 2016

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

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### ***Electric Co-ops Prepared for Hurricane, Hard Work Ahead***

Co-op line crews will be working hard to help restore power in areas impacted by Hurricane Matthew. Work started long before the hurricane approached the Florida coast. Co-ops in Florida, Georgia, North Carolina and South Carolina launched their emergency preparedness and response plans and member alerts several days before the storm. Arkansas, Louisiana, Mississippi, Alabama, Kentucky, Ohio and Tennessee co-op crews quickly moved into position to help with the hard work ahead. We're also waiting for more word on the [electric co-op](#) in Côteaux, Haiti, which was devastated by the hurricane. NRECA International's Haiti team has been working to support the co-op and its community. Our thoughts and prayers are with them.

### ***Regions 7 and 9 Co-ops Offer Resolution Proposals***

We had some very good discussion at the [Regions 7 and 9](#) meeting in Reno, NV, where co-op leaders introduced a new resolution on "Stranded Assets and Economic Impacts." They also offered revisions to the proposed "Distributed Generation" and "Wildlife" resolutions. We'll post an updated [Compendium of Proposed Resolutions](#) with their proposals on Cooperative.com. We continue to hear a lot of discussion on cybersecurity issues, our consumer-centric business model, and generational differences in our workforce and among our members. Next week we're heading to the [Regions 8 and 10](#) meeting in St. Louis, and I look forward to more conversations with co-op leaders on electric co-op issues.

### ***Co-ops Vote Turnout at VP Debate Helps Build Electric Co-op Recognition***

Co-ops Vote ([www.vote.coop](http://www.vote.coop)) got local recognition and national exposure at the vice presidential debate this week. Thank you to Southside Electric Co-op and the Virginia statewide for their work! More than 100 people who stopped by our [sign truck](#) also wore red Co-ops Vote T-shirts to debate activities. Longwood University recognized Co-ops Vote among the "Hometown Heroes" for sponsorship. Next week, our election message focuses on the role rural America plays in our national economy, growth and jobs, and electric co-ops keeping the lights on supports economic development. Invite your co-op members to participate in a [co-op poll](#) on election issues important to them. Use the social media hashtag [#CoopsVote](#). Heading into the final campaign stretch, more than 100 co-ops have achieved [5-Star Co-ops status](#) for promoting Co-ops Vote participation!



### ***NRECA Pushes Back on 'Chu Memo' PMA Restructuring Proposals to DOE***

NRECA and the American Public Power Association sent a letter urging Energy Secretary

Ernest Moniz to reject recommendations to restructure the Power Marketing Administrations (PMAs) in a plan similar to the 2012 “[Chu memo](#)” that electric co-ops successfully blocked. Section 6 of a [Secretary of Energy Advisory Board](#) (SEAB) report includes a proposal like the failed plan by former Energy Secretary Steven Chu to change the PMAs’ mission and operations. The SEAB proposal to increase the PMAs’ role in “renewable energy deployment” would change the core PMAs’ mission of providing low-cost hydropower and undermine their historic partnership with electric co-ops to provide affordable and reliable electricity.

### ***NRECA Supports Co-ops’ Challenge of State Regulations on Rates Paid to Solar Projects***

We filed comments with the Federal Energy Regulatory Commission (FERC) supporting two Maryland electric co-ops’ challenge of a state regulations which would force them to pay retail rates for excess power from community solar projects. We are supporting Southern Maryland Electric Co-op and Choptank Electric Co-op’s position that the state Public Service Commission violated the Federal Power Act and Public Utility Regulatory Policies Act. The PSC implemented state regulations that would require the co-ops to, among other things, pay higher than avoided costs to solar projects that are not qualifying facilities. The co-ops are asking FERC to rule that a state would not violate federal law if it limits the community solar program to qualifying facilities and limits payments to wholesale rates.

FERC has already decided on several occasions that state energy regulations must acknowledge and abide by limitations set forth by federal laws such as PURPA. The case could have a broad impact on rates paid for power in the community solar market.

### ***Paris Agreement on GHG Reductions Takes Effect Next Month***

With the European Union ratifying the United Nations’ 2015 Paris Agreement on climate change, the international greenhouse gas reductions framework reached the threshold of support to take effect on November 4. The agreement goal is to limit global warming to less than 1.5 °C. President Obama pledged the U.S. will reduce GHG emissions at least 26 percent below 2005 levels by 2030 – setting the path for his climate policies in the next White House administration. Regardless of the November election outcome, the U.S. would face a difficult and lengthy process to withdraw from the controversial agreement, which many congressional leaders have criticized because it was not sent to the Senate for a consent vote. Nations that ratified the agreement will meet in November to start negotiations to develop an implementation rule book for reporting and accounting of climate actions countries to meet pledges.