

October 28, 2016

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

Regions 2 and 3 Deliver Strong Finish to Regional Meetings

The [Regions 2 and 3](#) delivered a strong finish to the Regional Meeting season, with continued discussions about important issues facing our industry. We're sending the compendium of proposed resolutions to the NRECA Member Standing and Resolutions Committees for consideration in January. Final committee recommendations will be voted on by the membership at the [2017 Annual Meeting](#).

'Take 5' For Your RS Plan Benefits!

Nearly 5,000 co-op employees have answered the call to "take 5 minutes" to log on to [Action.coop](#) and urge Congress to protect NRECA's [Retirement Security Plan](#) (RS Plan) from increased future costs. This is a great start, but, we still have more work to do! It's a "pocket book" issue for all of us. As co-op leaders, you know that when costs increase for the RS Plan, it makes it more difficult for our co-ops to maintain their current benefit programs. Please continue urging your employees to log on to [Action.coop](#), and tell Congress to pass our bill as soon as possible. In 2016 alone, it would save about \$30 million for the 880-plus co-ops participating in the RS Plan.

Co-ops Vote Highlights the Power of Voters – Each One Counts!

Our [Co-ops Vote](#) message emphasizes the important impact of each person's vote on Election Day, and the influence each ballot has on officials in every elected office. Early voting has started in several states and more than 13 million voters have cast early ballots. By going to the polls, co-op voters help ensure their electric co-ops are recognized by elected officials. That recognition by government leaders boosts electric co-op efforts to help ensure the future of affordable, reliable power and meet the local needs. You can boost the impact of your vote by encouraging family and friends in the community to also take the Co-ops Vote pledge and help get the voice of rural America heard. Use the social media hashtag [#CoopsVote](#). More than 110 co-ops have achieved [5-Star Co-ops status](#) for promoting Co-ops Vote participation!



Senate Staff Outlines Draft Energy Conference Agreement

NRECA has learned that Senate conference committee aides working on the energy bill have sent draft language for initial review by House staff, as part of efforts to set up conference negotiations when Congress returns. The bill has language to enhance reliability for electric cooperatives. We're urging conferees to support a Senate provision providing the North

American Electric Reliability Corp. with authority to assess reliability impacts of proposed federal rules. We also want them to support House language to facilitate proper vegetation management on utility rights-of-way across federal lands. In a positive sign, the Senate staff draft does not include provisions that would add new federal standards to the 1978 Public Utility Regulatory Policies Act (PURPA). It also does not have language directing the Federal Energy Regulatory Commission to unilaterally develop mandatory electric reliability standards to address a single type of threat to the electric grid from electromagnetic pulses (EMPs).

Senate staff took this very preliminary step as part of ongoing discussions, because the Senate is leading the energy bill conference. We continue to urge House and Senate conferees to ensure the discussions produce a final bill that keeps consumers' costs affordable, promotes system reliability, and avoids imposing burdens on electric co-ops.

Electric Co-ops Keep Up Push for Geothermal Tax Credits

We continue to emphasize to congressional offices that electric co-ops support energy tax legislation that includes the Geothermal Heat Pump (GHP) credit for residential and commercial use that was not in the 2015 energy tax package. GHP credits help reduce the cost to co-op members to install geothermal heating systems and reduce energy consumption. However, there is opposition to our position, demonstrated this week by a coalition of conservative groups sending a letter (attached) urging Congress not to take up energy tax legislation. We're working to build House and Senate support for a bipartisan bill (H.R. 5167) to extend advanced energy technology tax credits.

\$3 Billion for Electric Co-op Renewable Energy and Efficiency Projects

More than [80 electric co-ops](#) in 31 states received about \$3 billion in Rural Utilities Service loans for rural infrastructure development, including some energy efficiency, renewable power and smart grid projects. In related news, Agriculture Secretary Tom Vilsack joined Pedernales Electric Co-op CEO John Hewa for a roundtable session to highlight [Pedernales projects](#) supported by \$68 million in [Energy Efficiency and Conservation Loan Program](#) loans.

Attached: Coalition letter opposing tax extenders legislation