

November 18, 2016

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

House-Senate Start Organizing for 115th Congress, Most Leadership Posts Unchanged

House and Senate Republicans voted to keep their top party leaders for the next Congress during the conference reorganization meeting. House Speaker Paul Ryan (R-WI) won a unanimous vote to continue as Speaker, which will require a vote of the full House after they convene in January. The conference also voted for House Majority Leader Kevin McCarthy (R-CA) to serve in that role for the next Congress. The House Democrats postponed their reorganization meeting and leadership elections until after Thanksgiving.

In the Senate, Republicans reelected Majority Leader Mitch McConnell (R-KY) and other senior conference leaders. Democrats elected Sen. Chuck Schumer (D-NY) to take over leadership duties when Minority Leader Harry Reid (D-NV) retires this year. The leadership is expanded to include Sens. Bernie Sanders (I-VT), Joe Manchin (D-WV) and Tammy Baldwin (D-WI).

Congressional Republicans Reconsider Options, FY17 Spending Bill Pushed to Next Year

House and Senate Republicans are making decisions on what legislation can get passed in the final weeks of this Congress. After meeting with Vice President-elect Mike Pence, House Speaker Paul Ryan (R-WI) announced plans to pass another short-term FY17 continuing resolution until March 31 to allow the incoming Administration more input on spending decisions for the rest of this year. Senate Republicans haven't signed off yet on the plan that could reopen a battle over deeper discretionary spending cuts and could put agreements on spending and policy riders back in play. We're continuing to push for electric co-op priorities in the lame-duck session.

NRECA Opposes Wolverine Listing Based on Climate Modeling

NRECA joined in industry comments filed at the Fish and Wildlife Service on the proposed North American Wolverine "threatened" listing under the Endangered Species Act. NRECA opposes the proposed listing because it is based primarily on long-term climate change modeling. The FWS initially proposed the wolverine listing in 2013 based on climate change model forecasts that predicted impacts on wolverine habitat. The agency withdrew the proposal in 2014 due to uncertainty of the modeling. Environmental groups filed a legal challenge in April 2016, and a federal district court in Montana vacated the withdrawal decision and ordered the FWS to reconsider the listing.

NRECA Workshop on Minimizing FEMA Denials, Deobligations

To help electric co-ops ensure they get appropriate Federal Emergency Management Agency

(FEMA) disaster relief reimbursements, NRECA is offering a [workshop](#) on FEMA program requirements and minimizing denials and deobligations. The one-day session at NRECA's headquarters on January 4, 2017, will be presented by NRECA staff with agency experts on FEMA program rules and procurement requirements. [Workshop registration](#) includes an evening reception on January 3. For questions, contact NRECA's [Martha Duggan](#) or [Perron Nicholas](#).

RUS Offers More Limited English Proficiency Compliance Webinars

The Rural Utilities Service (RUS) will host another round of Limited English Proficiency (LEP) Guidance [webinar](#) sessions on November 29 and December 6 at 10 a.m. and 4 p.m. (EST) on both days. The webinars will explain why the [agency is taking action](#) to ensure that borrowers and participants provide "meaningful access" to their programs for people with limited English skills. If your co-op did not participate during the summer, we recommend you sign up for a session to get additional clarity and context. In August, RUS sent a letter to all program borrowers and participants to clarify compliance requirements for the LEP Guidance issued late July. For questions, contact RUS Equal Opportunity Specialist [Darren G. Kaihlanen](#).

FERC Issues Order on Price Caps in Wholesale Power Markets

The Federal Energy Regulatory Commission (FERC) issued an [order](#) that allows generators to go higher than the \$1,000 megawatt-hour offer cap for regional wholesale power markets in limited situations. We're reviewing the 150-page decision ([Order No. 831](#)) that takes effect in early 2017. It sets a "hard cap" of \$2,000/MWh on incremental energy offers during times when the standard offer caps can produce unjust and unreasonable prices. As NRECA recommended, the rule maintains a \$1,000 MWh price cap in organized day-ahead and real-time markets, and allows market operators to go higher only when necessary to recover their operating costs in verified situations. An example is when natural gas prices spiked during the extreme cold of the 2013-14 polar vortex and some generators with must-run requirements operated at a loss when their costs exceeded the offer caps.

No Update Next Week – Happy Thanksgiving!

We won't send an update next week as many offices slow for the Thanksgiving holiday. We send our electric co-op family wishes for a peaceful and joyful holiday as you gather with your family and friends at home. We offer much gratitude for the dedicated service of you and your co-op employees who take great pride in keeping the lights on in your communities. If you're traveling during the holiday, please take extra care in your journeys.