

February 3, 2016

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

‘Two-for-One’ Regulations Order will Slow Regulatory Process

The President’s “Two-for-One” [executive order](#) to change the federal regulatory process starts in 2017 with a new requirement for agencies to identify two existing regulations to be repealed when most new rules are issued. The president’s action is based on another campaign pledge and he signed the order after meeting with small business leaders. Starting in FY18 (this coming October 1), the Office of Management and Budget must use a new Regulatory Budget tracking system. The Administration still needs to develop more detail on how the process will work. The order will practically limit agencies’ ability to issue regulations and slow rulemakings. NRECA has a team working on an implementation strategy. Throughout the Administration’s reform efforts, we’ll push to take advantage of all opportunities to advance co-op priorities while working with realistic expectations on what can be achieved.

NRECA Supporting Ag Secretary Nomination

NRECA joined in a letter (attached) of 600 groups supporting Agriculture Secretary-designate Sonny Perdue’s nomination and urging his confirmation as soon as possible. The letter highlights Perdue’s agricultural leadership, business and industry experience and government service. Perdue, a member of Flint Energies in Georgia, understands electric co-op issues and our mission to enhance the quality of life in the communities we serve. NRECA issued a [statement](#) supporting Perdue’s nomination when it was announced on January 19.

Broadband Caucuses Stress Need to President, Highlight Issue on Hill

The President is hearing a strong bicameral, bipartisan message from over 100 House and Senate leaders asking him to include broadband improvements in a national infrastructure package. The [House Rural Broadband Caucus](#) and [Senate Broadband Caucus](#) organized letters signed by 71 House members and 48 senators (list attached) urging the Administration to ensure any infrastructure plan includes broadband projects, particularly in rural America. We’re working with the caucuses to educate lawmakers on the need for broadband policy solutions that provide high-speed access for rural communities.

Energy Sector Urges President to Quickly Fill FERC Seats

NRECA joined other energy sector trade groups in urging President Trump to quickly fill three vacant seats at the Federal Energy Regulatory Commission (FERC). The agency won’t shut down. But, FERC lacks the quorum to issue orders on major policy decisions and that could delay approvals on many cases, including pipeline infrastructure and hydropower reviews,

ratemakings and mergers. A backlog of cases could pile up if one or more new commissioners are not appointed soon. See the attached letter.

House Committee Supports Electric Sector Cybersecurity and Grid Protection Efforts

A House Energy and Commerce subcommittee expressed broad support for electricity sector efforts to ensure cybersecurity and critical infrastructure protection, response and resiliency during a hearing. The panel heard testimony from the North American Electric Reliability Corp. and Edison Electric Institute (EEI) on behalf of the industry. EEI coordinated its testimony with us to highlight efforts of the Electric Subsector Coordinating Council (ESCC) that includes electric co-ops. NRECA joined a statement of support (attached) for EEI's testimony on the ESCC's coordination of government agency and electric sector efforts. This is the committee's first hearing and likely reflects the continuing drumbeat of congressional interest in cyber and grid security. Energy reliability and infrastructure are among issues Committee Chairman Greg Walden (R-OR) highlighted in an [op-ed commentary](#) on the committee's agenda.

Congress Votes to Reverse Obama Administration Coal Rule

The Senate passed ([54-45](#)), with some Democratic support, a resolution to overturn an Obama Administration coal mining regulation. The House passed ([228-194](#)) the Congressional Disapproval Resolution reversing an EPA stream protection rule that took effect just before Obama's term ended. The Congressional Review Act sets up a process for Congress to disapprove of regulations, but it has rarely been used because those disapproval resolutions require the President's signature. Congress intends to use this tool more frequently in the coming weeks. Congress last successfully used the process once before in 2001.

NRECA 2017 Proposed Resolutions Posted on Cooperative.com

The 2017 Proposed Resolutions booklet is available on [Cooperative.com](#). Please discuss them with your board and statewide association. Your system's voting delegate will vote on the proposed resolutions at NRECA's [Annual Meeting](#) in San Diego. Resolutions help guide NRECA staff. National Resolutions Committee will host the Proposed Resolutions Forum on Sunday, February 26. This is a great chance to ask questions before the business meeting.

FWS Urged Not to List Lesser Prairie-Chicken

NRECA is urging the Fish and Wildlife Service (FWS) to use appropriate discretion to delay its [12-month review](#) on determining whether listing the lesser prairie-chicken is warranted. We filed [comments](#) summarizing why the FWS should not list the species because extensive and important voluntary conservation measures are underway or in development by stakeholders, including many electric co-ops.

NRECA Urges FERC to Keep Self-Supply Exemption in PJM Market

NRECA filed a protest to FERC in a case on PJM Interconnection market rules. Our filing stresses that co-ops want to protect their member-consumers' interests and explained why PJM market rules should also include the "Self-Supply Exemption." The exemption is critical to allow load-serving entities to continue their long-standing business models of self-supplying their capacity needs outside of the PJM market. FERC has recognized that its previous orders on PJM market rules were "not intended to change the long-standing business models parties use to

support investment in specific capacity procurement projects.”

LIHEAP Action Day 2017: Co-ops Join Push for Full Funding

Electric co-ops can help highlight to Congress the Low Income Home Energy Assistance Program’s (LIHEAP) importance for rural communities that get hit hard by extreme weather and economic slumps. You can sign the [letter](#) urging Congress to provide adequate funding. Over 100 electric co-ops signed the letter last year to show strong support. You can also ask other community organizations to sign this letter. NRECA will join a broad coalition going to the Hill for [LIHEAP Action Day](#) on February 14-15th.

Slots Still Available for Next Generation Leaders at Annual Meeting

There’s still room in the Annual Meeting’s [Next Generation Leaders Program](#). There are new learning and networking components and NRECA staff are excited to introduce our co-ops’ future leaders to the Annual Meeting and provide opportunities for learning, collaboration and professional networking. [Learn more](#) about the program and consider giving one of your employees the opportunity to participate.

Attached: Perdue nomination letter, Broadband letter signers, Cybersecurity letter, FERC letter.