

February 10, 2017

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

NRECA Highlights Role of White House Rural Advisor

NRECA led a coalition [letter](#) signed by more than 40 groups asking the President to name a rural policy advisor to his senior White House staff. That advisor would help ensure that rural issues receive the highest level of attention and also coordinate efforts among the wide range of federal agencies that have an impact on rural areas. Previous administrations included rural advisors, a role that helps senior Administration leaders highlight the interests of farmers, ranchers and residents of small communities. The letter also reaffirms our support for Agriculture Secretary-designate Sonny Perdue.

NRECA CEO Tells Co-op Story in Energy Efficiency and Innovation

NRECA CEO Jim Matheson highlighted electric co-ops' efforts to boost demand response and energy efficiency at a national forum hosted by the Alliance to Save Energy. Matheson stressed that electric co-ops are always focused on meeting the needs of their member-owners, which includes many businesses that need to control energy costs. He explained that energy efficiency and conservation efforts need to be driven by a greater goal than achieving energy savings, and an emphasis should be put on increasing efficient energy use.

Senate Could Pick Up Pace on Cabinet Confirmations

Senate Republicans are looking to speed the pace of Cabinet confirmations after lengthy debates on confirming Attorney General Jeff Sessions, Education Secretary Betsy DeVos and Health and Human Services Secretary Tom Price. Votes on Rick Perry (Energy), Ryan Zinke (Interior) and Steven Mnuchin (Treasury) could start next week, while the timing on Scott Pruitt as EPA Administrator is less certain. Republican leaders are seeking an agreement to confirm most of the top Cabinet appointments before Congress leaves next Friday for the President's Day recess. We're still watching for a confirmation hearing date for Sonny Perdue (Agriculture) now expected in March.

Senate Urged to Pass Bill Requiring Small Business Impacts Review

NRECA is working with industry groups to urge the Senate to pass the Regulatory Accountability Act. We've signed a [letter](#) with more than 600 industry groups stressing the need for the regulatory reforms in the bill. Overreaching federal rules can have a severe impact on electric co-ops' ability to provide affordable, reliable power, and rural consumers across America. It will take a hard push to get the Senate to take up the bill. The House passed a similar measure (H.R. 5) on a [238-183 vote](#) last month.

House Votes to Void BLM ‘Planning 2.0’ Rule

The House voted ([234-186](#)), mostly on party lines, for a disapproval resolution (H.J. Res. 44) to block the Bureau of Land Management’s (BLM) “[Planning 2.0](#)” regulation that took effect on January 11. Electric co-ops opposed the Planning 2.0 rule because it undercuts state and local government and community input in the federal lands planning process and weakens state consultation. There’s significant opposition among state officials and regional planners in the West, where the BLM oversees about 160 resource management plans. House votes are expected on several more disapproval resolutions next week. The resolution now goes to the Senate, where no vote has been scheduled as Cabinet nominations take up most of the floor time.

FERC Suspends Meetings Due to Lack of Quorum

The Federal Energy Regulatory Commission (FERC) is [suspending monthly business meetings](#) until at least one new commissioner is appointed and a quorum is restored. Three of five commission seats are empty after former Commissioner Norman Bay resigned last Friday. Agency staff have been granted limited [delegated authority](#) to act on various additional issues. For instance, in this transitional period, staff can accept and suspend rate filings and send them for a settlement hearing. They can also issue extensions, act on uncontested waivers and accept uncontested settlements. In any given year, a significant majority of opinions are penned by FERC staff. FERC will continue to hold technical conferences and a couple of meetings already planned ([check calendar](#)). It is unclear when the President will nominate one more new FERC Commissioners.

DOE Should Get Early Industry Input on Emergency Authority Rulemaking

NRECA and others filed [comments](#) urging the Energy Department to start stakeholder discussions earlier in their [proposed process](#) for using their authority to address grid security emergencies. The agency is required to issue the rule under the [Fixing America’s Surface Transportation Act](#) passed in 2015. The electricity sector comments stress the agency should consult with the electricity sector – including the Electricity Subsector Coordinating Council and Electricity Information Sharing and Analysis Center – before issuing emergency orders. There are several issues we’re asking the agency to clarify or revise. They include using FERC’s definition of bulk electric system, and specifying which Federal Power Act sections will be used to enforce emergency orders.

FWS Delays Rusty Patched Bumble Bee Listing for More Review

The U.S. Fish and Wildlife Service (FWS) issued a [final rule](#) delaying the effective date of the rusty patched bumble bee “endangered” listing under the Endangered Species Act to March 21, 2017. The delay is a response to the President’s regulatory freeze [executive order](#) issued on January 20. The listing was to take effect today under a [final rule](#) issued last month. NRECA sees the delay as an opportunity to seek an alternative to the listing that would ensure electric utilities can maintain grid reliability and safety. The listing will impact all U.S. industries, because the wild bee’s habitat is in generally open spaces across the East and upper Midwest.

NRECA Comments on OMB Guidance for ‘Two-for-One’ Regulations Order

NRECA filed comments to the Office of Management and Budget on its [guidance memo](#) for complying with the President’s “Two-for-One” regulations [executive order](#). Although the

guidance provides additional clarity on how the process will be implemented, there are important issues and questions raised by this policy that would benefit from additional clarification. NRECA has a team working on an implementation strategy.

Co-op CEO to Speak on Panel at NARUC Winter Meeting

The upcoming National Association of Regulatory Utility Commissioners' Winter Meeting [agenda](#) in Washington next week features several issues important to electric co-ops. NRECA Board Secretary-Treasurer Curtis Wynn (Roanoke Electric CEO) will be on a panel about distributed energy financing. Forums include Socializing the Cost of Solar, Homeland Security's Critical Infrastructure Threat Information Sharing Framework, and 21st Century Utilities: The Role of Infrastructure, Innovation and Investment.

2017 National Compensation System Pre-orders Available

NRECA is accepting pre-orders for the 2017 National Compensation System, which contains salary data from more than 800 member distribution systems across the country. Orders placed before March 15 will be fulfilled at a discounted rate. We expect the data to be available in mid-March. This data complies with federal guidance on sharing of salary data. Specifically, it meets Federal Trade Commission and Justice Department specifications related to antitrust laws and sharing of salary information. For information, go to www.cooperative.com/2017ncs.