

March 24, 2017

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

Perdue Pledges to Work on Maintaining RUS Programs, Expand Rural Broadband

Agriculture Secretary-designate Sonny Perdue pledged during his confirmation hearing to work hard to maintain Rural Utilities Service programs like electric loans, and be an advocate for expanding broadband access in rural areas. Perdue, a member of Flint Energies in Georgia and a former state governor, told the Senate Agriculture Committee he would work to remove obstacles to agriculture and agribusiness and find good solutions for issues confronting farmers, ranchers and consumers. That effort will include actively working with other agencies to avoid “unintended consequences of regulations” that cause economic burdens for rural communities.

Many committee questions focused on President Trump’s proposed FY18 funding cuts for rural programs. Perdue said he had no input on the Administration’s budget request that includes a \$4.7 billion cut for Agriculture Department programs, because his nomination has not been confirmed.

NRECA, Co-op Leaders Explain Grid Security Priorities to Administration

NRECA CEO Jim Matheson and Arkansas Electric Cooperative Corp. CEO Duane Highley joined other Electricity Subsector Coordinating Council leaders to talk about grid security with Energy Secretary Rick Perry, Homeland Security leaders and White House National Security Council staff. We’re encouraging the Administration to maintain the council and build the valuable relationship between the council and senior Administration leaders. Greater and timelier sharing of classified and unclassified information about grid threats between the utility industry and government officials remains a top electricity sector priority. Highley is a co-chair of the council that includes Old Dominion Electric Co-op CEO Jack Reasor, Georgia System Operations Corp. CEO Greg Ford, Great River Energy CEO David Saggau and Matheson.

At the North American Electric Reliability Corp. Reliability Issues Summit, Highley also stressed the need for greater electricity sector and government collaboration on grid security. He discussed how utilities can use information from government agencies to help address and reduce system vulnerabilities. His comments focused on unclassifying as much information as possible, so that it can be widely distributed across the electric utility industry. When information must be classified, there should be more industry representatives with various levels of security clearances.

Senate Republicans Aim for April Vote on Supreme Court Nomination

The Senate Judiciary Committee wrapped up hearings on Judge Neil Gorsuch’s nomination for the U.S. Supreme Court and could hold a committee vote as early next week. Senate Majority

Leader Mitch McConnell (R-KY) wants to move the nomination to the floor in two weeks.

House Moving to Final Vote on Health Care Reform Bill that Delays Cadillac Tax

The House is moving to a final vote on health care overhaul legislation this evening to repeal the Affordable Care Act and replace it with new health care policy. The outcome of the vote is uncertain as leaders work to secure votes. The bill would delay the “Cadillac Tax” on employer-sponsored health plans from 2020 to 2026, and doesn’t include any additional tax on health care benefits. If the House passes the American Health Care Act (H.R. 1628) the Senate could take it up next week. While NRECA welcomes the Cadillac Tax delay language in the American Health Care Act, we continue to urge [full repeal](#) of the tax.

Delay Ends for Bee ‘Endangered’ Listing, FWS Issues Implementation Guidelines

The U.S. Fish and Wildlife Service’s (FWS) 60-day [delay](#) of the rusty patched bumble bee [endangered listing](#) expired this week and the agency has posted [implementation guidelines](#). The FWS did not respond to a coalition letter, which NRECA signed, urging the bee listing be delayed until January 2018. The letter requested a closer review of the listing because it was issued in an unprecedented effort in timing, scope and lack of agency preparation to implement it. NRECA is reviewing the potential impacts of the FWS guidelines and possible next steps in our push for a solution that ensures electric utilities can maintain grid reliability and safety, while protecting the bee.

Court Extends Deadline in Lawsuit on Power Plant Wastewater Rule

The 5th Circuit Court of Appeals (New Orleans) approved the Environmental Protection Agency’s request for a 30-day extension to file briefs in a lawsuit challenging the agency’s Steam Electric Effluent Limitation Guidelines (wastewater) [final rule](#). The new deadline for EPA to file its brief is May 4. EPA’s lead attorney in the case must be replaced due to a medical emergency. The Utility Water Activities Group (UWAG), a party in the case, is also filing a petition at EPA today for reconsideration of the rule. The agency could ask the court for another extension to consider the petition. NRECA is participating in UWAG’s challenge.

House Bill would Delay Enforcement of Lower Ozone Levels

House Energy and Commerce Committee leaders are moving to consider a bill to delay EPA enforcement of its ozone air quality standards [final rule](#) issued in 2015 while EPA, states and industry work to implement the 2008 ozone standards. Energy Subcommittee Chairman John Shimkus (R-IL) plans to send the Ozone Standards Implementation Act (H.R. 806) to the full committee within two weeks. The bill would delay the 2015 standard for eight years as the 2008 ozone standard is fully implemented. The bill would also extend ozone standard review timeframe from 5 to 10 years. The House passed the same bill last year, but the Senate didn’t take it up in the face of a veto threat.

FCC Urged to Stop Satellite Service on Network for Rural Services

NRECA filed a petition urging the Federal Communications Commission (FCC) to reverse an order approving access to spectrum used for critical infrastructure, government services and emergency response providers. On January 18, just before the Obama Administration ended, FCC staff approved an application by Higher Ground (a startup mobile satellite service) to

operate its satellite service on the same frequency for which electric co-ops and utilities hold licenses for voice and data communications to ensure safe, reliable and affordable operation of their power lines. Our comments argue that at the very least, the FCC should require Higher Ground to take more steps to reasonably ensure that electric co-ops and public service communications are adequately protected.