

April 24, 2017

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

Missouri Co-ops Highlight Environmental Efforts during EPA Administrator's Tour

Missouri electric co-ops highlighted their efforts to make environmental protection a part of producing affordable, reliable power during EPA Administrator Scott Pruitt's visit to an Associated Electric Coop <u>power plant</u>. Sen. Roy Blunt (R-MO), Rep. Vicky Hartzler (R-MO) and Rep. Blaine Luetkemeyer (R-MO) joined Pruitt for the tour. Missouri statewide CEO



Barry Hart and Associated Electric CEO David Tudor showed how electric co-ops can work to produce electricity for their members while also taking steps to protect the environment. NRECA CEO Jim Matheson joined Hart and Tudor in urging Pruitt to consider a common-sense approach to regulations on power plant emissions and offered to continue working with EPA. Pruitt discussed Administration efforts to address regulations that have a negative impact on coal power plants and other generation resources.

2,100 Strong at Legislative Conference! Co-ops Highlight Issues in D.C.

We're excited to have 2,100 electric co-op leaders and advocates in Washington for the <u>2017 Legislative Conference</u> to visit the Hill and key agencies. You'll be going to congressional offices to talk about several <u>priority issues</u>, including the Rural Utilities Service, co-op tax priorities, federal land management policies and Endangered Species Act reform. We could see committee action



on the land management issue within days of your meetings with congressional leaders. We have new forums on "Deregulation 101" and what to realistically expect from the new Administration, and "Ensuring Your Message is Heard" through a collaborative advocacy approach. You can get a farm bill debate preview and find out what's new for Co-ops Vote in 2017. Check out the <u>schedule of events</u> on Cooperative.com and follow the action on the Legislative Conference mobile app for <u>iPhone</u> or <u>Android</u>. Keep up with the latest at #CoopsPowerUs on <u>Facebook</u> and <u>Twitter</u>.

NRECA Highlights Co-ops' Role in Bridging Digital Divide

NRECA highlighted that electric co-ops can play an important role in closing the digital divide confronting rural Americans at the first <u>Broadband Deployment Advisory Committee</u> meeting.

We thanked Federal Communications Commission Chairman Ajit Pai for recognizing that electric co-ops can be key partners in broadband deployment. As the committee starts its discussions, NRECA is emphasizing that co-ops want to tackle the barriers to broadband access. We're stressing that boosting the economic investment for providing rural broadband service will require a broad strategy that includes non-traditional business models.

EPA Asks Court to Suspend Lawsuits on Two More Air Regulations

EPA filed motions in the D.C. Circuit Court of Appeals to delay action in two lawsuits challenging the utility Mercury and Air Toxics Standards (MATS) and a Clean Air Act rule on power plant startups, shutdowns and malfunctions. The Administration asked the court to hold off on oral arguments in the MATS and Clean Air cases, both are scheduled to be heard in early May. EPA said it needs time to review the regulations and decide if it will repeal or revise them. The MATS case challenges a 2016 EPA decision that it was "appropriate and necessary" to regulate hazardous air emissions. The Clean Air case challenges an overreaching 2015 EPA decision that power plant operators should be liable for exceeding emission standards during unpreventable breakdowns.

FCC Launches Regulatory Review for Broadband Deployment Barriers

The FCC voted to start a rulemaking proceeding to address regulatory barriers to new wireline broadband infrastructure deployment. The commission will consider several possible <u>actions</u> to ease federal, state and local barriers to infrastructure investment in new technologies and services, and maintaining and upgrading existing systems. Of concern for electric co-ops, the rulemaking will review pole attachment reforms to speed and increase access to poles and rights-of-way for building out "next-generation networks." Other issues to be reviewed include streamlining the regulatory steps to for providers to discontinue existing copper networks to open investment in fiber-based networks and services. The rulemaking look at areas where the FCC could use its authority to preempt state and local laws that slow broadband deployment. The FCC will also review requirements to change or eliminate existing "legacy" broadband systems. NRECA will actively work to protect electric co-op positions.

EPA to Reopen Power Plant Wastewater Guidelines

In good news for the electricity sector, EPA is working to issue a rulemaking to put a hold on <u>power plant wastewater</u> regulation (Effluent Limitation Guidelines) deadlines to allow time to reopen the rule and possibly make changes. EPA's move is in response to a <u>request</u> by the Utility Water Act Group (NRECA actively participates). The Small Business Administration's Office of Advocacy <u>supported</u> the request, and repeatedly mentioned electric co-ops as small entities needing relief from the rule. EPA sent a <u>letter</u> reminding states they can extend implementation deadlines to 2023. This is only the start of a long process and we'll continue to work with EPA on the issue.