

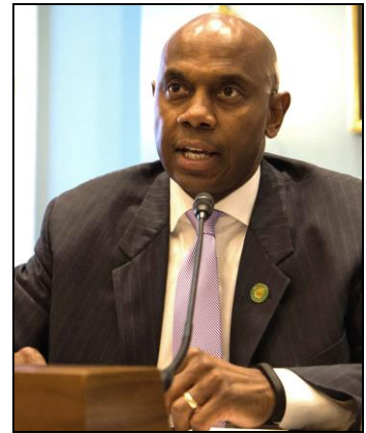
July 21, 2017

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

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***Electric Co-op Leader: Co-ops are Engines for Rural Economic Opportunity***

Roanoke Electric CEO and NRECA Vice President Curtis Wynn's [testimony](#) to the House Agriculture Committee urged Congress to address rural broadband along with energy, economic development and community needs in any infrastructure package. Wynn emphasized the importance of ensuring rural broadband access, which is essential like affordable electricity. He told the electric co-op story of energy innovation like Roanoke Electric's *Upgrade to \$ave* program, community solar and microgrids, and co-ops' efforts to boost economic development and rural quality of life as productive partners with government and communities. "Rural electric cooperatives are much more than just electric utilities – we are the engines that drive economic opportunity across the heartland and to rural areas everywhere," Wynn said. "... When rural areas suffer, the country as a whole suffers." After the hearing, Wynn [said](#) he believes the committee will consider rural needs in its input on infrastructure legislation.



***Co-op CEO says Keep Power Providers in 'Driver Seat' on Resources***



Old Dominion Electric CEO Jack Reasor [testified](#) at a congressional hearing to emphasize that federal wholesale electricity market policies should honor and encourage long-term investments by load-serving power providers by ensuring they can self-supply the generation they decide best meets their long-term needs. Reasor told a House Energy and Commerce subcommittee that his co-op has long supported federal policies to promote greater competition in wholesale electric markets. Congress should keep policies that ensure service at just and reasonable rates for consumers, and electric co-ops can develop the right resources to meet their needs while accommodating more consumer-owned generation, energy efficiency and demand response.

FERC and Congress should allow power providers flexibility to meet regional needs, and recognize there is no one-size-fits-all approach. He said Congress should ensure that federal policies keep wholesale power market designs stable and, at this time, does not need to adopt new legislation to clarify the Federal Energy Regulatory Commission's authority over wholesale electricity markets.

### ***Senate Energy and Ag Spending Bills Follow House Lead on Co-op Concerns***

In more good news, the Senate Appropriations Committee moved FY18 spending bills that support electric co-op positions on priority issues. An Energy and Water Development bill rejects a plan to sell Power Marketing Administration transmission assets, just like the House version. The bill also rejected the proposed elimination of the Weatherization Assistance Program. It includes a pilot program for consolidated nuclear waste storage and funding nuclear spent fuel at private facilities, but doesn't fund the Yucca Mountain nuclear storage repository. Many funding levels are different from the House Energy and Water spending bill.

The Senate Appropriations Committee passed an Agriculture spending bill that keeps Rural Utilities Service electric loan levels at \$5.5 billion and Guaranteed Underwriter Loans at \$750 million. The Broadband Loan Program is maintained at \$27 million. The Rural Economic Development Loan and Grant Program and other rural cooperative development programs are generally funded at FY17 levels. The bill funds the Under Secretary for Rural Development, which has the potential to conflict with the agency reorganization plan.

### ***House Committee Finishes Spending Bills, Addresses Co-op Concerns***

The House Appropriations Committee wrapped up work on FY18 spending bills addressing issues important to electric co-ops. The Interior and Environment bill passed with language that lifts procedural hurdles for EPA and Corps of Engineers to withdraw the Waters of the U.S. rule. It includes language to prevent an Endangered Species Act listing of the greater sage-grouse. It also requires EPA to maintain the current 75 ppb ozone standard and delay enforcement of a tighter standard. The Labor-Health and Human Services bill keeps Low Income Home Energy Assistance Program funding at \$3.4 billion. A State-Foreign Operations bill includes language that ensures U.S. Agency for International Development is dedicated to rural electrification. Cooperative Development Program funding is level at \$12 million. The committee report will support Power Africa program funding. The full House will begin considering spending bills next week.

### ***Youth Leadership Council Fills Week with Enthusiasm and Fun***

The 43 [Youth Leadership Council](#) members had a great time in Washington, D.C., for leadership activities and a close look at the energy industry and co-op business model. See their [highlight video](#) of the week. Congratulations to the 2017-18 YLC Spokesperson Aaron Lay from Loudoun Electric Cooperative (TN) and Runner-up Derek Huell from Flint Energies EMC (GA)! This group of young leaders will be tremendous electric co-op program ambassadors. We look forward to their participation in the 2018 Annual Meeting.

**Derek Huell and Aaron Lay**



### ***House Passes Legislation to Address Energy Issues***

The House passed some energy-related bills of interest to co-ops. One bill ([H.R. 2910](#)) would improve agency coordination of pipeline siting and clarify that the Federal Energy Regulatory Commission (FERC) has the lead role. Another bill ([H.R. 2883](#)) would eliminate presidential

permit reviews for pipelines and electric transmission lines that cross U.S. international borders and turn those reviews over to the Energy Department and FERC. The House also passed a measure ([H.R. 806](#)) that would maintain the current 75 ppb ground-level ozone standard and delay the 70 ppb standard until 2025.

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### ***NRECA Opposes Proposal for Efficiency Aggregators to Bid in Power Markets***

NRECA and the American Public Power Association filed comments at FERC opposing a [proposal](#) that threatens local control over energy-efficiency programs. The proposal would allow energy-efficiency resource (EER) aggregators (which bundle retail customers' load-reduction commitments) the right to bid in wholesale power markets, unless FERC gives a retail electric regulator approval to limit or block such activity. The proposal is asking FERC to stop PJM Interconnection from considering tariff amendments that would allow retail regulators (including boards of co-ops not state-regulated) to decide whether and how their retail customers (through aggregators) may submit such bids. PJM must follow that process for demand-response bids under a 2008 FERC order.

### ***NRECA Stresses Co-ops Exempt from Pole Attachment Regulation***

NRECA filed [comments](#) on a Federal Communications Commission (FCC) [proposed rule and request for comments](#) urging the commission to ensure that proposals to expand broadband in rural areas recognize the electric co-op exemption from federal pole attachment regulations, as Congress directed in the Telecommunications Act. The FCC is looking at ways to speed broadband deployment. We're stressing the FCC has no jurisdiction over co-op pole attachments or access to rate information, and there's no policy justification for regulating co-op poles.