

July 28, 2017

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

New Web Portal Highlights Value of NRECA Membership

NRECA is a strategic partner to the people, cooperatives and the communities we serve. To help electric co-ops get the most of their membership, NRECA launched a [new section of Cooperative.com](#) that provides a simplified format for exploring NRECA resources. This easy-to-navigate portal can help co-ops find the tools most relevant to specific needs, including cutting-edge technology solutions, leadership and staff education programs, safety-focused training, communication tools and more.



House Passes First Spending Package

The House passed an FY18 spending package that includes an Energy and Water Development bill addressing several electric co-op priorities. The measure funds all Power Marketing Administration (PMA) operations, rejecting a proposal to sell PMA transmission assets. The bill includes an amendment with specific language to block the Energy Department from considering any “social cost of carbon” rulemaking or guidance, which upholds the committee report language. The bill includes language that lifts potential procedural hurdles for the Army Corps of Engineers and EPA to withdraw the Waters of the U.S. (WOTUS) rule (which EPA and the Corps just formally proposed – see item below), and funds the Yucca Mountain nuclear spent fuel repository.

Health Care Debate Leaves Crowded Congressional Agenda

The Senate’s failure to advance legislation to repeal and replace the Affordable Care Act will allow it to move on to other legislative priorities, but debate over how to address the nation’s health care system will likely continue to be a driving political force in Congress and the Administration. Senate Majority Leader Mitch McConnell (R-KY) pulled the health care bill from the Senate floor early Friday morning after months of work to develop legislation to address an issue that has consumed much of the political oxygen in Washington. The President and congressional leaders are eager to complete health care reform and move on to other priorities, especially tax reform and work on budget and spending bills. The House will begin its summer recess next week, returning after Labor Day, while the Senate will return next week for votes on nominations and unspecified legislation (potentially the annual Defense authorization bill). When Congress returns after Labor Day, it will have four weeks to finalize spending legislation or pass a “continuing resolution” to fund federal agencies when the new fiscal year begins October 1.

NRECA Supports Hydropower Licensing Legislation

NRECA joined an industry letter (attached) urging Congress to pass legislation that would streamline the hydropower licensing process and allow more opportunities for hydro innovation and improvements. The letter supports language in Senate energy legislation (S. 1460) and a House hydropower bill (H.R. 3043) waiting for floor votes. These measures include language to modernize the hydropower dam permit reviews while protecting environmental values, public participation, and all existing authorities of federal and state decision makers in the licensing process. Both also clarify that hydropower is a renewable energy resource.

Senate and House Committees Advance FEMA Reform Measures

The Senate Homeland Security and Governmental Affairs Committee passed Federal Emergency Management Agency (FEMA) reform bills aimed at improving disaster response assistance. NRECA supports a grant planning bill (H.R. 1117) the committee passed to require FEMA to report on how it plans to improve disaster assistance, including providing guidance and accurate assistance to applicants and grantees. The panel also passed the FEMA Accountability, Modernization and Transparency Act (H.R. 1679) that would require the agency to modernize its grant management system, and develop an online system for sharing information with agencies and reduce excess filings and benefit duplication. NRECA is watching the bill for harmful amendments.

In related action, the House Transportation and Infrastructure Committee passed the Disaster Assistance Fairness and Accountability Act (H.R. 3176), which NRECA strongly supports. It would block FEMA from taking back disaster assistance funds (deobligation) after three years.

WOTUS Proposal Open for Public Comment

An EPA and Army Corps of Engineers [proposed rule](#) to withdraw the WOTUS rule was published in the *Federal Register* and is open for comment through August 28, 2017. It's part of a two-step process to reconsider the 2015 WOTUS rule that never took effect due to a nationwide court stay issued by the federal Appeals Court in Ohio during legal challenges. Once EPA issues a final WOTUS repeal rule, it is likely to start a new rulemaking process to draft a narrower definition of water features protected under the Clean Water Act.

EPA Administrator Scott Pruitt attended a meeting at the Oklahoma statewide association today to discuss WOTUS issues. NRECA [supports](#) reconsideration of the WOTUS rule, because it would have increased costs and limited electric co-ops' ability to build and maintain power lines. NRECA is urging EPA to ensure a new rule will allow electric co-ops to continue to provide affordable and reliable power. We're also stressing that a small business impacts review be completed before another proposal is issued.

WAPA Transparency Bill Clears House Committee

The House Natural Resources Committee passed bipartisan legislation that would make it easier for Western Area Power Administration (WAPA) customers to understand the charges they pay. The Western Area Power Administration Transparency Act (H.R. 2371) moved on unanimous consent with more than a dozen other bills. It would require WAPA to start a pilot project to provide increased transparency for customers. The bill would build on WAPA's efforts to improve customers' understanding of expenditures and the rates for power and transmission

service. There is no timeline on floor action.

Senate Confirms Interior Deputy Secretary

The Senate voted 53-43 to confirm Interior Department Deputy Secretary Dave Bernhardt, filling a key position as the agency undertakes major regulatory reviews and policy changes. Bernhardt has prior experience working at the Interior Department in several roles. The Senate Agriculture Committee postponed its vote on three Commodity Futures Trading Commission nominees. No future date has been set.

Co-ops' ITC Partnership Highlighted as Senators Look at Boosting Carbon Capture

The Senate Environment and Public Works Committee is looking at options to boost carbon capture utilization and sequestration technologies like those that will be tested at the [Integrated Test Center](#) (ITC) under construction at Basin Electric's [Dry Fork Station](#) near Gillette, WY. A Wyoming state official testified about the ITC and other projects, and said federal policies and regulations should provide more realistic timeframes than five to 10 years to adopt and build new power plant technologies. Sens. Shelley Moore Capito (R-WV), Sheldon Whitehouse (D-RI) and John Barrasso (R-WY) also highlighted a bill (S. 1535) they cosponsored with Sen. Heidi Heitkamp (D-ND) to extend and expand tax credits for carbon capture projects.

Attached: Letter supporting hydropower licensing legislation