

September 8, 2017

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

Disaster Relief Legislation Passes, Headed to President

The House passed (316-90) disaster assistance legislation, which boosts the Federal Emergency Management Agency (FEMA) Disaster Relief Fund and provides other aid for recovery from hurricanes Harvey and Irma. The Senate passed it 80-17 yesterday. The bill now goes to the President for signing. The relief package prevents FEMA disaster relief funding from running out; Congress is expected to pass additional legislation later this year. The \$15.25 billion relief package also includes stopgap funding to keep the government operating until December 8 and increases the federal borrowing limit to avoid a default on federal obligations. President Trump reached agreement with House and Senate Democratic leaders on stopgap funding and raising the government borrowing limit while meeting with congressional leadership. NRECA continues to work with Congress and federal agencies to support electric co-op recovery needs.

House, Senate Continue Work on FY18 Spending Bills

With an agreement on legislation to keep the government funded into December, the House and Senate continue work to complete FY18 spending bills. The House is moving toward passing a package of eight spending bills with funding for the Rural Utilities Service, Rural Broadband Loan Program and the Low Income Home Energy Assistance Program (LIHEAP). The package also includes U.S. Agency for International Development Cooperative Development funding that is used by NRECA's International Program. The White House issued a [statement](#) of support for the overall bill, but also objected to some funding like the Rural Business-Cooperative Service programs, saying it duplicates other agency programs. The House plans to combine this package with other bills passed before the August recess, including Energy and Water Development bills that address several electric co-op priorities.

In the Senate, the Appropriations Committee passed spending bills that include LIHEAP and Cooperative Development Program funding. Senate debate on spending bills is expected to pick up after the House completes its legislation.

Co-op Leader Tells Congress How Red Tape Threatens Grid and Communities

Mark Hayden, Missoula Electric Co-op General Manager, urged Congress to pass regulatory reforms to cut red tape that makes it difficult for electric co-ops to provide reliable and safe power. He [testified](#) to the House Small Business Committee that lengthy regulatory and permit review processes are delaying routine rights-of-way management that co-ops must do to limit downed power lines, prevent catastrophic fires and respond to emergencies. As an example, Hayden said it took 18 months for his co-op to get U.S. Forest Service approval to bury 6.1 miles

of distribution line to reduce fire risks in a dead tree area resulting from pine beetle infestation.

Those delays also increase the disaster threats for not only for electric co-ops, but also other businesses and the economy of the entire community. Hayden thanked the House for passing rights-of-way vegetation management legislation (H.R. 1873) now waiting for Senate action. However, Congress needs to move that legislation to final passage and also pass other measures to increase consistency, flexibility and accountability in permit reviews to ensure grid reliability and fire prevention on federal rights-of-way.

Senate Energy Votes on FERC, Interior Nominees Expected Soon

The Senate Energy and Natural Resources Committee could vote next week on the Federal Energy Regulatory Commission (FERC) nominations of Kevin McIntyre and Richard Glick, committee Chairwoman Lisa Murkowski (R-AK) said after a confirmation hearing. Murkowski also said the committee would also vote on Joseph Balash's nomination for Interior Assistant Secretary for Land and Minerals Management. Murkowski suggested that timeframe after a noncontroversial confirmation hearing. Among notable answers to questions, McIntyre, an energy sector lawyer, and Glick, the committee's Democratic General Counsel, both said states have the authority to adopt renewable portfolio standards without overstepping into FERC's jurisdiction. They also said that states can adopt a resource mix that best serves the customers. Full Senate votes to confirm the FERC nominees would fill two remaining commission seats.

House Panel Taking Realistic Outlook on PURPA Reform

Several House Energy and Commerce Committee Republicans and Democrats signaled interest in updating the Public Utility Regulatory Policies Act (PURPA) during a hearing to get industry views, but they also acknowledged that it will take a hard push to get legislation passed. Energy Subcommittee Chairman Fred Upton (R-MI) said the panel's hearing was a "first step" in considering whether a PURPA overhaul bill was needed or appropriate. PURPA (Section 210) requires utilities to buy power from some small generators (often renewable resources). The committee recognized there have been significant changes in electricity markets, generation technologies and state regulations since PURPA became law in 1978. Committee concerns include abuse of a section added in 2005 to create a "one-mile" rule treats affiliated generation facilities located within one mile as one location. Some developers site generation facilities one mile apart to classify them as separate facilities, when they should be considered one large facility. NRECA has a resolution supporting legislation to repeal PURPA Section 210 completely.

Senate Committees Start Health Care Hearings as Strategy Shifts

Senate committee hearings have started to review potential reforms to the Affordable Care Act (Obamacare). Republican leaders will likely attempt to shift from the earlier strategy to pass repeal and replace legislation. The Senate Parliamentarian has ruled that the deadline to use a budget procedure to pass health care reform legislation with only a simple majority in the Senate ends on September 30, which is unlikely to happen. Congress may attempt to use that procedure next year for tax reform legislation, and it can only be used once per fiscal year. This will impact how the Cadillac Tax is addressed, whether through health care reform or tax reform legislation.

New FEMA Procurement Toolkit Available

NRECA has developed a new FEMA Assistance and Procurement Toolkit, which is available on Cooperative.com. The toolkit explains the FEMA Public Assistance Program process, and provides a procurement overview and the procurement requirements. The toolkit includes links to FEMA documents, generic documents co-ops can download and use, and case studies. There is a check list to use during disasters, procurements and audits, and a section on what to do and what to avoid when completing your procurement documents. NRECA will host two future webinars on the toolkit.