



MEMORANDUM

March 29, 2013

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

FROM: Jo Ann Emerson, Chief Executive Officer

Notes to Co-op Nation:

A Huge Win! CFTC Order Exempts Most Electric Co-op Transactions

This is big!! CFTC just issued a final [order](#) that gets virtually all electric co-op transactions out from under most CFTC jurisdiction. It exempts everything but financially-settled swaps done for speculative purposes. Our exemption covers all [transactions](#) among electric co-ops, municipal utilities, federal power agencies, federal agencies and Indian tribes. We're still reviewing the order, but so far it seems to mean real cost savings for electric co-op member-owners. This resolves one of many issues we've been working to address at the CFTC since Congress passed the Dodd-Frank law in 2010.

Tell Your Congressional Leaders to Support RUS Loan Program

With lawmakers back home during the recess, please take the opportunity to talk with them. You can highlight that the RUS Electric Loan Program is a priority for us in the upcoming appropriations debate. Urge your House members to sign a letter sponsored by Reps. Conaway (R-TX) and Peterson (D-MN) supporting the RUS loan program. It will be sent to the House Appropriations Agriculture Subcommittee on April 9, just after the recess.

Let's Get Congress Warmed Up for LIHEAP Funding

The Low Income Home Energy Assistance Program is important to rural communities, where extreme weather and economic crises hit hard. So, on April 10 we'll be at Capitol Hill for "LIHEAP Action Day" to emphasize the need for adequate funding. Your electric co-op or statewide association can help by signing a [letter](#) to Congress by April 5. [LIHEAP](#) helps many fixed-income households cope with home fuel costs during cold and hot weather emergencies.

Working All Angles on Fix for Electric Water Heater Efficiency Standards

It's still up in the air... will the Department of Energy (DOE) give electric co-ops a workable waiver from large electric water heater efficiency standards? Next week, you'll get our sample comments on issues co-ops raised at this month's public meeting. Please add your co-op's

details and send them to DOE by April 29. While we push DOE for administrative changes, we're also meeting with congressional offices to advocate for a legislative solution. This is a different effort on a separate track than the alert I sent you yesterday about the Natural Resources Defense Council's proposal to change the International Energy Conservation Code standards for local building codes.

Sign Up for Information Sharing; New NERC Vegetation Standards

As Congress and the Administration sharpen their focus on cybersecurity, electric co-ops should create a strong record on grid protection. Make sure to [register](#) for NERC's electric sector information sharing and analysis center (better known as ES-ISAC). The ES-ISAC will send you important information and updates on grid threats and vulnerabilities. Also, FERC has approved NERC's revised vegetation management [standards](#) (FAC-003-2) for transmission lines. [Barry Lawson](#), NRECA's Associate Director, Power Delivery and Reliability, can provide more details.

New ESA Legislation Targets 'Sue and Settle' Lawsuits

We're ramping up efforts to get targeted reforms on endangered species issues. Senate and House leaders have rolled out bills to stop environmentalists' "sue and settle" legal tactics in Endangered Species Act cases. Lawsuits filed against the Fish and Wildlife Service to force listings of species as endangered often end up in closed-door settlement negotiations with no public input. Bills by Reps. Flores (R-TX), Carter (R-TX), Conaway (R-TX), Pearce (R-NM), Thornberry (R-TX) and Sen. Cornyn (R-TX) would open the doors on settlement negotiations and give stakeholders (like electric co-ops) a say in settlements impacting their communities.

A Co-op Friend Plans to Move On and We Wish Him Good Luck

I'm sorry to hear that Agriculture Under Secretary for Rural Development Dallas Tonsager plans to leave USDA. Under Secretary Tonsager's leadership on rural development issues has been helpful to Co-op Nation. That's no surprise given his deep, South Dakota roots and his long ties to electric co-ops. We'll miss Dallas, so I hope you'll join me in wishing him well.