

MEMORANDUM

April 5, 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:

We have until Tuesday, April 16, to get more House members to sign the letter supporting the RUS Electric Loan Program before it goes to the House Appropriations Agriculture Subcommittee. 58 House members (35 Democrat, 23 Republican) have already joined Reps. Conaway (R-TX), Peterson (D-MN) and Blackburn (R-TN) on this letter. A strong showing of support at the start of the appropriations process has a big impact on funding decisions. Thanks to all of you who've already weighed in with your House members!

We'll get a look at the Administration's recommendations for RUS electric loans, PMAs and other core programs when the President's budget proposal comes out next week.

Legislative Conference Just Ahead – Check Your Plans

It's just three weeks until our annual Legislative Conference in Washington, D.C., April 28 to May 1. Don't forget to check Cooperative.com for updates on the agenda, forums and issues we'll take to the Hill. I look forward to visiting with you during the town hall sessions. And yes, there'll be an App available for Android, iPhone and iPad about a week before the conference!

Thanks for Signing LIHEAP Letter as We Gear up Action Day Next Week

Thank you to the more than 80 electric co-ops and statewide associations that signed on the letter urging Congress to support the Low Income Home Energy Assistance Program. We'll take this letter to Capitol Hill during LIHEAP Action Day on April 10 to emphasize the need for adequate funding. LIHEAP helps many fixed-income households cope with home fuel costs during cold and hot weather emergencies.

New WAPA Administrator says Reliable and Affordable Electricity is Important

In the announcement of his selection as new WAPA Administrator, Mark Gabriel said, "I've witnessed firsthand the importance of reliable and affordable electricity. We have a unique opportunity to help strengthen our infrastructure while increasing the security and reliability of the grid." Co-op Nation looks forward to working with the incoming Administrator to preserve the benefits of the federal hydropower system and PMA-

marketed electricity in WAPA's five unique regions for years to come. Mr. Gabriel has worked 24 years as an energy sector consultant on infrastructure modernization and served as an acting President at EPRI (Electric Power Research Institute). He is the author of a book, *Visions for a Sustainable Energy Future*, on how energy companies can remain successful while meeting future capacity needs and also addressing environmental issues.

'Bill of Rights' for Derivatives End-Users Unveiled by CFTC Commissioner

We applaud CFTC Commissioner Bart Chilton for proposing a derivatives market ["End-User Bill of Rights"](#) that emphasizes the Dodd-Frank law is intended to protect derivatives end-users like co-ops and consumers. He also supports extending a "no action" waiver to give derivatives end-users more time to comply with a reporting rule that starts April 10. We're urging CFTC to set up a system to quickly answer to end-user questions on rules and provide reasonable time to comply.

Coal Ash Bill to be Teed Up at House Hearing

A House Energy and Commerce subcommittee hearing will focus on a draft coal ash bill by Rep. McKinley (R-WV) next week. The bill would prevent EPA from regulating coal ash as a hazardous material. It attracted bipartisan support in the last Congress, but didn't make it over the finish line. Your work has helped us secure several Republican and Democrat sponsors for this year's effort. We're also working with Senate co-op friends on a companion bill in the Senate.

Energy and EPA Nominees to Face Senate Hearings and Tough Questions

Two more Cabinet nominations important to electric co-ops come up for Senate hearings next week, so we're asking the committees to raise electric co-op issues. For Dr. Ernest Moniz, the nominee for Energy Secretary, that means federal hydropower and energy efficiency, among other issues. Gina McCarthy's nomination for EPA Administrator will likely get a ton of questions about burdensome power plant regulations that drive up the cost of electricity.

Administration Keeps up Drumbeat on Cybersecurity

The National Institute of Standards and Technology is ramping up implementation of the White House's February 13 executive order on cybersecurity. It held a webinar this week on its year-long process of developing a sweeping voluntary cybersecurity framework. During the webinar, NIST heard loud and clear that the electric sector already has strong mandatory standards. On Monday, NRECA will file comments at NIST re-emphasizing this point and highlighting unique co-op efforts, like CRN's cybersecurity training.