



MEMORANDUM

April 19, 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:

Outstanding! 134 Signatures on House RUS Letter

You stepped up to the challenge and surpassed your previous efforts on the House letter supporting the RUS Electric Loan Program. 134 lawmakers (71 Democrats, 63 Republicans) signed with Reps. Conaway (R-TX), Peterson (D-MN) and Blackburn (R-TN) on our letter (list attached) to the House Appropriations Agriculture Subcommittee. Thank you for this outstanding effort!

RUS will be one of the priority items we'll work on the Hill during the Legislative Conference that starts next weekend. Our other issues: electric water heater efficiency standards, coal ash regulation and preserving our pole attachment exemption. And, I'm pleased that Agriculture Secretary Tom Vilsack has agreed to be our keynote speaker! He will talk about growing rural America's political strength.

Cybersecurity Bill on Information Sharing Clears the House

We support the cybersecurity legislation (H.R. 624) the House passed on a 288-127 vote because it would improve cyber threat information sharing between government and industry. Amendments easing some concerns about protecting individual privacy helped the bill pass by a wider margin and with more Democratic support than last year. This could help build momentum for a similar bill in the Senate.

Utility Line Workers Recognized by Senate for Their Efforts

I applaud the Senate for passing a resolution designating yesterday as "National Linemen Appreciation Day." It's worthy praise for the men and women who work hard each day to keep power reliable and safe for all of us. The Co-op Nation is grateful for their bravery during storms and disasters and their unfailing spirit of cooperation.

Keep Your Comments Coming on Fix for Electric Water Heater Efficiency Standards

We're excited to see some of your comments asking the Department of Energy (DOE) to give

electric co-ops a workable waiver from large electric water heater efficiency standards. Keep'em coming! Don't forget, all comments must get to DOE by April 29. You can use the sample model comments attached and add your co-op's details. Along with pushing DOE for administrative changes, we are working for a legislative solution.

Taking No Chances in Tax Reform Talks

We're not taking any chances as Congress begins to discuss tax reform, though it's unlikely any bill passes this year. We sent [comments](#) to the House tax reform working groups flagging our opposition to any tax changes that would harm employee pension and health benefits and support for a level playing field on energy tax incentives. We'll keep the working groups in our sight!

Coal Ash Bill Introduction Delayed, but We're Keeping at It

House energy leaders delayed the expected reintroduction of coal ash legislation. Rep. McKinley (D-WV) said he still intends to introduce a bill similar to legislation that drew bipartisan support last Congress. The bill seeks to prevent EPA from regulating coal ash as a hazardous material. We're continuing to build bipartisan House and Senate support.

Co-ops Get New Additional Relief from FERC Transparency Rule

Electric co-ops got a little more relief from FERC's transparency rule for energy market information. The commission issued an order that allows potential waiver requests, relief from using soon-to-be-outdated software, and filing extensions for first-time filers having difficulty with the filing process. Last year, NRECA successfully convinced FERC to narrow the requirements so that co-ops don't have to report member sales data.

EPA Wastewater Rules for Power Plants will Impact Co-ops

EPA's proposed rule for power plant wastewater guidelines should be signed late today. So, we won't see it before Monday. This rule will apply to all power plant bottom ash, fly ash and FGD scrubber wastewaters and non-chemical metal cleaning water. We've already voiced concerns that this rule will cost a lot more (particularly for coal plants) than any wastewater rule EPA has proposed before, especially for the small amount of pollutants removed. EPA says it won't impact small power producers that much, but we'll see. EPA is under a sue-and-settle agreement to finalize the rule by May 2014, so the comment period could be 60 days or less.

Moniz Nomination Moves to Full Senate; Committee Action on McCarthy Possible

Earnest Moniz's nomination for Energy secretary was approved by the Senate Energy Committee on a 21-1 vote. The nomination could get a floor vote next week. Gina McCarthy, the nominee for EPA Administrator, could be considered by the Senate Environment Committee also next week.

Attached: RUS letter, Model water heater comments.