



## MEMORANDUM

April 26, 2013

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

FROM: Jo Ann Emerson

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### *Notes to Co-op Nation:*

#### ***Big Win on One Front in Water Heater Battle, More Work to Do on Other Fronts***

Electric co-ops won a major victory in our battle to continue using electric resistance water heaters. A committee of the International Code Council (ICC) voted 11-0 to reject a proposal by the Natural Resources Defense Council to ban electric resistance water heaters in its model local building standards for new residential and commercial buildings. Electric co-op members can keep using affordable electricity for water heating.

And, it gets better! Another conservation code proposal to eliminate electric resistance space heating in new buildings also failed. This good news means we won't have to work it at the ICC's October meeting. But, we'll have to be ready for more harmful electric water heater proposals when the ICC meets again in two years.

#### ***Keep Working on DOE Water Heater Efficiency Standards Waiver - Comments Due***

We're still pushing to get the Department of Energy to give electric co-ops a workable waiver from its large electric water heater efficiency standards. Next Monday, April 29, is the deadline for comments. NRECA is sending comments on issues co-ops raised at last month's public meeting. Please send yours by April 29. To help, NRECA drafted model comments (attached) to which you can add your co-op's details if you wish. We're still meeting with congressional offices on a possible legislative solution on this issue. Please help us work this issue during the Legislative Conference!

#### ***We'll See You Here for Legislative Conference to Work Together on Priorities***

We're putting the final touches on the Legislative Conference that starts this Sunday. I'm excited about the opportunity to talk with you and work on several issues. Our priorities are RUS electric loans, coal ash regulation, electric water heater efficiency standards and our pole attachment exemption. Check out [Cooperative.com](http://Cooperative.com), NRECA's [Facebook](https://www.facebook.com/nreca) page or the conference [itunes](#) and [Android](#) Apps for the agenda.

#### ***Bad News from RUS Administrator – Restrictions Even on Distribution Co-op Loans***

We heard some really bad news confirmed by Acting RUS Administrator John Padalino in

testimony to a House Appropriations subcommittee. The President's budget proposal includes language that would prevent co-ops from using RUS loans for any non-renewable generation, transmission and even routine distribution projects. We're already telling Congress this is a very bad idea that, if carried out, would kill the RUS program. You can bet Congress will hear about it from Co-op Nation during the Legislative Conference!

### ***First Look at Power Plant Wastewater Rule Reveals Several Concerns***

As expected, we have several major concerns with the EPA's proposed rule for wastewater from power plant bottom ash, fly ash and Flue Gas Desulfurization (FGD) scrubbers. The 500-page "pre-publication" copy lists eight regulatory options for seven wastewater streams and would likely cost a lot more (particularly for coal plants) than any wastewater rule EPA has proposed before, especially for the small amount of pollutants removed. The rule will be published in the *Federal Register* within two weeks. We're sending a letter to EPA seeking a 90-day extension for the comment period, because EPA's unrealistic comment schedule will significantly limit public input.

### ***Senate Bill would Reduce Red Tape for Right-of-Way Maintenance***

We're glad to see Sens. Hagan (D-NC) and Crapo (R-ID) are getting ready to reintroduce legislation to eliminate duplicative pesticide and herbicide permitting. The "Sensible Environmental Protection Act" would block a federal court order that forces pesticide applicators, like electric co-ops, to get a Clean Water Act permit in addition to the long-standing pesticide permit. Electric co-ops were already getting a federal permit for herbicide use on rights-of-way. This bipartisan legislation passed the House and cleared the Senate Agriculture Committee in the last Congress, but did not get to a Senate floor vote.

### ***Co-ops Face Near-Term Compliance Deadline on RICE Rule for Backup Generators***

We continue to hear concerns from co-ops about EPA's final Reciprocating Internal Combustion Engines (RICE) rule for small backup diesel generators. As a reminder, May 3, 2013, is EPA's compliance deadline. If you're operating these units as "emergency" generators, you're not required to submit a notification, but will need to maintain records on your hours of operation as of this date. Please remember that while emergency RICE units may forego emission controls, they are restricted both by hours of operation and conditions of operation. Please also note that the deadline for spark ignition engines is October 19, 2013. Contact [Ted Cromwell](#) or [Rae Cronmiller](#) with any questions.

### ***Sign Up Now for Utility Spill Prevention Webinars***

You can sign up now for three webinars on June 11 and 20 on EPA's Spill Prevention Control & Countermeasures (SPCC) program. Mark Howard, EPA's SPCC Technical Team Leader, will highlight provisions that may apply to utility sites. Two webinars will specifically address rules for distribution coops, with another for G&Ts that store oil and must do tank integrity testing. Mark your calendars and sign up on [Cooperative.com](http://Cooperative.com).

**Attached:** Model water heater comments