

Notes to Co-op Nation

May 10, 2013

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

FROM: Jo Ann Emerson

Co-op Nation Helps Showcase Electric Utility Disaster Response for President

NRECA Board Vice President Mel Coleman and I were proud to represent Co-op Nation at a Department of Energy (DOE) meeting on “lessons learned” from Hurricane Sandy last year. President Obama attended part of the meeting, and I highlighted the co-op difference for him. The Federal Emergency Management Agency leads the federal response to natural disasters, but DOE got very engaged last fall. Now, DOE wants to work with the entire utility sector to plan even tighter federal-industry coordination ahead of natural disasters and cyber-attacks. Below is a White House photo of our meeting with the President.



One-Two Punch! 27 Senators Sign Letter Supporting RUS

Another tremendous effort by electric co-ops resulted in 27 senators signing the Senate letter (attached) supporting the RUS Electric Loan Program. Fifteen Democrats, eight Republicans and two Independents joined Sens. Heitkamp (D-ND) and Isakson (R-GA) in writing to the Senate Appropriations Agriculture Subcommittee. In just a week, you surpassed the 22 signers on our 2011 Senate letter. Thanks for delivering a huge one-two punch with the House RUS letter signed by 134 lawmakers and 14 more members on separate letters!

Good News and Some Concerns in Senate Draft Farm Bill

Our quick review of the 1,100-page draft Senate farm bill released late yesterday showed provisions that electric co-ops support and some that raise serious concerns. The draft contains our Rural Energy Savings Program authorization and railroad reform language that we worked to hold from last year's farm bill debate. But, we oppose the rural broadband access language. The House farm bill was just released today, and we'll be working for additional provisions in that debate. The Senate and House Agriculture Committee markups are next week and we're working to get what we need in a final farm bill.

House 'Funny Math' Proposal Again Threatens RUS Loan Program

We'll fight a bill reintroduced by Rep. Garrett (R-NJ) that threatens RUS loans. It's another attempt to change the budget formula for "scoring" federal loans and loan guarantees to "fair value accounting." I call it "funny math" because it uses Enron-style accounting in a way that would unfairly impact RUS loans, a very low-risk loan program that makes money for the government. But, fair value accounting would make the program look more costly on paper. The bill could go to the floor this month. Working with statewide associations, we kept some of last year's supporters of the bill from cosponsoring it again this year after they heard we had concerns about it.

Hydropower Bills Approved by Senate Committee, Floor Votes Next

We applaud the Senate Energy Committee for moving legislation to increase development of clean, renewable hydropower that benefits rural America. The committee agreed by voice vote to advance legislation for floor debate. This legislation would promote small hydropower development and ease federal hydropower licensing rules. I'm glad to see bipartisan support for hydropower has become a theme in the Senate Energy Committee lately. Chairman Wyden (D-OR) again endorsed hydropower as a renewable resource, saying, "Hydropower is the gold standard for collaborating on energy."

On another front, we're working during Senate floor debate on the Water Resources Development Act to bring attention to a provision we oppose. The bill would allow changes in Army Corps of Engineers dam operations that could undermine the main purpose of keeping preference customer rates as low as possible. We sent a letter to the Senate Environment and House Transportation committees (attached) about these concerns.

More Signers Needed on Letter to DOE about Water Heater Issue

We need your help getting cosigners on House and Senate letters to DOE led by Sens. Chambliss (R-GA) and Pryor (D-AR) and Reps. Barrow (D-GA) and Mulvaney (R-SC). We're starting to see results from your Hill outreach during Legislative Conference. But, we must work quickly to get cosigners by the Thursday, April 16, deadline. Please urge your members of Congress to tell DOE that we need a workable waiver so electric co-ops can continue using large water heaters for demand response. We're also working on potential legislation to address this issue. The more attention we can bring to it, the better our chances for a legislative fix.

Co-ops Welcome New Endangered Species Working Group

Co-op Nation welcomes House Natural Resources Chairman Hastings' (R-WA) decision to

create an Endangered Species Working Group. We're greatly concerned about the Fish and Wildlife Service's aggressive schedule for considering 171 ESA listings and regulations this year. We look forward to cooperating with the new working group on the need to update the law for greater stakeholder input and transparency.

Bipartisan Effort on Simplifying How Co-ops Maintain Rights-of-Way

Sens. Hagan (D-NC) and Crapo (R-ID) have introduced a bill (S. 802) to block overlapping pesticide regulations. The "Sensible Environmental Protection Act" would clarify that pesticide applicators don't need to get a Clean Water Act permit from EPA on top of existing regulations. The federal government shouldn't be making it harder for electric co-ops to maintain rights-of-way. This is a companion bill to H.R. 935 reintroduced by Rep. Gibbs (R-OH). The House passed this bill last year.

Attached: Senate RUS letter, federal hydropower letter.