



### *Notes to Co-op Nation*

May 24, 2013

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

FROM: Jo Ann Emerson

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#### ***Co-op Nation Stands with Oklahoma in Thoughts and Actions***

Along with sending our thoughts and prayers, I'm proud that Co-op Nation is reaching out to support the devastated Oklahoma communities. Line crews from neighboring electric co-ops are helping to restore power lines and co-ops across the country are contributing to the [Touchstone Energy Cooperatives Oklahoma Relief Fund](#). In recognition of all those efforts, I authorized a \$25,000 donation on behalf of the NRECA Board and staff. This is the cooperative difference I told President Obama about during the Department of Energy (DOE) meeting with utility sector leaders about federal-industry coordination on disaster response. I hope he'll recognize our spirit of cooperation when he visits Oklahoma Sunday.

#### ***Senate Farm Bill Debate to Resume after Recess, Several Electric Co-op Issues in Play***

Our electric co-op provisions are holding as debate on the Senate farm bill (S. 954) continues. The base bill includes authorization for RUS to provide energy efficiency loans, reauthorizes the RUS Guaranteed Underwriter Loan program and updates a study of railroad pricing abuses. While we support this bill, we are concerned by language that would needlessly create layers of red tape for the RUS Broadband program, making it more costly and burdensome for co-ops. Nearly 200 amendments have been filed so far; Senate debate will resume after next week's Memorial Day recess. The House is expected to start floor debate on its farm bill (H.R. 1947) next month.

#### ***Co-op Nation Highlights Our Cybersecurity Leadership at House Hearing***

Duane Highley, President and CEO of the Electric Cooperatives of Arkansas, testified to the House Energy and Commerce Committee about electric co-ops' leadership in safeguarding against cyber attacks. We emphasized that electric co-ops take threats to electric reliability and their members' data seriously and we're engaged in a strong, collaborative defense against threats. Duane offered some common sense advice to the committee: The mandatory NERC process works; don't mess it up. We also issued a [statement](#) to set the record straight immediately after Reps. Waxman (D-CA) and Markey (D-MA) issued a "grid vulnerability report" that deeply mischaracterized utility sector cybersecurity efforts. Also this week, the House Homeland Security Committee released a draft cybersecurity bill outlining some non-regulatory roles for the Department of Homeland Security. NRECA is providing comments on the draft and following up with key staff.

### ***Thank You! 94 Congressional Leaders Sign Letters to DOE on Water Heater Issue***

Your hard work got 94 lawmakers to sign the House and Senate letters (attached) to DOE this week urging a workable waiver so electric co-ops can continue to use large water heaters for demand response. 18 senators (12 Republicans and 6 Democrats) signed the letter led by Sens. Chambliss (R-GA) and Pryor (D-AR). The House letter led by Reps. Barrow (D-GA) and Mulvaney (R-SC) was signed by 76 lawmakers (65 Republicans and 11 Democrats). Thank you for this great effort! House and Senate members not on the letters can write to DOE supporting our position. We're also seeking language on this issue in Senate efficiency legislation that has slowed, but could move this summer.

### ***We Support Bill for Balanced Approach on Federal Building Energy Efficiency***

We sent a letter (attached) supporting legislation for a balanced approach to energy efficiency in federal buildings, including military sites and post offices served by electric co-ops and other utilities. The All-Of-The-Above Federal Building Energy Conservation Act (S. 1020) by Sens. Hoeven (R-ND) and Manchin (D-WV) would repeal a law that prevents the use of fossil fuels in new federal buildings and upgraded buildings starting in 2030. The bill includes language on efficiency improvements that we support. This bill is already drawing opposition from environmentalists and other groups. While it is a stand-alone bill, it will mostly likely wait for the expected Senate energy efficiency legislation and could become an amendment to that measure.

### ***Our Fight Moves to Senate on Bill to Protect Utilities Responding to Reliability Orders***

We're looking to the Senate for a fix on the Resolving Environmental and Grid Reliability Conflicts Act (H.R. 271) the House passed by voice vote. This legislation misses in its attempt to protect electric utilities from EPA fines and private lawsuits for breaking federal environmental laws while complying with DOE emergency orders to keep power flowing on the grid. While the bill's intent is spot-on, we need to make its protections airtight. We're flagging problematic language that allows federal courts to nullify the DOE orders, thereby removing intended utility protections.

### ***We're Watching Senate Chemical Safety Legislation for Potential Utility Impacts***

We're reviewing a 120-page chemical safety bill introduced by Sens. Lautenberg (D-NJ) and Vitter (R-LA). The Chemical Safety Improvement Act (S. 1009) would broaden EPA's authority to regulate chemicals under the Toxic Substances Control Act. We're keeping an eye on this bill to make sure it doesn't negatively impact electric utilities.

### ***Congratulations to RUS Administrator Padalino***

We welcome the news of John Padalino's official appointment as RUS Administrator late yesterday. He has served as acting administrator since last September and we look forward to building on the good discussions we've had with him.

**Attached:** House-Senate letters to DOE, NRECA letter on S. 1020.