

### *Notes to Co-op Nation*

June 21, 2013

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

FROM: Jo Ann Emerson

---

#### ***Stunning Defeat for House Farm Bill***

We continue to urge the House to work on passing a farm bill after the disappointing 195-234 vote to reject the latest version (H.R. 1947). House Republican leaders are considering the next steps, including another extension when the current law expires September 30. Co-op Nation is at the forefront of a big rural coalition working with key leaders to keep the process moving to conference with the Senate bill. The next steps are unclear. As the dust settles, we will coordinate with the Agriculture Committee and House leadership to get the bill rolling again.

The House debate so far shows support for two floor amendments advanced by electric co-ops. An amendment by Rep. Gardner (R-CO) improves the environmental review process for RUS loan projects to reduce the cost and time. Another amendment by Rep. Pearce (R-NM) on the Endangered Species Act (ESA) requires a USDA study on the economic impacts of a “threatened” species listing for the lesser prairie chicken. We’re also pleased the House defeated Rep. Gingrey’s (R-GA) amendment to eliminate the RUS Broadband loan program.

Our core farm bill provisions restore baseload lending for RUS and clarify that lien changes should not trigger major environmental studies. The bill authorizes a RUS energy efficiency program and rural transportation study that includes railroads, but takes a different approach from the Senate bill passed last week. The broadband language is more workable for electric co-ops, but we still need changes to benefit rural areas. H.R. 1947 also clarifies that pesticide applicators, including electric co-ops, don’t need a Clean Water Act permit on top of existing regulations.

#### ***Youth Tour Highlighted on House Floor and More on Our Facebook Pages***

I really appreciate Rep. Jack Kingston (R-GA) [highlighting](#) (R-GA) Youth Tour and congratulating the high school juniors and seniors from Georgia and across Co-op Nation. See the Youth Tour students’ activities and memories on the [Youth Tour](#) and [NRECA](#) Facebook pages.

#### ***Coal Ash Legislation Clears House Committee***

Coal ash legislation we support cleared the House Energy and Commerce Committee on a bipartisan 31-16 vote. We urged the committee to pass the bill and signed a utility industry letter

(attached) urging passage of the Coal Residuals Reuse and Management Act (H.R. 2218), which provides the best path to regulatory certainty. The bill directs EPA to regulate coal ash as non-hazardous, allows states to choose to run their coal ash programs and also sets deadlines for states to issue permits. It includes federal standards to protect the environment.

### ***NRECA Urges Lesser Prairie Chicken Not Listed as ‘Threatened’ Species***

We sent comments urging the U.S. Fish and Wildlife Service (FWS) to make a decision not to list the lesser prairie chicken as a “threatened” species under an ESA rule proposed last December. The rulemaking is the result of a sweeping legal settlement between the FWS and environmental groups, and would impact electric co-ops in Kansas, Oklahoma, Texas, New Mexico and Colorado.

The controversial proposal drew an inquiry from several senators this week (attached), who praised the work of a private-public sector coalition to develop a five-state conservation plan to protect the species. Electric co-ops in the impacted areas are participating in that effort. NRECA is addressing electric co-op concerns on ESA issues, including active participation in the National Endangered Species Act Reform Coalition.

### ***Senate FY14 Appropriations Bill Supports RUS Electric Loans***

We welcome the Senate Agriculture Appropriations subcommittee’s show of support for RUS Electric Loan program funding in the FY14 Agriculture spending bill. Importantly, the bill rejects the Administration’s proposed restrictions to limit RUS lending. The bill includes \$5 billion in RUS electric loan levels, which is \$1 billion more than the President’s budget request, with up to \$2 billion for baseload with carbon capture and sequestration. It also provides \$500 million for the Guaranteed Underwriter Program. There is report language urging RUS to get its energy efficiency loan program started by October 1 and make a “significant” amount available for loans.

### ***NRECA Opposes Proposal to Expand CFTC’s ‘Swap Dealer’ Definition***

We’re working with several energy groups to get the Commodity Futures Trading Commission (CFTC) to reject a proposed change in derivatives market regulations that would raise energy costs for electric co-ops. We signed an industry letter urging the CFTC not to expand its “swap dealer” definition to include commercial end-users like electric utilities. We emphasized that co-ops use derivatives trades to reduce the risk of high power prices. The proposal to lower the trading level for the “swap dealer” category to \$3 billion would drag more utilities under the definition and raise electricity costs for electric co-op consumer-members.

**Attached:** NRECA farm bill letter, coal ash coalition House letter, Senate letter on lesser prairie chicken listing.