

*Notes to Co-op Nation*

June 28, 2013

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

FROM: Jo Ann Emerson

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***Co-ops Oppose President's CO<sub>2</sub> Regulation, Prolonged Battle Ahead***

We're already fighting the President's latest proposal to regulate power plant greenhouse gas (GHG) emissions at new and existing plants. Simply put, the Administration must recognize the need to keep electricity bills affordable. And, we'll be bringing that message every step of the way. For several years, we've warned the Administration that its tactic of using the Clean Air Act to reduce power plant carbon dioxide emissions is badly misguided.

We'll take this campaign across the nation and use every tool, including grassroots, political advocacy, media pressure and the courts. Right after the President's speech, Sam Nichols, NRECA's Iowa Board Member and a Director at Pella Electric Co-op, joined me in calling Midwestern radio stations to explain (talking points attached) how the plan will hurt rural America. Our message isn't "just say no"; instead, we also emphasize the need for a real "all-of-the-above" energy strategy.

We face a tough road ahead. The first hurdle comes September 20, when EPA is expected to issue a revised GHG emissions proposal for new power plants. A small victory for us is that EPA will not finalize its very aggressive proposed standard for new plants issued last year and is instead going back to the drawing board. In June 2014, EPA must propose a carbon emissions standard for existing power plants.

***Rep. Hastings says Co-op Issues Remain Committee Priorities, Accepts NRECA Award***

NRECA President Curtis Nolan and I were honored to present Chairman Doc Hastings (R-WA) with the Distinguished Service Award, Co-op Nation's highest honor for an elected official. Chairman Hastings, a member-owner of Big Bend Electric Co-op, accepted the award at the NRECA Board meeting and updated us on how the House Natural Resources Committee's work impacts key issues for electric co-ops, including Power Marketing Administrations (PMAs) and Endangered Species Act reform.

***Hydropower's Importance to Electric Co-ops Highlighted for House Panel***

A big thank you goes to Joel Bladow, Senior Vice President for Transmission at Tri-State G&T, for his House Energy subcommittee testimony on the PMAs' importance in providing low-cost power to preference customers like electric co-ops. He highlighted the success of co-op/PMA partnerships in delivering affordable, reliable power. He also urged Congress to block any

proposals that would undermine the PMAs' regional approach to their core mission of serving preference customers.

On a related issue, language protecting PMAs is in a FY14 Energy and Water spending bill the House Appropriations Committee passed on a 28-21 vote. The language would block use of FY14 funds to make changes outlined in the 2012 Chu memo, which sought to steer the PMAs away from providing hydropower at the lowest possible cost.

### ***RUS Public Meetings on Electric Loan Financing Coming Up***

We'll attend two RUS public meetings on July 9 in Washington, D.C., to present electric co-op comments about an advanced notice of proposed [rulemaking](#) on changing approaches to electric loan project funding and expanding renewable energy financing. The sessions start at 9 a.m. and 1:15 p.m. You can usually register on-line for this type of meeting, but this time the agency is only offering on-site registration an hour before each session begins. RUS wants input on the agency's ability to finance renewable energy projects and to gauge the level of interest among non-traditional applicants. Written comments are due by July 30.

### ***Decision on Lesser Prairie Chicken 'Threatened' Listing Delayed***

I issued a [statement](#) supporting the U.S. Fish and Wildlife Service (FWS) for extending its review of a proposal to list the lesser prairie chicken as "threatened" under the Endangered Species Act. The FWS will make a decision on whether to list the lesser prairie chicken in March 2014, providing time for a voluntary protection effort to demonstrate its success. NRECA and several statewide associations are working with congressional leaders in urging the FWS not to approve the plan. The proposed listing is the result of a sweeping legal settlement between the FWS and environmental groups, and would impact co-ops in Kansas, Oklahoma, Texas, New Mexico and Colorado.

### ***Maintain Tax Exemptions that Impact Electric Co-ops is Our Message to Senate***

We're talking with Senate Finance Committee leaders about the need to maintain tax exemptions for electric co-ops after the committee sent a letter jump-starting its review of potential tax code reforms. The committee is starting with a "blank slate" and all exemptions on the table. We're asking Senate offices to send letters supporting energy, pension and health tax provisions that impact electric co-ops. We sent comments to the House tax reform working group on this issue in April.

### ***Senate Action on Energy Efficiency Legislation Possible***

We're trying to influence a Senate energy efficiency bill that could present an opportunity to fix problems with the Energy Department's unreasonable large electric water heater efficiency standards. The bipartisan measure (S. 761) could come up for floor debate the week of July 8. We're seeking language that would provide a workable solution to the water heater issue.

**Happy Fourth of July!** Legislative and regulatory action will slow over the Fourth of July holiday week, so N2CN will take a break. I'll update you again on July 8.

**Attached:** Talking points on President's climate plan.