

Notes to Co-op Nation

September 20, 2013

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

FROM: Jo Ann Emerson

GHG Rule for New Power Plants Unrealistic; Co-ops Get Out Front on Concerns

Co-op Nation is speaking up loud and clear about the Administration's proposal to regulate greenhouse gas (GHG) emissions from new coal and natural gas power plants. I issued a [statement](#) to highlight problems with this "All-But-One" policy that will prevent new coal-based power plants from being built in the future.

We're up and running with a grassroots push asking EPA to withdraw this rule and work with electric co-ops on common-sense solutions. The rule is just the first step in a multi-year rollout of regulations for power plant GHG emissions. EPA will propose a carbon dioxide emissions standard for existing power plants in June 2014, with a final rule due in June 2015.

The Administration proposal will separate coal and natural gas plant standards. The coal plant standard is based on carbon capture technology that is costly and not commercially viable. The official comment period on this aggressive proposal will start when it appears in the *Federal Register* in a few weeks, but please urge your co-op leaders, employees and member-owners to log on starting today to Action.coop and send a strong message to EPA.

Legislative Fix for Electric Water Heater Standards Stalled with Energy Efficiency Bill

Our legislative fix for the Energy Department's large electric water heater efficiency standards is delayed after the Senate pulled its energy efficiency bill (S. 1392) from floor debate to focus on a continuing resolution to keep the government funded. Sens. Hoeven (R-ND) and Pryor (D-AR) offered an amendment to S. 1392 to fix problems with the electric water heater standards, and it was among non-controversial proposals to be considered. It is uncertain when, or if, this bill will come back up in the Senate. If it does, we'll work get our electric water heater efficiency standards fix attached.

House Clears Farm Bill Debate and Moving to Name Conferees

We're glad the House finished its farm bill debate and is moving to name conferees for negotiations with the Senate. The House could name conferees next week and start conference talks soon after, but huge differences in the two bills may not be resolved any time soon. We'll work our priorities on all sides: RUS electric loan, energy efficiency and broadband programs; streamlining environmental reviews; fixing duplicative pesticide applicator permit requirements; and updating a rural transportation study.

FERC Chairman Nomination Outlook Uncertain after Senate Hearing

Senators are voicing “yes” or “no” positions on Ronald Binz’s nomination for Federal Energy Regulatory Commission Chairman after a very spirited confirmation hearing. The outcome is uncertain with at least half of the Senate Energy and Natural Resources Committee - Sen. Manchin (D-WV) and all Republicans - opposing confirmation. This nomination is in trouble unless Senate Majority Leader Reid (D-NV) finds a way to get it to the Senate floor. Meanwhile, we’re working with committee members to raise issues in their written questions and in any other meetings Mr. Binz has with senators. While the outlook is uncertain, this is far from over.

House Committee Approves Bill to Ease Regulatory Burdens on Small Businesses

We’re pleased the House Small Business Committee approved a bill aimed at getting federal agencies to do a better job of considering how regulations burden small businesses, including small electric co-ops. We were successful in getting two amendments to the Regulatory Flexibility Improvements Act (H.R. 2542): 1. Agencies would have to show how they determined a rule’s small business impacts; 2. Businesses would be able to provide input on rules during the inter-agency review process. We sent a letter supporting the bill.

House Passes CR, Coming Back Next Week for Possible Negotiations with Senate

The House passed a FY14 continuing resolution (CR) to keep the federal government funded through December 15, 2013. The House will return Wednesday for possible negotiations with the Senate, which could pass its version of a CR next week. The House bill (H.J. Res. 59) would keep Rural Utilities Service (RUS) electric loan levels at \$6.5 billion and reject the Administration’s proposal to restrict RUS lending. Power Marketing Administration funding also remains level. However, the CR is caught in a larger partisan debate about defunding the Affordable Care Act and the path forward is unclear at this point. Congress must pass a bill by October 1 to avoid a government shutdown.

NRECA Urges FEMA to Ensure the Right Rules Apply to All Co-ops

Many of you have heard that Federal Emergency Management Agency (FEMA) regional decisions to deny funds have hit some Iowa and Minnesota electric co-ops hard. The regions have ignored FEMA national policies. NRECA has been working to communicate to FEMA that we value their support in disaster recovery but want to make sure the right rules apply to all electric co-ops. I sent a letter to FEMA Administrator Fugate (attached) and we made certain that FEMA officials got pointed questions in a House hearing this week.

NRECA Seeking Opportunities to Boost Development of Future Energy Workforce

I joined several NRECA senior staff members for a meeting with the Center for Energy Workforce Development (CEWD) to explore opportunities to work with other groups on boosting the energy worker pipeline. CEWD is a non-profit group of electric, natural gas and nuclear utilities and their associations whose mission is to build the alliances, processes and tools to develop tomorrow’s energy workforce. NRECA is a founding member.

Attached: Letter to FEMA.