

### *Notes to Co-op Nation*

November 8, 2013

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

FROM: Jo Ann Emerson

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#### ***Co-ops Voice Message Loud and Clear in Final Listening Sessions***

A big thank you to Kansas, Texas, Arkansas, Illinois, Michigan, Wisconsin and Indiana co-ops for another outstanding effort in getting our “All-of-the-Above” message heard at several EPA listening sessions this week. Speakers opposing EPA’s plan outnumbered the other side or at least matched them one-for-one.

NRECA staff, Alabama Board Member Ed Short and the Virginia-Maryland-Delaware statewide association also emphasized this message at EPA’s Washington, D.C., session. We highlighted that EPA must recognize that electric co-ops are unique and work with us on a fair solution so we can continue to provide affordable, reliable electric service for our members.

#### ***‘All-of-the-Above’ Campaign Update – Keep Sharing Your Ideas!***

Keep up the good work highlighting why Co-op Nation opposes EPA’s “All-But-One” climate plan and urge your leaders and member-consumers to send EPA a loud and clear message. Our Grassroots [Toolkit](#) has talking points, graphics and other materials to help you reach our goal of sending 1 million messages to EPA by the 2014 Annual Meeting. (State message counts attached.) Keep sharing your ideas with us so we can feature them here and on social media. Missouri co-ops are developing a state Action.coop billboard campaign with 12 displays in high-traffic areas and a month-long series of radio ads. They also are asking other organizations, state legislators and congressional leaders to urge their members and constituents to use Action.coop to send messages opposing EPA’s carbon regulations.

#### ***Administration’s ‘Social Cost of Carbon’ Estimates to Open for Public Comment***

We’re pushing back on the Office of Management and Budget’s (OMB) update of its “social cost of carbon” values. Social cost of carbon is a dollar value OMB puts on carbon dioxide emission impacts. By using higher carbon cost estimates in the analysis of Administration climate initiatives, OMB can claim a positive economic benefit for setting tighter environmental standards. We’ll urge OMB to stop using high estimates in its cost-benefit analysis for rulemakings. If OMB and EPA continue down this path, co-op consumer-members will face higher energy bills and appliance costs. We expect to see details on how to comment in the *Federal Register* in a few weeks.

### ***Senate Energy Committee Lends Supports to Stakeholders on Columbia River Treaty***

I welcome the Senate Energy and Natural Resources Committee's statements supporting a Columbia River Treaty update that lowers costs for Pacific Northwest ratepayers. At a committee hearing, lawmakers noted the U.S. pays Canada for half of the power Columbia River Basin dams generate – costing U.S. consumers \$250 to \$300 million each year. Pacific Northwest electric co-ops and NRECA are actively working for a treaty that's fair and equitable to Pacific Northwest electricity consumers. The treaty was last updated in 1964.

### ***Water Infrastructure Bill Conference Negotiations Gearing Up***

Informal staff discussions started in conference negotiations on the House and Senate water resources bills (H.R. 3080, S. 601). The Senate named its conferees: Sens. Boxer (D-CA), Baucus (D-MT), Carper (D-DE), Cardin (D-MD), Whitehouse (D-RI), Vitter (R-LA), Barrasso (R-WY) and Inhofe (R-OK). We're working on all sides to block Senate bill language allowing changes to Army Corps of Engineers dam operations. It could harm over 600 electric co-ops in 34 states that rely on federal hydropower to keep rates as low as possible.

### ***EPA Urged to Keep Grid Reliability Provision in RICE Rule for Backup Generators***

We sent comments urging EPA to stand firm against environmentalist efforts to eliminate reliability provisions we secured in the final Reciprocating Internal Combustion Engines (RICE) rule. The RICE rule established emission requirements for all backup generators and set strict operational limits for units designated as emergency backup generators. EPA [reopened](#) the final RICE rule in August for public comment after environmentalist challenges. EPA didn't go far enough in the final rule to address co-op concerns regarding peak shaving. Now we're fighting again to keep language on local grid reliability. Contact [Ted Cromwell](#) with questions.

### ***NRECA Continues to Emphasize Affordability and Local Control in Capacity Markets***

Electric co-ops have another chance to comment on centralized capacity markets to the Federal Energy Regulatory Commission (FERC). The Commission requested responses to several follow-up [questions](#) from its September technical conference. Comments are due to FERC by December 9, 2013. The questions focus on capacity markets' role in getting and keeping resources to meet future grid reliability and operational needs. FERC also wants comments on how to balance regulatory certainty with a possible need to revise the market rules in the future. NRECA will submit comments that we develop with feedback from our members.

### ***NRECA's Martin Lowery Elected to International Cooperative Alliance Board***

I'm proud to share news of NRECA Executive Vice President Martin Lowery's election to the International Cooperative Alliance Board at its annual meeting. It's a great recognition of Martin's commitment to promoting our electric co-op mission and values.

**Attached:** Co-op messages to EPA by state.