

Notes to Co-op Nation

November 22, 2013

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

FROM: Jo Ann Emerson

Great Time at Kentucky Co-ops Annual Meeting

Thank you to the Kentucky cooperatives for the tremendous hospitality at their Annual Meeting in Louisville. I enjoyed all of the conversations and learning from you. Clarence Lewis, Kentucky's Electric Cooperative [Youth Tour](#) representative, was truly impressive.

'All-of-the-Above' Campaign Update – More Great Ideas to Reach Out

Our inbox is flooded with your good ideas to highlight Co-op Nation's "All-of-the-Above" campaign and get your leaders and member-consumers to send the Environmental Protection Agency (EPA) a loud and clear message. Check out the photos (attached) of Oconto Electric Co-op CEO Byron Nolde's updated business card with Action.coop on back and Berkeley Electric Co-op greeting thousands of members with [message cards](#) at their annual meeting. Keep sharing your ideas! Go to our Grassroots [Toolkit](#) for talking points, graphics and other materials to help reach our goal of 1 million messages to EPA by the 2014 Annual Meeting. (State message counts attached.)

Outlook for Senate Legislation Uncertain after Rules Change on Nominations

Fifty-two Senate Democrats voted yesterday to change long-standing rules on filibusters of presidential appointments. This change only affects judicial and agency nominations. Legislation and Supreme Court nominations can still be blocked by filibusters, for the time being, and require a 60-vote supermajority to end. The media call this rule change the "nuclear option," because it takes away a major negotiating tool from the minority party. We're seeing clear signs that Republican senators are infuriated. This raises a couple of concerns for electric co-ops. Odds for passing important legislation like the farm bill this year dropped greatly. Getting cosponsors for non-controversial bills, like our pension fix bill, may get much harder. And, nominations for key agency posts like the Federal Energy Regulatory Commission and judicial branch nominations could move more quickly – so we'll need to watch them even more closely.

Legislative Fix for Electric Water Heater Standards Introduced in Senate

We thank Sens. Hoeven (R-ND) and Pryor (D-AR) for introducing a bipartisan bill (S. 1739) to fix problems with the Energy Department's large electric water heater efficiency standards. This bill will help ensure co-ops can continue using large electric resistance water heaters in demand response programs to conserve resources and save consumers money. Original cosponsors

include Sens. Chambliss (R-GA), Kobuchar (D-MN) and Blunt (R-MO). S. 1739 is the same as our amendment on the energy efficiency bill (S. 1392) by Sens. Shaheen (D-NH) and Portman (R-OH) that stalled in the Senate.

Federal Preference Power Provision an Uphill Push in Conference Negotiations

I'm glad to hear Rep. Hastings (R-WA) mentioned the need to ensure electric co-ops can access low-cost hydropower during the opening meeting of the water resources bill (H.R. 3080) conference negotiations. We face an uphill battle to block Senate bill language allowing changes to Army Corps of Engineers dam operations. The language could harm over 600 electric co-ops in 34 states that rely on federal hydropower to keep rates as low as possible. We'll be fighting against this provision throughout conference negotiations.

House Passes Natural Gas Pipeline Legislation

We're supporting legislation (H.R. 1900) the House passed (252-165 vote) to streamline natural gas pipeline permitting. We sent a letter supporting the Natural Gas Pipeline Permitting Reform Act because it will help increase construction of gas pipelines electric utilities rely on to deliver natural gas for power generation. Rep. Pompeo's (R-KS) bill is aimed at increasing coordination of natural gas and electricity markets. The White House issued a veto threat saying the bill's "rigid, unworkable timeframes" would result in projects being automatically approved or needlessly denied for insufficient information. The unstated reason is controversial projects, like the Keystone XL pipeline, could be approved automatically even if the Administration opposed them. Rep. Pompeo said he'll reach out to get Senate Energy Committee support.

Lawmakers Challenge EPA GHG Rule Based on Carbon Capture Technology

We're closely watching for EPA's response to a request from top House Energy Committee Republicans for the agency to withdraw its proposed carbon dioxide regulations for new power plants. House Energy Chairman Upton (R-MI) and other Republican leaders believe EPA overstepped its authority because a provision of the 2005 Energy Policy Act prohibits the agency from relying solely on technology funded by the Clean Coal Power Initiative to show that technology is "adequately demonstrated." Although EPA released the proposal on September 20, it still awaits publication in the *Federal Register* for public comment.

EPA Seeking Extension to Issue Cooling Water Intake Final Rule

EPA and environmental groups asked a federal court to extend the deadline for a power plant cooling water intake final rule until January. Under a sue-and-settle agreement, EPA must issue a rule requiring cooling water intake structures to prevent fish from being trapped on intake screens or sucked into the cooling system. Environmentalists want costly "closed-cycle" water systems that will do little to increase fish protection. NRECA and industry partners recommend that states have flexibility to consider cost/benefits, site-specific analyses and technology choice. NRECA and utility partners met with the Office of Management and Budget to press these points.

Final note: I look forward to visiting the Tennessee co-ops next week before Thanksgiving, and Notes to Co-op Nation will take a break and resume December 6.

Attached: Oconto and Berkeley co-op photos, Action.coop messages to EPA by state.