

### *Notes to Co-op Nation*

January 10, 2014

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

FROM: Jo Ann Emerson

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#### ***Big Chill Doesn't Dampen Co-op Spirit in North Dakota!***

A big thank you to the North Dakota co-ops for their hospitality at the statewide meeting this week. I enjoyed the discussion about EPA's agenda, renewable energy and other co-op issues. I was also delighted to spend time with Youth Leadership Council Delegate Cassandra Rutschke.

#### ***Co-op Nation Concerns Not Addressed in Unrealistic GHG Rules for New Power Plants***

After a long delay, the Environmental Protection Agency (EPA) formally issued its [proposal](#) to regulate greenhouse gas (GHG) emissions from new coal and natural gas power plants. There's little difference from the unrealistic version released in September (see [ECT](#) story). EPA has doubled-down on requiring new coal plants to use carbon capture and sequestration that is too costly and not yet commercially viable.

Co-op Nation continues to speak up loud and clear about EPA's plans and the impact on consumers. I issued a [statement](#) again urging EPA to recognize that its plans will take new coal plants off the table as a power resource and increase the risk of raising consumers' electricity bills. EPA and the Action.coop campaign will be a major topic at next week's CEO Close Up. Later this month, EPA will hold a public hearing and we'll be there to present comments.

A special thank you to Oklahoma statewide General Manager Chris Meyer for carrying an "impacts of climate regulations" message to the national State Ag and Rural Leaders summit in Oklahoma City last weekend.

#### ***'All-of-the-Above' Campaign Update: Battle Kicks into High Gear***

Now that EPA's announcement makes it "game on," let's shift into high gear with our grassroots pressure. Keep urging your consumer-members, co-op employees and directors to use [Action.coop](#) to send EPA a loud and clear message opposing its climate change agenda. Also highlight [TellePA.com](#) to your partner organizations and the public as a way to join us. Have no doubt, environmental groups are ramping up their message campaigns to support EPA's proposal – calling it a "make-or-break" moment. (Action.coop message counts attached.)

#### ***Update of Small Utilities Definition Brings Another Co-op Win!***

After months of hard work, we can announce a big win for Co-op Nation – more co-ops will meet the threshold for "small utilities" in Small Business Administration (SBA) regulations. We

applaud the SBA for changing the rule to classify utilities based on the number of employees instead of annual megawatt-hours sold. Distribution utilities with 1,000 employees or fewer are now within the definition of small entities. All distribution co-ops now fall below the threshold for “small” under the new rule. G&Ts are addressed in two sections of the rule. Transmission utilities and generating utilities without fossil generation that have 500 employees or fewer are qualified as “small.” The rule also added a “Fossil Fuel Electric Power Generation” category for utilities with 750 or fewer employees.

Co-ops are technically not “small businesses” due to our not-for profit status, and thus are not eligible for small business loans. Nevertheless, the ability to qualify as a small entity is important to co-ops in order to qualify for consideration from EPA and the Occupational Safety and Health Administration. In addition, qualifying as a small entity has the potential to help gain exemptions from adverse legislation.

### ***Court Upholds Nationwide Permits for Utility Line Work***

We welcome the federal district court ruling in Oklahoma that allows utilities and energy-related companies to continue utility line maintenance and construction under the Nationwide Permit 12 program. While a Sierra Club court challenge was aimed at stopping the Keystone XL pipeline, a favorable ruling would have also impacted electric distribution and transmission line work. Without the Nationwide Permit program, utilities would have to get costly Clean Water Act dredge and fill permits to move small amounts of dirt.

### ***FY14 Appropriations Talks Going Down to the Wire – ‘One More’ Extension Possible***

As House and Senate appropriators push to finish the FY14 spending package by next Wednesday’s deadline, Republican and Democratic leaders are preparing another extension. Fallout from last year’s partial government shutdown is still fresh in the minds of Appropriations Chairs Rep. Rogers (R-KY) and Sen. Mikulski (D-MD). Both said they would support a very short continuing resolution to avoid a lapse in government funding.

### ***Farm Bill Negotiations Hit More Snags***

Top farm bill conference leaders are meeting to work out the last issues of the long-stalled bill for a full five-year authorization. Negotiations hit more snags this week and House Agriculture Chairman Lucas (R-OK) said action final action on the conference report is likely to slip to later this month. Some Senate conferees said they expect a number of amendments to be offered during floor debate. The House and Senate could not agree on passing a one-month extension before the old law expired last month. The Rural Utilities Service Electric Loan Program is not affected by the legislative gap.

### ***Drummond Joining Midwest Electric Team***

We’re pleased that former Bonneville Power Administration Administrator Bill Drummond will start work at Midwest Electric Consumers Association as Deputy Director on March 1. He’ll succeed Midwest’s Executive Director Tom Graves when he retires on July 1. We know Bill will build on Tom’s strong work. Bill’s previous experience includes 17 years as Manager of Western Montana G&T.

**Attached:** Action.coop message counts.