

### *Notes to Co-op Nation*

January 31, 2014

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

FROM: Jo Ann Emerson

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#### ***State of the Union Address Overlooks Affordability in Energy Strategy***

While nothing “new” came from the President’s State of the Union speech on energy and climate issues, we’re disappointed that the President didn’t even mention energy affordability and reliability in a speech devoted to bridging economic gaps and expanding opportunity for all Americans. The President said he’ll continue to push his agenda using a “go it alone” strategy to bypass Congress (see [Politico](#) story). My [response](#) on behalf of Co-op Nation emphasized that energy and electricity bills are a big expense for households that struggle to make ends meet. About 4 million low-income Americans are members of electric co-ops, which serve 327 of the nation’s 353 [persistent poverty areas](#).

Congressional leaders pushed back about affordability and reliability. We applaud the House Energy and Commerce Committee for approving a bipartisan bill (H.R. 3826) requiring EPA to take an alternative approach to CO<sub>2</sub> regulations based on technologies that are commercially feasible. We also thank Sen. Blunt (R-MO) and 20 other senators for their [letter](#) urging the President to consider the economic harm to ratepayers before moving ahead with regulations.

#### ***‘All-of-the-Above’ Campaign Update: Get Our Message Heard!***

The Administration needs to hear that we want a true “all-of-the-above” energy policy. You’ve topped 150,000 comments! We need to keep ramping up our efforts to raise grassroots pressure on EPA and its climate change agenda. 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. And, highlight [TellEPA.com](#) to your partner organizations and the public as a way to join us. (Action.coop counts attached.)

#### ***Senate Unanimous in Passing Pension Bill, Action Moves to the House***

We applaud the Senate for unanimously passing our pension stabilization legislation (S. 1302). A special thank you goes to Sens. Harkin (D-IA) and Roberts (R-KS) for leading the 51 Senate cosponsors in this bipartisan effort that benefits electric co-ops. S. 1302 eliminates the Deficit Reduction Contribution for NRECA’s Retirement Security (RS) Plan, and makes our Pension Protection Act exemption permanent, preventing dramatic cost increases and more volatility in employer minimum contributions. We’ve been working behind the scenes in the House to build support for the bill, and now we’ll ramp up our efforts.

### ***House Passes Farm Bill, It's Off to the Senate***

We're very pleased the House passed the farm bill (H.R. 2642) conference report. It includes several electric co-op priorities we fought hard to win in this three-year debate. A Senate vote is expected next week. We're excited the Rural Utilities Service (RUS) will again be allowed to make loans for baseload generation. Our Rural Energy Savings Program initiative will authorize RUS to make zero-interest loans to co-ops to relend to members for energy efficiency upgrades. The Guaranteed Underwriter Loan Program will be reauthorized. We fought off changes to the RUS Broadband loan program that would have made it unusable for most co-ops. While we didn't secure provisions to prevent lawsuits over RUS lien accommodations and fix duplicative pesticide permit requirements, we'll work to get these issues addressed in other legislation.

### ***Tremendous Turnout for Electrify Africa Act Briefing***

I was honored to host Tanzanian Ambassador Liberata Mulamula with House Foreign Affairs Chairman Royce (R-CA) and Rep. Simpson (R-ID) for a standing-room-only audience at our Hill [briefing](#) on the Electrify Africa Act (H.R. 2548) and efforts like our International Program. Along with boosting U.S. jobs, this effort to increase access to electricity in sub-Saharan Africa will bolster NRECA International's efforts in the region. A big thank you to Arkansas Electric Cooperative Corp. CEO Duane Highley for attending the event! (Photos on my [Facebook](#) page.)

### ***Cybersecurity Checklist Developed, Industry Leaders Address Physical Security Issues***

I joined several electric co-op leaders at the Electricity Subsector Coordinating Council meeting. The council agreed to a new cybersecurity checklist co-written by council members, the Department of Homeland Security and Energy Department. The checklist will help utility CEOs identify strengths and weaknesses in their systems and make security decisions. A big thank you to Arkansas Electric CEO Duane Highley, Great River Energy CEO David Saggau, PNGC CEO John Prescott and Old Dominion Electric CEO Jack Reasor for serving on this council.

Duane Highley and I participated in a positive electricity industry meeting with Senate Majority Leader Reid (D-NV) and other Senate leaders to address their concerns about physical security of the electric grid and update them on continuing voluntary efforts to improve public and private sector coordination.

### ***EPA Agrees to New Deadline for Final Coal Ash Rule***

EPA says it has a new agreement to complete a final coal ash rule by December 19, 2014. The agreement to settle a lawsuit filed by environmentalist groups must be approved by a federal court. EPA's recent comments suggest it is leaning toward the non-hazardous option. NRECA will continue to work on all fronts, including Congress, to ensure that any final regulatory regime involves a non-hazardous waste program that is workable and can be implemented, as appropriate, by the states.

### ***Mainzer Named New BPA Administrator***

We congratulate Elliott Mainzer on his appointment as Bonneville Power Administration's (BPA) new Administrator. He's been serving as Acting Administrator since last July. We'll continue to work with him to ensure BPA continues to operate with a regional approach to the core mission of serving preference customers.

**Attached:** News story - Obama's Agenda, Action.coop message counts.