

Notes to Co-op Nation

February 14, 2014

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

FROM: Jo Ann Emerson

Murkowski Highlights Need for Focus on Electric Grid Reliability and Affordability

We welcome Sen. Murkowski's (R-AK) new [Energy 20/20](#) discussion paper, which reminded policymakers to focus on electric grid reliability. I issued a [statement](#) supporting the paper on the need for an "all-of-the-above" strategy that gives priority to affordability, reliability, fuel diversity, security and a practical clean technologies approach. Electricity price increases amid record peak demand this winter show why we must be able to use all available generation fuels.

DOE Acknowledges EPA GHG Plans will Raise Electricity Rates

Energy Deputy Assistant Secretary for Clean Coal Dr. S. Julio Friedmann told a House Energy and Commerce subcommittee that the Environmental Protection Agency's plans to require carbon capture and sequestration technology for new coal plants would likely cause a 70-80 percent surge in wholesale coal-based electricity costs. While those figures aren't new, the public admission by a senior Administration official caught a lot of attention. This [YouTube](#) video of his testimony is a great tool for you to use in educating advocates and policymakers. I issued a [statement](#) urging EPA to withdraw its plans to require CCS technology for coal plants.

'All-of-the-Above' Campaign Update: Our Message is On Target

You've sent more than 173,000 comments! A loud and clear grassroots voice, combined with straight facts and assists from policy champions (as seen in headlines above), will help us make progress on these tough climate issues. 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 – like chambers of commerce and agriculture groups – and the public as a way to join us (message counts attached).

Congress Clears Debt Limit Legislation, Opens Agenda for Other Potential Legislation

Congress passed legislation to increase the debt limit, marking a temporary cease-fire on the budget and federal debt until early 2015. The action also makes room on the House and Senate agenda for other legislation this year – including energy efficiency legislation with a potential fix for the Energy Department's water heater standards, the Electrify Africa Bill and our pension fix.

IOU Proposal for Disaster Relief Funding Stalls, but Likely to Come Up Again

A big thank you to statewide leaders who helped stop a proposal at the National Association of Regulatory Utility Commissioners (NARUC) winter meeting that would threaten the Disaster

Relief Fund for electric co-ops and municipal utilities. Investor-owned utilities pushed for the resolution urging Congress to give them access to the Disaster Relief program at the Federal Emergency Management Agency. NARUC tabled the resolution for now, but it could come up again at the group's July meeting.

Final Cybersecurity Framework includes Utility Guidelines

The National Institute of Standards and Technology (NIST) released its "[Framework for Improving Critical Infrastructure Cybersecurity](#)." The voluntary framework is a response to the President's February 2013 executive order on cybersecurity issues and is targeted at all critical infrastructure (energy, telecommunications, finance, transportation), not just electric utilities. There was significant collaboration with the private sector in developing the framework. The framework includes risk management guidance and a list of existing standards and best practices that can be useful for critical infrastructure owners and operators. NIST is handing the framework over to the Department of Homeland Security (DHS) and it will seek voluntary private sector adoption. DHS will be issuing more details on how to adopt the framework. For questions, contact NRECA's [Barry Lawson](#) or call 703.907.5781.

Senate Committee Posts Shuffled after Ambassador Baucus Confirmed

We look forward to working with Senate Finance Chairman Wyden (D-OR) and Energy and Natural Resources Chairwoman Landrieu (D-LA) in their new committee leadership positions. The moves followed Ambassador Max Baucus' confirmation.

Industry-Consumer Coalition Emphasizes Fundamentals of Organized Capacity Markets

We signed a coalition letter (attached) to the Federal Energy Regulatory Commission (FERC) to highlight the broad agreement on organized capacity markets. The coalition emphasized that capacity is not fungible (all units are not of equal interchangeable quality), resource portfolio choices are affected by regulatory policies, and long-term contracts should be encouraged because they support investment in new generation resources.

District Court Decision on Generation Capacity Procurement Challenged

NRECA and APPA filed a brief to intervene in appeals of a federal District Court ruling that rejected the Maryland Public Service Commission's generation capacity procurement guidelines on the grounds that FERC has oversight. NRECA is working to ensure that our members can continue to obtain the capacity resource mix they think is needed to meet environmental rules and other requirements and provide reliable service at the lowest reasonable cost.

NRECA Seeks More Time to Review OSHA Proposal

We're urging the Occupational Safety and Health Administration to exempt distribution co-ops from proposed new exposure limits for respirable crystalline silica during line work. Crystalline silica is a natural element and line crews setting poles and doing line maintenance may be exposed to small levels that are not measureable. We also asked OSHA to give NRECA and its G&T members more time to review the proposal and more time to comply with any final rule that reduces exposure limits and requires additional testing for employee exposure.

Attached: Action.coop counts; Coalition letter to FERC.