

Notes to Co-op Nation

February 28, 2014

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

FROM: Jo Ann Emerson

Electric Co-ops Gathering ‘Strong and Proud’ in Nashville!

I’m excited about seeing you at the Annual Meeting! It’s an energizing experience when Co-op Nation joins together – Strong and Proud – to discuss our challenges and opportunities and celebrate our successful work together on behalf of electric co-ops. Follow the action on Twitter at #NashAM14. See you in Nashville!

EPA Extends Public Comment on New Power Plant GHG Rule; McCarthy Visits N.D.

We welcome the Environmental Protection Agency’s (EPA) decision to extend public comment on its proposed new power plant greenhouse gas (GHG) regulation. EPA added another 60 days for comments until May 9, 2014. We’re trying to learn more about the decision, but it is an expanded opportunity for us to highlight problems with the plan to require carbon capture technology that is costly and not commercially viable. We still expect EPA’s existing power plants proposal to come out in June.

EPA Administrator Gina McCarthy went to North Dakota today to talk about the agency’s upcoming existing plants rule with government and industry leaders, including electric co-ops and the statewide association. She made the visit at the request of Sen. Heitkamp (D-ND).

Water Heater Standards Bill Moving in House; New Senate Bill includes Co-op Provision

A bill to fix the Energy Department’s large electric water heater standards, which has bipartisan committee support, could move to the House floor next week, thanks to Reps. Whitfield (R-KY), Latta (R-OH), Matheson (D-UT) and Welch (D-VT). This week, Sens. Shaheen (D-NH) and Portman (R-OH) reintroduced a revised energy efficiency bill (S. 2074) to also include a provision to help co-ops continue to use large electric resistance water heaters in demand response programs and save consumers money. S. 2074 has the same language as a stand-alone bill by Sens. Hoeven (R-ND) and Pryor (D-AR).

Supreme Court Hears GHG Permitting Rules Challenge; Questions Signal Narrow Vote

We saw some nods from the U.S. Supreme Court this week on our challenge of EPA’s misguided 2010 regulation to require GHG permits for large industrial facilities including power plants under the Clean Air Act. Our appeal filed by the Utility Air Regulatory Group asked the court to pull EPA back from its unrealistic approach. Justice Anthony Kennedy noted he could find no legal precedence for EPA’s approach to address carbon dioxide (CO₂) emissions under this permits provision; the government’s attorney agreed there is none. Based on the justices’

comments, Justice Kennedy could be the swing vote in a ruling this summer.

Our case challenges the so-called “Prevention of Significant Deterioration” permit program under the Clean Air Act. It does not directly impact EPA’s current proposal to establish New Source Performance Standards (NSPS) permits for new power plant CO₂ emissions.

‘All-of-the-Above’ Campaign Update: Your Messages are Important!

You’ve sent more than [210,000](#) comments on EPA’s climate change agenda! See how [Greystone Power](#) uses its newsletter and advertising to engage its grassroots. Your loud and clear grassroots voice will help us make progress. Keep using [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 (message counts attached).

Co-op Leader Emphasizes Affordability, Reliability Must be Energy Policy Priorities

A big thank you to NRECA Vice President Mel Coleman for his House Energy and Commerce subcommittee [testimony](#) on energy access in the 21st Century. Noting his experience as North Arkansas Electric Co-op CEO, Mel emphasized that affordable and reliable electricity is important to co-op members’ quality of life and economic opportunity. EPA’s climate plan is the greatest threat facing the power industry and a renewables-only policy would jeopardize grid stability, he said.

Tax Reform Proposal Raises Concerns; We’re Highlighting Electric Co-op Positions

We’re reviewing the tax reform proposal from House Ways and Means Chairman Camp (R-MI). Some immediate concerns include the potential for increased operating costs for trade associations like NRECA. In addition, a proposed change to the deductibility of 401(k) pension plans could increase our costs. The likelihood of this bill passing this year is low. Still, it’s getting a lot of attention because it could become a benchmark for later reform proposals.

OMB Urged to Stop Using ‘Social Cost of Carbon’ Estimates

We sent comments urging the Office of Management and Budget (OMB) to stop using “social cost of carbon” estimates in its rulemaking cost-benefit analyses until there is greater certainty and confidence in those projections. Because of the highly subjective nature of these estimates, it is inappropriate to use them and it will result in arbitrary increases to consumers’ energy costs. 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 and other standards. You’ll be considering a resolution on this issue at the Annual Meeting next week.

Electrify Africa Bill Unanimously Approved by Committee

We welcome the House Foreign Affairs Committee’s unanimous vote to approve the Electrify Africa Act (H.R. 2548). This effort to boost U.S. jobs and increase access to electricity in sub-Saharan Africa will bolster NRECA International’s efforts in the region. I hosted a Hill briefing on this bill last month.

Attached: Action.coop and TellEPA.com counts.