


Legislative Update

August 12, 2010



**National Rural Electric
Cooperative Association**

A Touchstone Energy* Cooperative 

◆ Political Currents & Congress

◆ Co-ops on Defense

◆ Co-ops on Offense

Political Currents & Congress

RIP CURRENTS
Break the Grip of the Rip!

ESCAPE ESCAPE ESCAPE ESCAPE

RIP CURRENT

Rip currents are powerful currents of water moving away from shore. They can sweep even the strongest swimmer out to sea.

IF CAUGHT IN A RIP CURRENT

- ◆ Don't fight the current
- ◆ Swim out of the current, then to shore
- ◆ If you can't escape, float or tread water
- ◆ If you need help, call or wave for assistance

SAFETY

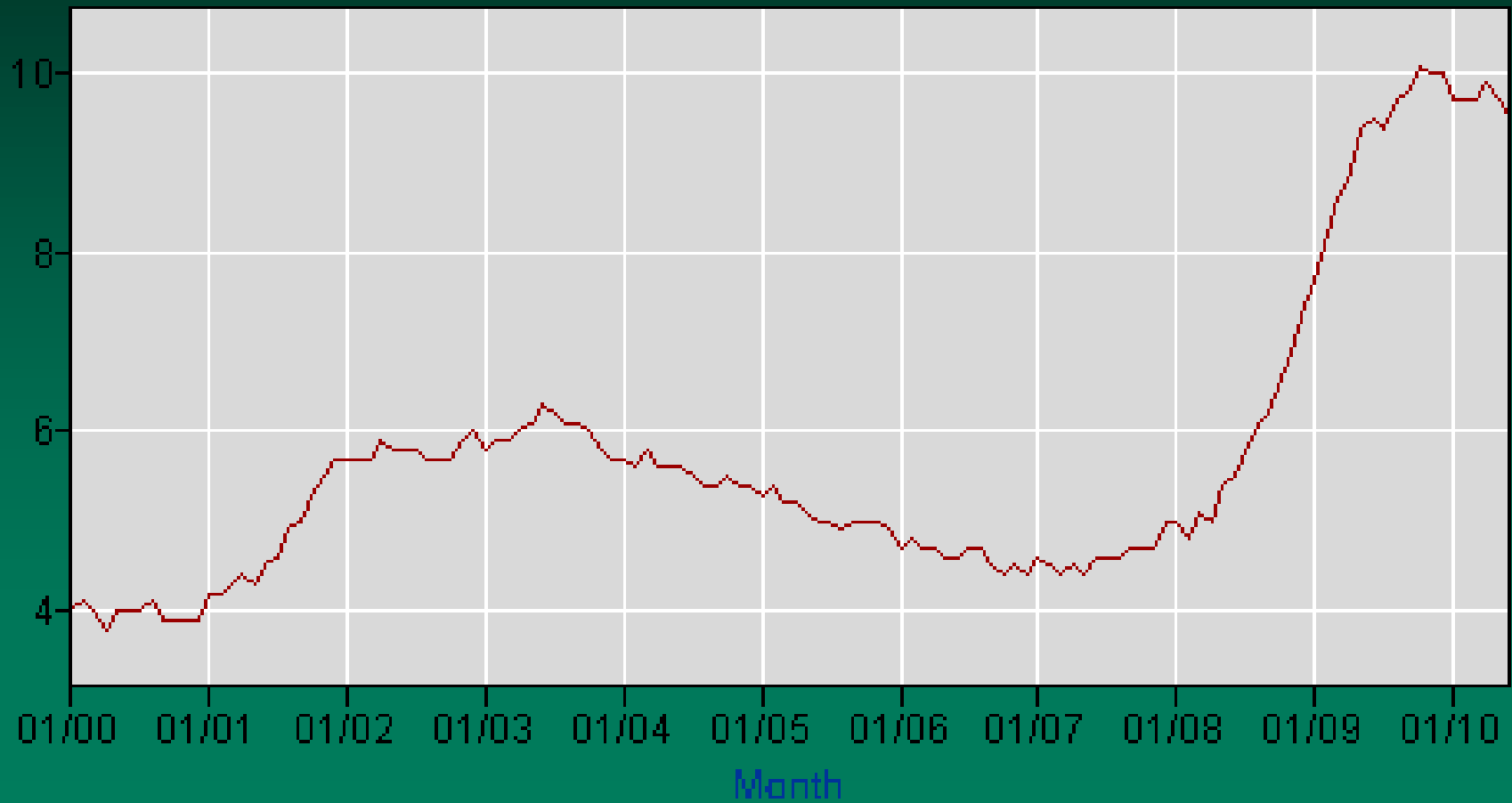
- ◆ Know how to swim
- ◆ Never swim alone
- ◆ If in doubt, don't go out

More information about rip currents can be found at the following web sites:
www.ripcurrents.noaa.gov
www.noaa.gov

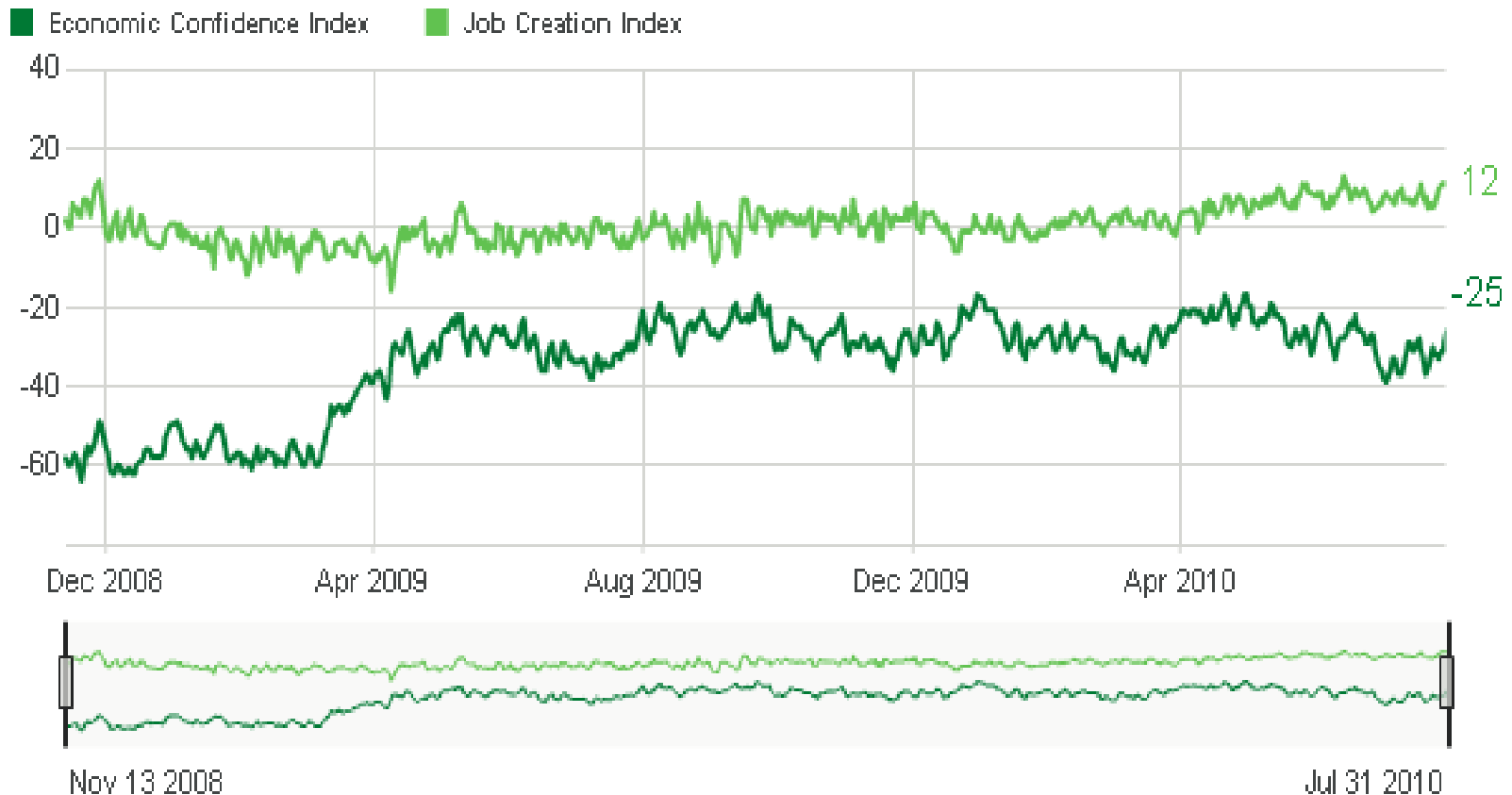
What's Driving the "Current" in Washington?

- ◆ Jobs, Jobs, Jobs
- ◆ Federal Debt Concerns
- ◆ Fall Elections

Unemployment



Confidence in the Economy



Perceived Threats to U.S. Future Wellbeing

How serious a threat to the future wellbeing of the United States do you consider each of the following -- extremely serious, very serious, somewhat serious, not very serious, or not a threat at all? How about ___?

	Extremely serious	Very serious	Somewhat/ Not very serious/ Not a threat at all
	%	%	%
Terrorism	40	39	21
Federal government debt	40	39	20
Healthcare costs	37	42	21
Unemployment	33	50	17
Illegal immigration	29	34	37
The size and power of the federal government	29	32	38
Having U.S. troops in combat in Iraq/Afghanistan	26	40	31
The environment, including global warming	21	30	49
The size and power of large corporations	21	31	47
Discrimination against minority groups	17	29	53

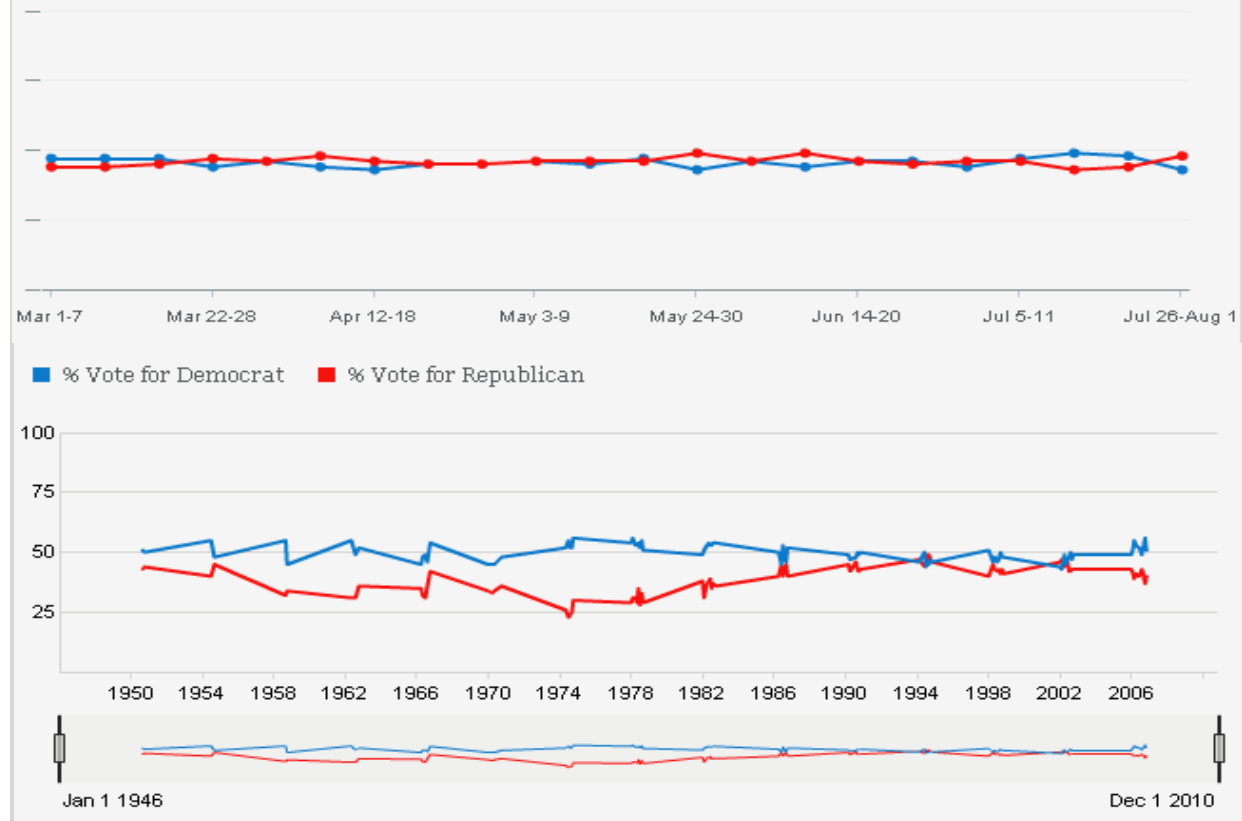
USA Today/Gallup, May 24-25, 2010

Mid-Term Elections

Generic Ballot for Congress	Registered Voters	National Adults	Democrats	Independents	Republicans
■ Vote for Democrat	<u>43</u> -5	--	90-3	36+1	3-1
■ Vote for Republican	<u>48</u> +4	--	5--	46+2	95+2

* Measured monthly

Results reflect weekly averages for the week ending August 1, 2010





- ◆ Environmental Regulations
 - ◆ RUS Budget Cuts
 - ◆ Climate/Energy Legislation
 - ◆ Financial Regulatory Reform
- ALSO...
- Pole Attachments
 - Water Heaters
 - Tax Parity
- NOT TO MENTION
- Health Care & Pension Legislation

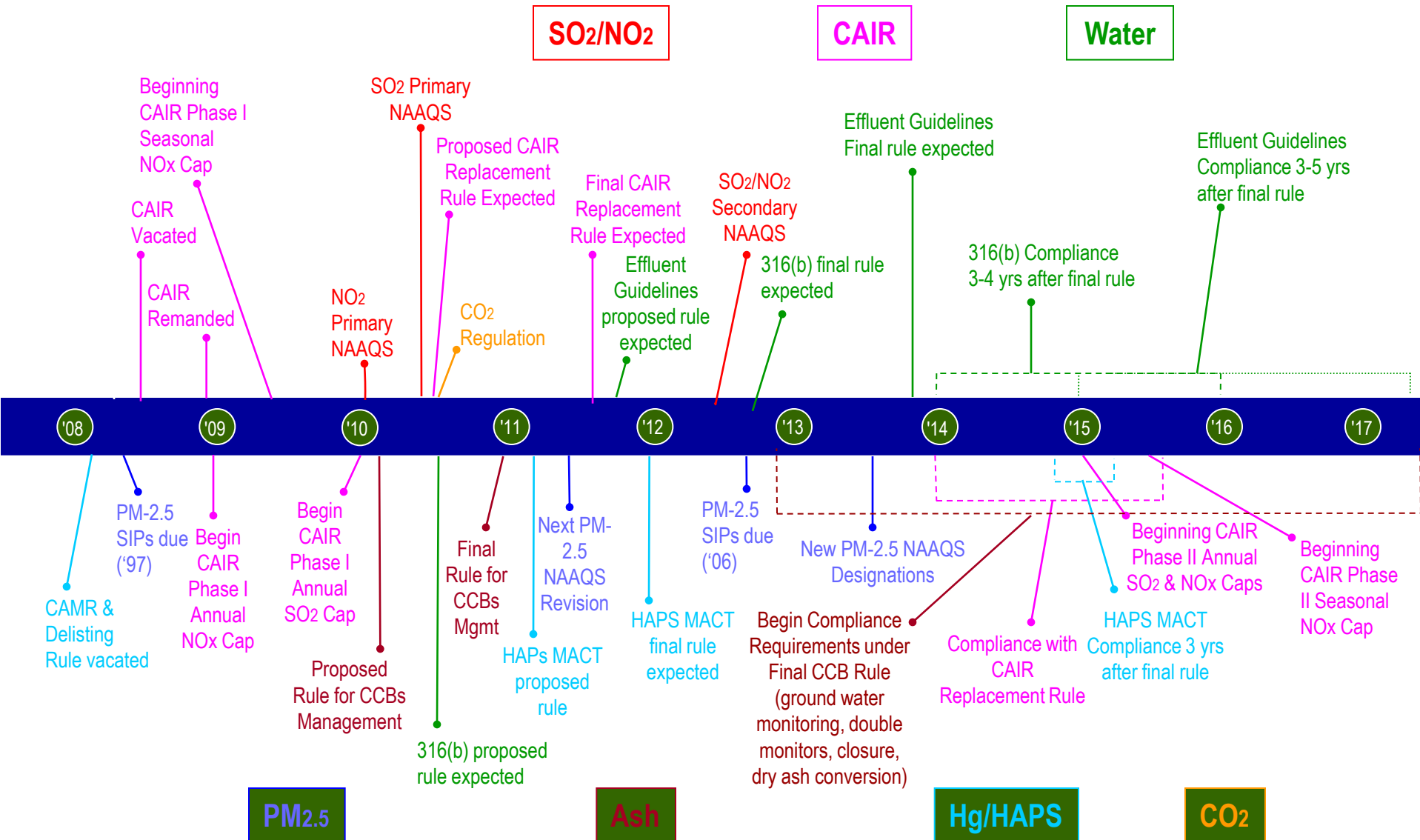
Clean Air Act Marches On...

- ◆ Co-ops will face EPA Clean Air Act requirements starting January 2011
- ◆ Murkowski Disapproval Resolution:
 - Resolution would have overturned EPA's scientific finding that greenhouse gases threaten public health and welfare
 - On June 10th, Senate prevented consideration by a vote of 47-53 (41 Rs + 6 Ds) welfare.

CAA Action in Fall?: Rockefeller Bill

- ◆ On August 3rd, it was reported that Rockefeller said he reached an agreement with Majority Leader Reid allowing him to seek a vote on his CAA bill, which would prevent EPA from regulating greenhouse gases from industrial facilities like power plants and for two years.

Environmental Regulatory Timeline for Coal Units



Proposed RUS Budget Cuts

- ◆ President's FY11 Budget for RUS proposed cutting the program by \$2.5 billion, \$0 for High Energy Cost Grants & new restrictions of program purposes
- ◆ House Ag Approps:
 - \$6.5 billion loan level restored
- ◆ Senate Ag Approps:
 - \$6.5 b. loan level restored; \$17.5 m. High Energy Cost Grants; rejection of Administration's proposed restrictions

House Climate/Energy Bill: H.R. 2454

- ◆ H.R. 2454 passed by House June 26, 2009
- ◆ RES requiring 20% renewables by 2020, but 4 million megawatt hour exemption & 8% met w/ efficiency
- ◆ Cap-and-trade: Cap for covered emissions that declines steadily between 2012 and 2050 -- a 17% reduction by 2020 and 83% reduction by 2050, both relative to a 2005 baseline.
- ◆ New FERC transmission siting authority in Western Interconnect

Senate Climate/Energy Efforts

- ◆ Senators Kerry and Lieberman effort to find climate compromise fizzled, but work continues
- ◆ Bingaman Energy Bill (S. 1462):
 - 14% by 2020 RES w/ 4 million megawatt exemption & 25% can be met w/ efficiency
 - Electric Utilities required to interconnect DG of 15 Kilowatts or less
 - Transmission Siting: new federal authority to pave way for siting.
- ◆ Leader Reid's last minute oil spill response-PLUS energy bill pulled

Financial Reg Reform

- ◆ Restoring American Financial Stability Act of 2010 signed into law on July 21
- ◆ NRECA worked to:
 - Protect co-ops' ability to hedge
 - Prevent CFTC disruption of energy reliability contracts
- ◆ For detailed briefing of what's in bill, please email me at:
tony.eberhard@nreca.coop

Offense

- ◆ Rural Energy Savings Program Act (RESPA)
- ◆ Finding New Tools to Help Meet Growing Base Load Needs

RESPA

- ◆ Introduced March 2010, hearing before House and Senate Agriculture Committees and passed out of House Agriculture Committee
- ◆ Voluntary RUS program to make loans for energy efficiency structural retrofits & upgrades (HVACs, boilers, etc.)
- ◆ RUS originates loan to co-ops @ 0% interest. Co-op on the hook for payback over 10 years.

What Can Co-ops Do?

- ◆ GRASSROOTS:
 - Engage with Our Energy Our Future
 - Thank Senator Murkowski
 - Engage Senator Begich
- ◆ ACRE (Thank You)

Questions?

Tony Eberhard
Principal, Legislative Affairs
NRECA
Phone: 703-907-5886