

**WEEKLY DIGEST**

PUBLISHED BY THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

**Directors Conference Focuses on Board Service**

From global affairs to good governance, from resolutions reform to rate redesign, organizers say the 2012 Directors Conference is focused on equipping directors with knowledge and skills to enhance their effectiveness at their cooperatives.

The conference will run Feb. 13–14 at the Loews Royal Pacific Resort at Universal Orlando. The program includes time for swapping ideas, learning from industry experts, and coming up with potential solutions to board challenges.

“The challenges co-op directors face today are more complex than ever and this conference represents an opportunity to stay on top of the developments and trends that may impact the cooperative and its membership,” said Pat Mangan, NRECA’s director of governance education.

Presenters include NRECA CEO Glenn English; well-known survey pollster John Zogby; businesswoman Kathi Seifert, chairman of Katapult LLC; Sheldon C. Petersen, CEO and governor of the National Rural Utilities Cooperative Finance Corp.; author and global affairs expert Thomas P. M. Barnett; and humorist Jeanne Robertson.

Other NRECA experts will discuss topics such as governance and building a better world in the International Year of Cooperatives. A series of preconference training courses for directors will be held Feb. 11–12. [▶ Complete Article](#)

**NRECA Seeks Clarity on Self-Supply**

NRECA has joined several co-ops and industrial customers requesting a rehearing on a controversial order that could have substantial effects on construction of new generating capacity.

The Federal Energy Regulatory Commission’s Nov. 17 order calls into question whether load-serving entities, such as electric co-ops, can self-supply the power needed to meet their capacity obligations in the PJM Interconnection regional transmission organization.

FERC’s initial order mandated major changes in the annual auction process through which co-ops and other load-serving entities have been required to demonstrate they will have sufficient generating capacity to reliably meet the needs of their consumers in three years.

The follow-up order set up a unit-specific review process for load-serving entities seeking an exemption from the crux of the controversy, the minimum offer price rule. The process replaces the previous blanket exemption for new self-supply capacity resources.

But according to NRECA and the other filers, while the blanket exemption provided load-serving entities with a guarantee that self-supplied resources could be used to satisfy their capacity obligation, its successor would not. The new case-by-case approach would have a “chilling effect” on new generation investment, the association cautioned. [▶ Complete Article](#)

**Co-ops Press FERC in Wind-Water Case**

In a pair of sharply worded filings, electric cooperatives and consumer-owned utilities say federal regulators overstepped their authority in a major clean energy case in the Northwest, and want them to reconsider their ruling.

*Continued on next page***Federal Court Postpones Cross-State Air Rule**

A federal court has granted a motion to block the Obama administration’s sweeping air quality rule that governs emissions of sulfur dioxide and nitrogen oxides in the eastern United States, pending a full challenge to the regulations.

The order is not a final verdict—the court asked parties in the case to submit proposed briefing schedules by Jan. 17 that would enable it to hear the case in April.

Kirk Johnson, NRECA senior vice president, government relations, said NRECA will continue to be active in pointing out the flaws of the rule, which was scheduled to take effect Jan. 1.

The Bush-era Clean Air Interstate Rule, earlier rejected by the same federal court that issued the stay, will continue to be in effect until the court rules on the new regulations.

Energy Future Holdings of Dallas is the named plaintiff in the case, though the court consolidated a large number of lawsuits filed against the new rule.

The rule applies to Texas and 26 other states by setting new caps on sulfur dioxide and nitrogen oxides that cross state lines through a system of tradable allowances.

EPA estimated the costs of the rule in 2014 at \$800 million, in addition to \$1.6 billion per year in capital investments underway as part of the Clean Air Interstate Rule. [▶ Complete Article](#)

**POPULAR STORIES ON ECT.COOP...****Volkswagen debuts all-electric version of its Beetle at auto show****Indiana co-op’s holiday drive helps domestic abuse victims****Feds unveil initiative to fight cyber crime****Pennsylvania, Ohio co-ops send donated transformers overseas****New Hampshire co-op turns to LED program to brighten its streets**

## Wind-Water Case *Continued*

NRECA said the Federal Energy Regulatory Commission exceeded its authority by ordering the Bonneville Power Administration to rewrite a policy that curtails other generation resources, including some wind, at times of high hydropower production.

Instead, the 40-page NRECA filing said federal law gives exclusive jurisdiction over final BPA actions to the U.S. Court of Appeals for the 9th Circuit.

"The Commission does not have the authority... to intrude upon this jurisdiction, regardless of whether the Commission's actions are prospective or retroactive," NRECA said.

Additionally, PNGC Power, a G&T in Portland, Ore., along with the Public Power Council and Northwest Requirements Utilities, which represent co-ops, municipal systems and consumer-owned utilities, asked FERC to rehear the case.

The clash between high wind and high water has huge implications for Northwest ratepayers, grid reliability and the region's \$800 million annual investment in salmon recovery and wildlife. [▶ Complete Article](#)

## Feds Again Delay Energy Swap Rules

Federal officials have again delayed regulations to tighten controls over energy futures markets, pushing back the effective date of swap regulations until July 16, 2012.

The Commodity Futures Trading Commission's Dec. 19 action marked an additional delay in the effective date of regulations contained in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The provisions were originally slated to take effect July 16, 2011, and later pushed back to Dec. 31, 2011.

Dodd-Frank, aimed at financial practices that contributed to the economic crisis of 2008, amended the Commodity Exchange Act to establish a comprehensive new regulatory framework.

While the CFTC has not yet defined the term "swap" in the electric area, common types of contracts which might be considered swaps include capacity, reserve sharing, renewable energy certificates and emission attributes.

NRECA has cautioned that electric co-ops, primarily G&Ts, use derivatives not for speculation, but as a means to provide predictability in the price of power, fuel, transmission, financing and other supply resources.

In postponing the regulations' effectiveness, the CFTC has acknowledged a need for additional clarity prior to implementation. [▶ Complete Article](#)

## Co-op TV Ads Spotlight Savings

To promote Touchstone Energy's® Co-op Connections Card, an Alabama electric cooperative is taking to the tube.

Pioneer Electric Cooperative created two TV ads to show its more than 13,000 members the benefits of using their cards.

"We really wanted to highlight the program," said Angela Green, communications specialist at the Greenville-based co-op.

After considering different ideas, Pioneer Electric decided the ads should feature some of the more than five dozen local firms participating in the Connections Card program. Being a small community, Green said, few local businesses can afford TV time, "so for them it's a pretty big deal."

The co-op's two 30-second ads feature appearances from five local business owners talking about the discounts they offer to cardholders. Pioneer decided to spotlight businesses offering services members would use frequently, including a bakery, a hair salon and an auto repair shop. But they made an exception for the manufactured home company offering a \$2,000 Connections Card discount.

Members have also been making good use of the card's pharmacy discount. "We're in an area of Alabama where a lot of our members do not have health insurance," Green said. "So every aspect of this card is working for our members."

[▶ Complete Article](#)

## 14 Feet of Snow Covers Alaska Co-op

An Alaska electric cooperative has faced months of blizzards and avalanches, but despite harsh winter conditions, no weather-related outages have occurred on its distribution lines.

"We've gotten more than 170 inches of snow this season," said Clay Koplín, general manager of Cordova Electric Cooperative.

Winter's onslaught began just weeks after the Cordova-based cooperative completed a 35-year project to bury all of its distribution and most of its transmission lines. While that system has weathered the heavy snow and accumulations of ice caused by 44 additional inches of rain since Nov. 1, there have been problems.

"There've been some big chunks of ice that have fallen off of people's roofs and damaged their meters, and caused service entry outages," Koplín said. "We've had to send lineworkers out to make those repairs."

Avalanches and snow-clogged roads have also made staffing a problem, Koplín said. "

On Jan. 6, only four of the co-op's 17 employees were able to make it in because the roads were impassable."

[▶ Complete Article](#)



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ECT.COOP'S Weekly Digest summarizes some of the top stories featuring news and information about electric co-ops. The articles in this publication are condensed from stories that appeared in NRECA's Web-based ECT.COOP. The complete articles, along with many other stories on co-op happenings, archives, links to sites of interest and a host of interactive features, are available at ECT.coop. The Digest is published by the National Rural Electric Cooperative Association, 4301 Wilson Blvd., Arlington, VA 22203-1860. Editorial questions may be directed to 703-907-5727.