

FEDERAL UPDATE

Coal Ash Deemed Nonhazardous by EPA Rule

The Environmental Protection Agency (EPA) released a final rule providing for nonhazardous regulation of coal combustion residuals, also known as coal ash, and strengthening the rules for disposal. The rules allow for the continued use of coal ash in drywall and cement. Disposal sites will be required to meet new standards under the new rule, including regular inspections and groundwater monitoring, or will be closed. The new rule goes into effect in June 2015. While EPA deemed nonhazardous regulation to be adequate in protecting human health and the environment, the agency did not completely rule out possible future regulatory action on coal ash.

EPA Delays Deadline for Carbon Rules

The EPA announced earlier this month plans to delay issuing final rules for regulating carbon dioxide emissions. The previous deadline for new power plants was January 8 and the Clean Power Plan covering existing units was June 2. Final carbon emissions rules for new power plants, existing units, and modified or reconstructed power plants are now expected to be finalized by mid-summer 2015, according to the agency. EPA is also beginning work on a Federal Implementation Plan (FIP) for states to use to comply with the Clean Power Plan if they fail to submit a State Implementation Plan (SIP). The FIP is expected to be proposed in mid-summer 2015 as well.

Acting RUS Administrator Visits CIPCO

Jasper Schneider, Acting Administrator at USDA's Rural Utilities Service (RUS), visited CIPCO's office on January 19 to learn about CIPCO's business model and approach to rural economic development. Mr. Schneider shared his vision for the RUS to continue to be a valuable financing partner for electric cooperatives and his commitment to fixing proposed changes to the 1794 environmental regulations before finalizing. Schneider participated in a series of meetings while at CIPCO that included leaders from CIPCO, Iowa Area Development Group (IADG), Iowa Association of Electric Cooperatives (IAEC), and the Iowa Commission on Volunteer Service covering a range of topics important to electric cooperatives.



NewLink Genetics Wins \$30 Million Federal Grant

The U.S. Department of Health and Human Services has awarded a \$30 million federal grant to Ames-based NewLink Genetics for the development and manufacture of a vaccine to fight the Ebola virus. The project is a joint venture with Merck & Co., and the funding will be used for clinical development through a new 330-person study. The vaccine candidate was initially developed by the Public Health Agency of Canada and is now being developed under an exclusive licensing and collaboration agreement between NewLink Genetics and Merck. NewLink Genetics Corp. (NASDAQ: NLNK), a biopharmaceutical company created to develop and commercialize immunotherapeutic products to enhance treatment options for cancer patients, is currently valued at just over \$1 billion.

STATE UPDATE

CoOpportunity Health in Trouble

Iowa Insurance Commissioner Nick Gerhart is filing a petition to liquidate CoOpportunity Health after the cooperative health care provider ran into financial problems last month. CoOpportunity's medical claims exceed cash on hand with no cash flow projected until the second half of the year. Gerhart, the court-appointed rehabilitator, is now working to ensure medical providers and claims are paid by the state guaranty associations. CoOpportunity, formed in 2014, received \$146 million in federal loans and grants from the Affordable Care Act and initially projected 12,000 enrollees in Iowa and Nebraska. The cooperative ran into cash flow issues after enrolling over 100,000 in the first year and being informed in December it would not receive additional federal resources. A hearing will occur in February with an order to liquidate taking effect February 28. Iowans are encouraged to seek other coverage.

Debate Continues Over School Start Date

Iowa law currently requires K-12 schools to begin the school year in the week that includes September 1. In the past, the Iowa Department of Education has automatically granted waiver requests to begin school earlier in August for the vast majority of Iowa schools. Based on recent direction from Governor Branstad, the Education Department released guidelines that dramatically restricts the basis for granting a waiver to only districts that can demonstrate a significant negative educational impact to having a later start date. Concern over school start dates was initially raised based on impacts of August start dates to Iowa's tourism industry and Iowa State Fair attendance.

Online Voter Registration Approved for Iowa

Iowa's five-member voter registration commission approved a proposal last week to allow Iowans to register to vote online. State residents with a government-issued identification, such as a driver's license, will be able to register to vote by completing an online form through the Iowa Secretary of State's website or a local county auditor's website. Eligible individuals will be able to log in with a valid driver's license number or state operator's license number and then will receive a voter registration card in the mail. Election officials hope to have online registration in place in time for the 2016 elections.

Upcoming Activities in 2015

Momentum is Building Conference – February 12-13
 Team EDGE Meeting – February 17
 NRECA 2015 Annual Meeting – February 23-25

West Des Moines
 Des Moines
 Orlando, FL

CONSUMER PRICE INDEX

% Change	Aug	Sep	Oct	Nov	Dec	12-Mo Avg
CPI	-0.2	0.1	0.0	-0.3	-0.4	0.8

Source: Bureau of Labor Statistics, www.bls.gov

MARKET TRENDS

% Change	Y-T-D	1-Yr Avg	5-Yr Avg	10-Yr Avg
DJIA	-0.84	+9.11	+14.74	+7.04
NASDAQ	+0.46	+12.78	+23.15	+13.69
S&P 500	-0.34	+12.22	+17.59	+7.63

Source: bigcharts.com, treasury.gov, 1/23/15