

The Round-up board met on June 29. The board decided to again solicit request for education grants that come from unpaid capital credits. However, we are asking applicants to submit items that apply to items that would relate to Covid relief. For example, applying for new equipment that better facilitates on-line learning. We will look at the situation again in August to determine if grants will be awarded.

Jessica Matlock explained that she is concerned with the amount in arrears for utility payments. There are 1,400 accounts in arrears for \$225,000 which is \$180,000 higher than usual.

The regular grants that the Round-up Board provided were:

- Chimney Rock Interpretive Association, \$2,000 for Covid protection gear.
- Pagosa Springs Arts Council - \$3,249 for an art mural in the downtown area; the mural will aid Pagosa's tourism economy.

CERF - the Community Emergency Relief Fund, which serves five Southwest Colorado Counties has granted various organizations \$500,000 during the crisis; and its efforts are continuing.

Sent from my iPad

External Affairs

1. Policy #406, Request for TS Information
 - a. EA&MR recommended to full board for passage
 - i. Discussion on transparency mainly dealing with minutes from Board and Committee meetings.
 - ii. Discussion on the structure of Board and Committee minutes
2. Safety
 - a. There were no Non-Lost Workday or Restricted Workday injuries in June, 2020.
2. Environmental and Regulatory Activities
 - a. For June 2020, 40 environmental compliance reports were submitted to the Colorado Department of Public Health and Environment, New Mexico Environment Department and the Environmental Protection Agency.
 - b. Agency inspections.
 - i. A field inspection was conducted at the Unit 3 Springerville Generating Station during annual Stack testing
3. Legislative Review
 - a. Federal
 - i. House Transportation bill
 1. Expires at the end of September so needs to be extended or replaced by new bill
 2. Contains \$1.5 billion for electric vehicle infrastructure
 - ii. Senate Transportation bill
 1. Big differences between Senate and House bills, difficult for passage
 2. Contains \$1 billion for electric vehicle infrastructure
 - iii. US-HR2, INVEST in America Act
 1. Bill would authorize \$494 billion for highway, transit and rail programs through 2025
 2. Bill includes provision authorizing \$1.4 billion in grants for electric & hydrogen vehicle fueling infrastructure that cooperatives would be eligible for.
 3. Passed House Transportation and Infrastructure Committee – June 18, 2020
 - iv. US-HR1957, Great American Outdoors Act
 1. Makes funding for the Land and Water Conservation Fund permanent
 2. Passed the Senate – June 17, 2020
 - b. Colorado
 - i. When the Session reconvenes it is expected to last 2-3 weeks. Budget must be rewritten due to \$3.3 billion deficit from COVID-19.
 - ii. 427 bills introduced in the House and 224 in the Senate, TS monitoring 39 bills
 - iii. CO – HB 1265, Increase Public Protection Air Toxics Emissions

1. Amendment removed Hydrogen Fluoride from the definition and no longer includes Craig Station.
2. Passed both houses, awaiting Governor's signature
- iv. CO – HB 1420
 1. This bill adjusts certain state tax expenditures in order to allocate additional revenues to the state education fund.
 2. Issues of concern for TS were removed
 3. Passed both houses, awaiting Governor's signature
- v. CO – SB 190, Boost Renewable Energy Transmission Investment
 1. Bill directs the PUC to approve utilities' applications to build new transmission facilities if the PUC finds that the new facilities would assist the utilities in meeting the state's clean energy goals established in 2019 and deems application approved if the PUC does not deny them within 180 days after completion.
 2. TS position – Monitor
- vi. CO – SB 204
 1. Bill creates the air quality enterprise and specifies that its revenues are exempt from the state constitution's TABOR provisions.
 2. Passed both houses, awaiting Governor's signature
4. Corporate Communications
 - a. Jenifer Goss updated the Board on Corporate Communications activities and Member Relations.
 - b. Myles Jensen will be retiring in September.

Regular Board Meeting

Please see the attached BOARD REPORT July 2020 and July 2020 Meetings Highlights.

Additional Notes

1. The August 2020 TS Board Meeting and Annual Meeting will be held in Cheyenne, Wyoming. It is suggested that TS Members consider having their TS representative be their delegate to the TS Annual Meeting. This is due to extremely restricted room, (due to COVID 19), and the Annual Meeting will be just the business part of the meeting and expected to be very short, (scheduled for 1 hour). The only action item will be to approve the reports. TS will plan to have a Member's Meeting, (when public meetings are possible), to cover what is usually covered during the Annual Meeting. Strategic planning is planned for all day Monday, August 3, and the first ½ of Tuesday. Tuesday afternoon will be the Board Meeting. Wednesday morning will be the Annual Meeting followed by the board reorganization, (elections).
2. The TS budget planning will be more flexible than in the past in hopes of getting more accurate data reflecting the impacts of COVID 19. The proposed schedule is as follows.
 - a. July – Budget Overview
 - b. August – Not on the agenda due to Strategic Planning and Annual Meeting
 - c. September – Budget presentation, discussion and proposed approval
 - d. November – Review of 2021 long-term financial forecast (LTFF)

3. The May, 2020, financials show a reduction in sales but an increase in margins from budget. The increased margin outlook and the deferred O&M costs are not expected to continue.
4. Action was taken on the following policies and resolutions
 - a. Policy 122 – Resale of Electric Energy, passed unanimously
 - b. 2 Resolutions for additional funds to move many functions to the cloud. Passed unanimously
 - c. Resolution to approve change order on the water filtration system for J.M. Shafer Station- passed unanimously
 - d. Resolution to grant contract for highwall mining at Colowyo mine – passed unanimously
 - e. Resolution for Network Integration Transmission Service (NITS) agreement with PacifiCorp expiring on June 30, 2021 (requires a one year notice to revise or replace agreement) – passed unanimously
 - f. Resolution for CEO to execute one or more Balancing Authority Services Agreement (s) between TS and WAPA (Western Area Colorado Missouri Balancing Authority – passed unanimously.

Kohler McInnis

Tri-State Board of Directors

July 2020 Meeting Highlights



In light of ongoing state orders restricting in-person meetings to reduce the spread of COVID-19, the July board meeting was held via teleconference.

Update on Tri-State's Response to COVID-19 Pandemic

Duane Highley, CEO, provided a general update on Tri-State's response to the COVID-19 pandemic and actions being taken to ensure reliability of the system and employee safety. In addition, Brad Nebergall, SVP Energy Markets, and Pat Bridges, Senior Vice President & Chief Financial Officer, provided updates on pandemic impacts.

- Tri-State continues to implement its Return to Work plan, which establishes a risk level associated with allowing employees currently working from home to return to Tri-State facilities. On June 8, Tri-State transitioned to a Moderate risk level.
- Nebergall provided the May operations report, which showed the impacts of the pandemic and decreased baseload sales from lower oil and gas production continue to impact member revenue. In May, member demand was 2.5% below budget and energy sales were 9.0% below budget, but non-member sales volumes were 53% above budget. The use of low-cost natural gas generation and low-cost market purchases continue to help offset financial impacts of lower member loads.
- Bridges reported revenue from member sales were \$5.8 million (6.1%) below budget in part due to pandemic effects. Combined, purchased power, production, and fuel costs were 16% lower than budget resulting in favorable net margins.

Community Support Update

Highley informed the board that a donation of \$500,000 had been made to the West End Pay it Forward Trust (WEPIFT) in support of the Nucla and Naturita communities. The Telluride Foundation is generously matching an additional \$400,000 in future WEPIFT grants, for a total of \$900,000 in economic development and community support.

- When the retirements of the Nucla Generation Station and the New Horizon Mine were announced, the Tri-State Board committed to help employees and the community transition. Tri-State made an initial \$50,000 grant to the Montrose Economic Development Corporation at the time of the announcement.
- Once the facilities transitioned to the decommissioning stage, the board approved an additional \$500,000 donation and the Telluride Foundation has agreed to generously match \$400,000 of future grants made by WEPIFT.
- The WEPIFT will help support and ease the transition for the community and the combined \$900,000 in grant funding will support community events like: Educational field trips for student and teachers, marketing local recreational assets outside the area, purchasing new equipment for medical facilities, supporting mental health services, and making improvements to area buildings.

DMEA Withdrawal Complete

Tri-State Generation and Transmission Association and Delta-Montrose Electric Association (DMEA) completed the transactions for DMEA to withdraw as a member of Tri-State on June 30, 2020. The Tri-State Board of Directors previously approved moving forward with a withdrawal agreement and staff finalized negotiations on April 10, 2020.

- Under the agreement, Tri-State will receive revenue of \$136.5 million from DMEA upon closure. DMEA agreed to make a cash payment of \$88.5 million to Tri-State and to forfeit the current balance of DMEA's patronage capital, \$48 million. The \$88.5 million includes \$26 million for the purchase of certain transmission and distribution infrastructure facilities.
- The closing follows approvals required by the Federal Energy Regulatory Commission and the Colorado Public Utilities Commission.
- Tri-State and DMEA have entered into certain new contracts for the continued operation of transmission and telecommunications systems.

2020 Tri-State Annual Meeting and Board Meeting/Strategic Planning

The 2020 Tri-State Annual Meeting has been scheduled for August 5 and will be held at Little America Resort in Cheyenne, WY. The annual meeting will be held in conjunction with the August Tri-State board meeting and a previously postponed strategic planning session. No bylaw changes or other delegate action items are scheduled for the annual meeting.

- To reduce the amount of attendees at the meeting and to comply with Wyoming's state health orders, members are asked to consider making their Tri-State board member their voting delegate for 2020.
- The current schedule, which is still subject to change depending on state health orders, includes:
 - **August 3** – Tri-State Board Strategic Planning (All day)
 - **August 4** – Tri-State Board Strategic Planning (Morning) and Tri-State Board Meeting (Afternoon)
 - **August 5** – Tri-State Annual Meeting (Morning). The annual meeting will also be live telecast.
- If you have questions, please contact Diane Byers at dbyers@tristategt.org

**COLORADO RURAL ELECTRIC ASSOCIATION
BOARD OF DIRECTORS MEETING NOTES
JUNE 26, 2020**

Guest Speaker: Scott Tipton, U.S. Representative

U.S. Representative Scott Tipton discussed the political challenges that have come along with COVID-19, an additional stimulus package, potential policy changes, and hopes for the economy moving forward.

Legislative & Tax Committee

General Assembly: The General Assembly adjourned the Second Regular Session of the 72nd General Assembly on June 15, 2020. There were several pieces of landmark legislation that the General Assembly passed in response to COVID-19 including increased protections for employees throughout the state. Of the 652 bills that were introduced during the shortened session, CREA tracked a total of 33 bills that would directly impact Colorado's electric cooperatives.

Budget: The Joint Budget Committee went from an anticipated \$800 million surplus to a \$3.3 billion shortfall in a matter of months. This required a complete overhaul of the "long bill" and shifting of cash funds from various programs in addition to across the board cuts.

SB20-124 School Construction Guideline Utility Consultation: The bill requires school districts that are applying for Building Excellent Schools Today (BEST) grants, to consult with their incumbent utility to learn more about beneficial electrification and distributed generation opportunities. The bill passed.

HB20-1137 Broadband Grant Certification of Unserved Area Requirement: The bill makes changes to how the broadband deployment board awards grants to entities that provided broadband service in unserved areas of Colorado. The bill passed.

HB20-1412 COVID-19 Utility Bill Payment-related Assistance: The bill will provide \$4.8 million in CARES ACT funding to Energy Outreach Colorado to provide bill payment assistance for low-income families that have been impacted by COVID-19. CREA had taken a support position on this bill. The bill passed.

HB20-1025 Sales Tax Exemption Industrial and Manufacturing Energy Use: The bill would have modified the industrial energy exemption to only apply when energy is used by a metered machine. CREA staff and membership along with members of the business community including the Colorado Mining Association, Xcel Energy, and the Colorado Chamber of Commerce testified and lobbied in opposition to the bill. The bill was postponed indefinitely.

HB20-1064 Public Utilities Commission study of Community Choice Energy: The bill would have required the PUC to conduct a feasibility study on how community choice energy (CCE) would impact Colorado communities and utilities. While the bill died on the calendar due to budget constraints, CREA staff had worked with Rep. Hooton to amend the bill to address concerns that CREA had about the bill.

HB20-1420 Adjust Tax Expenditures for State Education Fund: The bill as introduced would have made changes to state income, sales and use, insurance premium tax expenditures. The bill was amended to remove provisions in Sections 6, 7, and 8, which could have adversely impacted Colorado's electric cooperatives. CREA submitted written testimony and lobbied against the bill.

SB20-216 Worker's Compensation: The bill sought to change the worker's compensation claims process to presume that if an essential worker contracted COVID-19, then the worker contracted COVID-19 in the workplace thus making them eligible to receive worker's compensation. CREA lobbied in opposition to the bill. The bill was postponed indefinitely.

HB20-1225 Cooperative Electric Utilities Reasonable Rates Energy Storage: The bill was amended in committee to allow the PUC to facilitate transmission rates if a cooperative leaves Tri-State. CREA had taken an opposed position on the bill with a two-thirds vote of the board. CREA, Tri-State, PVREA, and SECPA, Sangre De Cristo provided opposition testimony to the bill. United Power provided testimony in support of the bill. Gov. Polis signed the bill into law on 3/27/2020.

HB20-1415 Whistleblower Protection Public Health Emergencies: The bill prohibits an employer from discriminating against or taking retaliatory actions against an employee that raises concerns about work conditions if the workplace fails to meet federal, state, or local health and safety guidelines. CREA is following this bill.

SB20-207 Unemployment Insurance: The bill expands unemployment benefits for Colorado's workforce. The bill was heavily amended during the legislative process to address concerns from the business community.

Thank You: Geoff Hier thanked the legislative committee, Tri-State G&T, and Public Affairs for their hard work throughout this session.

73rd General Assembly: The General Assembly will convene on January 13, 2021. All 65 Colorado House of Representative seats are up for election and 18 of the 25 Senate seats are up for election. CREA staff is already preparing for next session by working on potential legislation to address cooperative concerns relating to wildfires, cooperative governance and elections, and on-bill financing.

Executive Director's Report

COVID-19: Kent Singer displayed two graphs, including the number of deaths among COVID cases in Colorado.

Board Schedule: Both the June 26 and August 28 board meeting will be held via webinar. There will not be a July or September board meeting. CREA will plan to have the October 30 board meeting in person at Tri-State G&T. In conjunction with the December board meeting, there will be a joint board-manager meeting. CREA is planning to host the annual meeting at the Grand Hyatt.

COVID-19 Impact on Co-ops: Singer displayed a graph that showed the financial impact that COVID-19 has had on San Isabel Electric.

NRECA Resolutions Committee: Singer covered new proposals that will be presented to NRECA, including the Seeking Cooperation of Federal Agencies to Help Co-ops Reduce Risk of Wildfires, proposed on behalf of CREA.

A motion was made to support the proposed CREA resolution regarding wildfire mitigation. The motion was seconded and carried.

PUC: The PUC is conducting a retail rate study and is asking for co-op rate info for comparison purposes. CREA will be filing comments to the CEO proposal to require a bi-annual interconnection report. A case involving Southeast Colorado Power and the City of Lamar has been filed.

NRECA: NRECA will host virtual “Reginal Meetings Week” the week of October 12.

Beneficial Electrification: CREA and Tri-State are the primary utility supporters of the Beneficial Electrification League of Colorado (BELCO). Both CREA and Tri-State have been heavily involved with projects to promote beneficial electrification. CREA will be sponsoring a webinar on August 27 to discuss ground source, air source, and cold climate heat pumps.

Webinar: There will be a webinar on Monday, June 29 titled, “The U.S. Energy Landscape After COVID-19.”

Education & Communications Committee

State Fair: Each year Colorado’s Electric Cooperatives sponsor the Junior Livestock Sale at the Colorado State Fair. Most of the students selling their livestock in the sale live in electric co-op territory. However, this year the Colorado State Fair is being “reimagined” due to the pandemic. The CREMS group is negotiating with the fair staff on what the livestock sale will look like and how the electric co-ops might still be involved. With the sale being live and online, there may be new ways to promote electric co-ops and our support for the community through events such as the livestock sale.

Co-op Report: After eight years of sending CREA’s e-newsletter, the Colorado Co-op Report, the look of the newsletter has been updated. The June issue was the first one with the new look. Any directors, managers or co-op employees who are not receiving the newsletter and who would like to receive it, should contact Mona Neeley at mneeley@coloradocountrylife.org.

Planting Trees: In the two years since *Colorado Country Life* joined PrintReLeaf, which plants trees to provide for global reforestation one print job at a time, CCL has planted 8,106 trees. In May, CCL planted 336 trees in the United States based on the 2,883,218 magazine pages it printed.

Colorado Country Life: La Plata Electric has discontinued taking the magazine for one year and will reevaluate at that time.

Education: Four webinars were held this month for co-op staff. For directors, CREA will be offering CCD Course 2610 Understanding the Electric Business on September 12-13, 2020 and Course 930 Ethics & Governance on either September 9-10, 2020 or a repeat session will be held September 26-27, 2020. There is no charge for attending these courses, but class size is limited to 30 people and you must register to enroll. CREA is working on a series of five webinars for co-op directors and staff. There will also be a December course on co-op bylaws.

Safety & Loss Control Committee

COVID-19: As more workplaces reopen, OSHA reminds employers that worker safety remains a priority amid both coronavirus and common workplace hazards.

Close Calls/Near Miss: A fire extinguisher was discharged in a CREA vehicle. Dale Kishbaugh reminded the co-ops to take the extra steps necessary to stay safe.

Storms: Eight co-ops had significant damage from a storm that took place in early June. Co-ops were reminded to take a look at their pre-disaster planning.

Staff: JT&S instructors are all back on the roads, traveling to the co-ops.

Budget & Finance Committee

Treasurer Rod Martinez summarized the CREA audit that was prepared by Kevin Kelso.

A motion was made to accept the audit. The motion was seconded and carried.

Submitted by:
Chelsea Eichhorn
Event & Administrative Coordinator

Western United Electric Report for LPEA Board of Directors July 2020

The Western United Electric Board of Directors last meeting was conducted on May 28, 2020, and the next scheduled meeting will be on August 27, 2020, where the annual audit will be presented.

There are two items that have come up since the May board meeting that I would like to convey to the LPEA Board.

There are three proposals to the WUE Board of Directors that will be discussed and potentially voted on at the August meeting: 1) increase compensation to Board President and Committee Chairs, 2) increase Board compensation at the same time and cost of living rate as employees, and 3) provide the outgoing president a bonus. There is a descent among many of the member-owners of WUE that these proposals do not hold to the ideals of the cooperative model, and should not pass. Without seeing the written proposals, I do not have details, but I am inclined to agree with the descent.

The second item involves an Executive Order signed on May 1, 2020 by President Trump. This EO requires the creation of a task force and thorough vetting/reporting by grid and power operator/suppliers of "bulk grid" electrical equipment, especially foreign made, for national/cyber security concerns. After reading the EO, I am not sure whether it will apply to LPEA or not, but I do believe there may be applicability to Tri-State. I emailed CEO Mordini about whether he had any concerns from the WUE perspective. He informed me that they are waiting for the final definitions and initial developments over the next year that come from the EO to evaluate, but he sounded confident that WUE already uses domestic and/or vetted suppliers. He did also say that any customer that purchases anything outside of WUE is responsible for that vetting/reporting.

Please let me know if you have questions or comments.

Respectfully submitted,

Holly Metzler



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EXECUTIVE ORDERS

Executive Order on Securing the United States Bulk-Power System

INFRASTRUCTURE & TECHNOLOGY

Issued on: May 1, 2020

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), and section 301 of title 3, United States Code,

I, DONALD J. TRUMP, President of the United States of America, find that foreign adversaries are increasingly creating and exploiting vulnerabilities in the United States bulk-power system, which provides the electricity that supports our national defense, vital emergency services, critical infrastructure, economy, and way of life. The bulk-power system is a target of those seeking to commit malicious acts against the United States and its people, including malicious cyber activities, because a successful attack on our bulk-power system would present significant risks to our economy, human health and safety, and would render the United States less capable of acting in defense of itself and its allies.

I further find that the unrestricted acquisition or use in the United States of bulk-power system electric equipment designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries augments the ability of foreign adversaries to create and exploit vulnerabilities in bulk-power system electric equipment, with potentially catastrophic effects.

I therefore determine that the unrestricted foreign supply of bulk-power system electric equipment constitutes an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, which has its source in whole or in substantial part outside the

United States. This threat exists both in the case of individual acquisitions and when acquisitions are considered as a class. Although maintaining an open investment climate in bulk-power system electric equipment, and in the United States economy more generally, is important for the overall growth and prosperity of the United States, such openness must be balanced with the need to protect our Nation against a critical national security threat. To address this threat, additional steps are required to protect the security, integrity, and reliability of bulk-power system electric equipment used in the United States. In light of these findings, I hereby declare a national emergency with respect to the threat to the United States bulk-power system.

Accordingly, I hereby order:

Section 1. Prohibitions and Implementation. (a) The following actions are prohibited: any acquisition, importation, transfer, or installation of any bulk-power system electric equipment (transaction) by any person, or with respect to any property, subject to the jurisdiction of the United States, where the transaction involves any property in which any foreign country or a national thereof has any interest (including through an interest in a contract for the provision of the equipment), where the transaction was initiated after the date of this order, and where the Secretary of Energy (Secretary), in coordination with the Director of the Office of Management and Budget and in consultation with the Secretary of Defense, the Secretary of Homeland Security, the Director of National Intelligence, and, as appropriate, the heads of other executive departments and agencies (agencies), has determined that:

(i) the transaction involves bulk-power system electric equipment designed, developed, manufactured, or supplied, by persons owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary; and

(ii) the transaction:

(A) poses an undue risk of sabotage to or subversion of the design, integrity, manufacturing, production, distribution, installation, operation, or maintenance of the bulk-power system in the United States;

(B) poses an undue risk of catastrophic effects on the security or resiliency of United States critical infrastructure or the economy of the United States; or

(C) otherwise poses an unacceptable risk to the national security of the United States or the security and safety of United States persons.

(b) The Secretary, in consultation with the heads of other agencies as appropriate, may at the Secretary's discretion design or negotiate measures to mitigate concerns identified under section 1(a) of this order. Such measures may serve as a precondition to the approval by the Secretary of

a transaction or of a class of transactions that would otherwise be prohibited pursuant to this order.

(c) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

(d) The Secretary, in consultation with the heads of other agencies as appropriate, may establish and publish criteria for recognizing particular equipment and particular vendors in the bulk-power system electric equipment market as pre-qualified for future transactions; and may apply these criteria to establish and publish a list of pre-qualified equipment and vendors. Nothing in this provision limits the Secretary's authority under this section to prohibit or otherwise regulate any transaction involving pre-qualified equipment or vendors.

Sec. 2. Authorities. (a) The Secretary is hereby authorized to take such actions, including directing the timing and manner of the cessation of pending and future transactions prohibited pursuant to section 1 of this order, adopting appropriate rules and regulations, and employing all other powers granted to the President by IEEPA as may be necessary to implement this order. The heads of all agencies, including the Board of Directors of the Tennessee Valley Authority, shall take all appropriate measures within their authority as appropriate and consistent with applicable law, to implement this order.

(b) Rules and regulations issued pursuant to this order may, among other things, determine that particular countries or persons are foreign adversaries exclusively for the purposes of this order; identify persons owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries exclusively for the purposes of this order; identify particular equipment or countries with respect to which transactions involving bulk-power system electric equipment warrant particular scrutiny under the provisions of this order; establish procedures to license transactions otherwise prohibited pursuant to this order; and identify a mechanism and relevant factors for the negotiation of agreements to mitigate concerns raised in connection with subsection 1(a) of this order. Within 150 days of the date of this order, the Secretary, in consultation with the Secretary of Defense, the Secretary of Homeland Security, the Director of National Intelligence, and, as appropriate, the heads of other agencies, shall publish rules or regulations implementing the authorities delegated to the Secretary by this order.

(c) The Secretary may, consistent with applicable law, redelegate any of the authorities conferred on the Secretary pursuant to this section within the Department of Energy.

(d) As soon as practicable, the Secretary, in consultation with the Secretary of Defense, the Secretary of the Interior, the Secretary of Homeland Security, the Director of National Intelligence, the Board of Directors of the Tennessee Valley Authority, and the heads of such other agencies as the Secretary considers appropriate, shall:

(i) identify bulk-power system electric equipment designed, developed, manufactured, or supplied, by persons owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary that poses an undue risk of sabotage to or subversion of the design, integrity, manufacturing, production, distribution, installation, operation, or maintenance of the bulk-power system in the United States, poses an undue risk of catastrophic effects on the security or resiliency of United States critical infrastructure or the economy of the United States, or otherwise poses an unacceptable risk to the national security of the United States or the security and safety of United States persons; and

(ii) develop recommendations on ways to identify, isolate, monitor, or replace such items as soon as practicable, taking into consideration overall risk to the bulk-power system.

Sec. 3. Task Force on Federal Energy Infrastructure Procurement Policies Related to National Security. (a) There is hereby established a Task Force on Federal Energy Infrastructure Procurement Policies Related to National Security (Task Force), which shall work to protect the Nation from national security threats through the coordination of Federal Government procurement of energy infrastructure and the sharing of risk information and risk management practices to inform such procurement. The Task Force shall be chaired by the Secretary or the Secretary's designee.

(b) In addition to the Chair of the Task Force (Chair), the Task Force membership shall include the following heads of agencies, or their designees:

(i) the Secretary of Defense;

(ii) the Secretary of the Interior;

(iii) the Secretary of Commerce;

(iv) the Secretary of Homeland Security;

(v) the Director of National Intelligence;

(vi) the Director of the Office of Management and Budget; and

(vii) the head of any other agency that the Chair may designate in consultation with the Secretary of Defense and the Secretary of the Interior.

(c) The Task Force shall:

- (i) develop a recommended consistent set of energy infrastructure procurement policies and procedures for agencies, to the extent consistent with law, to ensure that national security considerations are fully integrated across the Federal Government, and submit such recommendations to the Federal Acquisition Regulatory Council (FAR Council);
 - (ii) evaluate the methods and criteria used to incorporate national security considerations into energy security and cybersecurity policymaking;
 - (iii) consult with the Electricity Subsector Coordinating Council and the Oil and Natural Gas Subsector Coordinating Council in developing the recommendations and evaluation described in subsections (c)(i) through (ii) of this section; and
 - (iv) conduct any other studies, develop any other recommendations, and submit any such studies and recommendations to the President, as appropriate and as directed by the Secretary.
- (d) The Department of Energy shall provide administrative support and funding for the Task Force, to the extent consistent with applicable law.
- (e) The Task Force shall meet as required by the Chair and, unless extended by the Chair, shall terminate once it has accomplished the objectives set forth in subsection (c) of this section, as determined by the Chair, and completed the reports described in subsection (f) of this section.
- (f) The Task Force shall submit to the President, through the Chair and the Director of the Office of Management and Budget:
- (i) a report within 1 year from the date of this order;
 - (ii) a subsequent report at least once annually thereafter while the Task Force remains in existence; and
 - (iii) such other reports as appropriate and as directed by the Chair.
- (g) In the reports submitted under subsection (f) of this section, the Task Force shall summarize its progress, findings, and recommendations described in subsection (c) of this section.
- (h) Because attacks on the bulk-power system can originate through the distribution system, the Task Force shall engage with distribution system industry groups, to the extent consistent with law and national security. Within 180 days of receiving the recommendations pursuant to subsection (c)(i) of this section, the FAR Council shall consider proposing for notice and public comment an amendment to the applicable provisions in the Federal Acquisition Regulation to implement the recommendations provided pursuant to subsection (c)(i) of this section.

Sec. 4. Definitions. For purposes of this order, the following definitions shall apply:

(a) The term “bulk-power system” means (i) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and (ii) electric energy from generation facilities needed to maintain transmission reliability. For the purpose of this order, this definition includes transmission lines rated at 69,000 volts (69 kV) or more, but does not include facilities used in the local distribution of electric energy.

(b) The term “bulk-power system electric equipment” means items used in bulk-power system substations, control rooms, or power generating stations, including reactors, capacitors, substation transformers, current coupling capacitors, large generators, backup generators, substation voltage regulators, shunt capacitor equipment, automatic circuit reclosers, instrument transformers, coupling capacity voltage transformers, protective relaying, metering equipment, high voltage circuit breakers, generation turbines, industrial control systems, distributed control systems, and safety instrumented systems. Items not included in the preceding list and that have broader application of use beyond the bulk-power system are outside the scope of this order.

(c) The term “entity” means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.

(d) The term “foreign adversary” means any foreign government or foreign non-government person engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or its allies or the security and safety of United States persons.

(e) The term “person” means an individual or entity.

(f) The term “procurement” means the acquiring by contract with appropriated funds of supplies or services, including installation services, by and for the use of the Federal Government, through purchase, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.

(g) The term “United States person” means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

Sec. 5. Recurring and Final Reports to the Congress. The Secretary is hereby authorized to submit recurring and final reports to the Congress regarding the national emergency declared in this order, consistent with section 401(c) of the NEA (50 U.S.C. 1641(c)) and section 204(c) of IEEPA (50 U.S.C. 1703(c)).

Sec. 6. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

- (i) the authority granted by law to an executive department or agency, or the head thereof; or
 - (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.
- (b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.
- (c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

DONALD J. TRUMP

THE WHITE HOUSE,
May 1, 2020.

