



## MREA Legislative Bulletin

Minnesota Rural Electric Association

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Providing service and leadership for electric cooperatives.

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### **Grassroots Day in St. Paul**

We're less than two weeks away from our annual Grassroots Day at the Capitol (Wednesday, April 13) and the week could be a key one for our priority issues this session.

Negotiations continue on efforts to lift the coal moratorium, as well as possible reforms to the Conservation Improvement Program (CIP). We also expect a hearing soon in the House on a bill that makes technical changes to the way federal hydro-power is treated under the Renewable Energy Standard and another on stray voltage. By attending the Grassroots Day event, you can help us put a local face on these issues and drive home their importance to local electric rates and quality of service.

We're hoping most cooperatives will be able to send 2-5 people. We'd also like you to consider bringing along representatives of your key accounts to talk about the impact that rising electric rates are having on their businesses or organizations.

The day will begin with a 9 a.m. briefing on key issues and legislation in Room 300 North in the State Office building. The rest of the day will be open for meetings with local legislators. Your cooperative will be responsible for scheduling meetings with legislators. Please try not to schedule any meetings before 10 a.m.

If you know who will be attending from your electric cooperative, please register (at no cost) under the MREA Events tab at <http://www.mrea.org>. That way we can supply name tags for everyone who attends.

We look forward to seeing you in St. Paul.

### **Key Omnibus bills pass House and Senate**

The Legislature spent most of last week passing their Omnibus Budget Bills, the big finance bills that fund the various state departments and commissions. The results for electric cooperatives? Well, so far, so good.

For the most part, the Omnibus Environment, Energy and Natural Resource Finance Bills maintained the status quo on energy issues and contained no new major policy shifts. However, there are a few minor differences between the two bills.

The Senate version does allow the Department of Commerce to assess utilities \$750,000 to hire more staff at the PUC and \$265,000 for new hires at the Office of Energy Security. The additional staff is intended to eliminate the bottlenecks that have delayed rate cases, the approval of Integrated Resource Plans, transmission citing and other regulatory activities.

In addition, the Senate version also allows the OES to take \$500,000 from the Conservation Improvement Program (CIP) Research and Development assessment in FY 2012 to fund Community Energy Resource Teams (CERTs). (The CERTs program has previously been funded through the Renewable Energy Development Fund.)

The House bill includes a provision for Lake Country Power that would increase the threshold that would have to be met to force a membership-wide election over whether the cooperative would become rate-regulated. Currently, if just one percent of Lake Country Power's members sign a petition, an election is required. Every other cooperative in the state requires 5 percent of the membership to sign. The amendment, authored by Rep. David Dill (DFL-Crane Lake), repeals the law that lowered the threshold for Lake Country Power and returns to the standard to 5 percent.

The bills will now head to Conference Committee. Appointees from the House are Environment, Energy and Natural Resources Chair Denny McNamara (R-Hastings), Rep. Tom Hackbarth (R-Cedar), Rep. Paul Torkelson (R-Nelson Township), Rep. Joe Hoppe (R-Chaska) and Rep. Dill. As of Friday, the Senate had not yet made its appointments.

In other bills of interest, on Monday, the House passed its Omnibus Tax Bill. The Senate will take up its version of the bill on Monday, April 4. The House version emerged without any significant increases on the taxes paid by utilities or elimination of tax credits or exemptions, something we were concerned about. We'll be keeping a close eye on what happens in the Senate, but we remain hopeful it will emerge without any bad amendments.

### **Stray Voltage**

Heading into the House debate over the Omnibus Agriculture and Rural Development Finance Bill, we were a bit concerned that there could be an amendment regarding stray voltage as there was last year, but the issue didn't come up during the debate over the bill.

However, we do expect the House Agriculture and Rural Development Committee to hold a hearing on stray voltage sometime in the next few weeks.

There has been a bill introduced in the House (HF 1157, authored by Rep. Bruce Anderson, of Buffalo Township) that would require the Public Utilities Commission to create a Stray Voltage Advisory Task Force to establish rules regarding stray voltage and how utilities deal with stray voltage complaints. So far, there hasn't been a companion bill introduced in the Senate.

### **CIP meetings continued**

On Wednesday, representatives from GRE, Connexus Energy and Dakota Electric met with the OES's Jeff Haase to discuss CIP issues relating to larger co-ops. Reports back from the meeting were positive.

We will continue to work with Haase and OES Director Bill Grant to find common ground on our proposed reforms. We're pushing for a reduction of the overall goal of the program because of differences in load profiles and customer mix, limits on cost, KWH savings for education, exemption of large loads from the CIP calculation, life-cycle accounting for savings and more flexibility in what gets counted. Once that process is completed, legislation will be drafted and introduced in the Senate.

### **Behind-the-scenes negotiations continue on lifting of coal moratorium**

Behind-the-scenes negotiations with the Dayton Administration over the state's coal moratorium continued last week with another meeting between Governor Dayton and North Dakota Governor Jack Dalrymple. There's no word on the details of what was discussed, but the fact that they're talking is encouraging.

On Monday representatives from Minnkota Power Co-op will meet with the Governor's staff to discuss the coal moratorium and issues surrounding the co-op's recent rate increases.

### **MREA Legislative Teleconferences**

Please continue to join us on our weekly Legislative Teleconferences. We'll be holding another briefing next Friday at 11 a.m.

During the calls, we provide participants with a briefing of what's been happening at the Capitol, including updates on our legislative priorities, and coordinate any grassroots efforts that are needed. We're also hoping to get feedback from members about any local issues that could have an impact in St. Paul.

Next Friday's conference call starts at 11 a.m. To participate, call 877-810-9415. The access code is 6422870.

Please let us know if you have any questions or concerns:

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