



MREA Legislative Bulletin

Minnesota Rural Electric Association

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Providing service and leadership for electric cooperatives.

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Annual Meeting Feedback

We'd like to thank all of you who attended the annual meeting and participated in the various Legislative Day activities. The feedback we're hearing from legislators about their visits with co-op directors and employees has been extremely positive.

We also can't stress enough how valuable your relationships with local legislators is to the job we do at the Capitol. We're fortunate that most co-op employees, directors and members innately understand how important political involvement is to what we do and the relationships you have forged with local lawmakers has made a real difference in the direction of energy policy in this state over the past few years.

Thanks again for participating in last Tuesday's events and keep up the good work.

Senate holds informational hearings on CIP

The Senate Energy, Utilities and Telecommunications Committee held two informational hearings on the Conservation Improvement Program (CIP) and some of the challenges facing utilities in meeting the program's 1.5 percent annual savings goal.

On Thursday, February 17, the committee heard testimony from the Office of Energy Security and representatives from the state's municipal utilities. During the committee's next meeting on Tuesday, February 22, testimony included a summary of Xcel Energy's CIP efforts, the experience of Anderson Corporation and presentations from Great River Energy's Director of Member Services Gary Connett, Connexus Energy's Vice President of Power Supply John Gasal and Tri-County Electric's Vice President of Member Services Ted Kjos.

Connett, Gasal and Kjos all did an excellent job of outlining the unique challenges facing cooperatives when it comes to CIP and dramatically identifying some of the unforeseen consequences of the law, many of which have been magnified by the economic downturn. More importantly, their testimony has helped reframe the debate over CIP and shifted the focus to the impact the program is having on our members' pocketbooks.

Gasal summed it up nicely at the end of his testimony when he said, "Perhaps a different way of looking at this is, during this time of economic stress, is this the best use of our members' hard-earned and limited capital?"

At the hearing, Committee Chair Julie Rosen said she would be putting together a stakeholder process to try and come up with a consensus approach to addressing the key issues with CIP. With the broad

bipartisan support we're seeing for our proposed changes, we're hoping the process will produce legislation that not only addresses our key concerns, but also earns the support of the Governor.

Coal Moratorium bills to be heard in House and Senate

The big news on the coal moratorium front is that the Senate will hold its first hearings on SF 86, their version of the bill to lift the moratorium. The Senate Energy Committee will begin hearing testimony on the bill on Thursday, March 3, with additional testimony spilling over to Tuesday, March 8, along with a vote on the measure. We expect the bill to pass with broad bipartisan support.

Senate Energy, Utilities and Telecommunications Chair Julie Rosen, who is the chief author of the legislation, indicated at our annual meeting that she would send the bill directly to the floor of the Senate once it passes.

The House version of the bill, HF 72, is also expected to head to the floor after it's heard in the House Commerce and Regulatory Committee on Wednesday, March 2.

We expect opponents of the bill to continue to try to make this a referendum on renewable energy. However, we continue to remind that the purpose of the legislation is to make sure that we have enough power to meet the state's baseload demands when the sun doesn't shine and the wind doesn't blow. Lifting the moratorium will also allow Minnesota's electric cooperatives to continue to make vital investments in new technology that will allow us to burn coal cleaner and more efficiently.

House passes bill to lift nuclear moratorium, conference committee named

On Thursday, Feb. 17, the House passed SF 4, which would lift the ban on construction of new nuclear plants in the state, on an 81-50 vote. The Senate passed a similar version of the bill, 50-14, earlier in the month.

Because the House added an amendment that would prohibit spent fuel from any plant to be used for the production of nuclear weapons, the bill will now be sent to a conference committee.

Rep. Joyce Peppin (R-Rogers), the chief author in the House, Commerce Committee Chair Joe Hoppe (R-Chaska) and Rep. Tim Mahoney (DFL-St. Paul) will represent the House on the committee. Senate members include Senate Majority Leader Amy Koch (R-Buffalo), who is also the chief author, Energy, Utilities and Telecommunications Chair Julie Rosen (R-Fairmont) and Sen. Linda Scheid.

Budget pushes other legislative issues to the background

Since Governor Mark Dayton unveiled his budget proposal on Tuesday, February 15, most of the committees in the House and Senate have spent their time going over the proposal and listening to testimony from the various state agencies.

Next week, the Department of Revenue will release the February budget forecast and the legislature will use the revenue and expenditure figures provided in the forecast as the basis for their budget proposal. All that will push policy issues like the WAPA/federal hydropower allocations and stray voltage into the background at least for the next few weeks.

On the WAPA front, we were encouraged to see two rural DFLers, Rep. Kent Eken (Twin Valley) and Rep. John Persell (Bemidji), sign onto the bill. We also expect Rep. Bill Hilty, the DFL lead on energy, to sign onto the bill.

MREA Legislative Teleconferences

Please continue to join us on our weekly Legislative Teleconferences. We'll be holding another briefing 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.

As always, if you have any specific questions on legislation or policy, please feel free to contact the MREA Government Affairs staff:

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