



MREA Legislative Bulletin

Minnesota Rural Electric Association
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Providing service and leadership for electric cooperatives.

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House Committee Votes to Lift Coal Moratorium

As expected, the House Environment, Energy & Natural Resources Committee on Tuesday, February 1, approved passage of HF 72, legislation that would repeal the prohibition on the importation of new coal-based energy or the construction of a new coal plant in Minnesota. The 10-6 vote split mostly on party lines, with one DFLer, Rep. David Dill, of Crane Lake, voting in favor of the bill.

The bill will remain in a holding pattern for a while until we get a better sense of how Governor Mark Dayton will react to the bill and what kind of legislative package it will need to be tied to get it passed.

Part of that effort will be working with rural DFL legislators to get them to first support the bill and then advocate for it with administration.

When talking to local legislators about the issue, please remind them that this isn't an anti-renewable energy bill. It's about providing affordable and reliable power that will keep the lights on 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.

There was no movement this week on the Senate side, though we expect the Senate to hear SF 86, authored by Senate Energy, Utilities and Telecommunications Chair Julie Rosen sometime in February or early March.

Senate Passes Bill To Lift Nuclear Ban

On Wednesday, February 2, the Minnesota Senate voted overwhelmingly (50-14) to pass SF 4, which will allow the state's Public Utilities Commission (PUC) to approve construction of a nuclear facility during the Certificate of Need process. Current law prohibits the PUC from approving a new nuclear plant.

We were particularly pleased to see that nearly half of the DFL members voted in favor of the bill, including a number from the metro area. Governor Dayton has still not indicated if he will sign the legislation into law, but the broad bipartisan support makes a veto more difficult.

A similar bill, HF 9, is scheduled to be heard in the House Commerce Committee on Wednesday, Feb. 9 at 2:30 p.m.

Hearings on CIP Issues in the Works

We've been busy working with legislators and staff to set up informational hearings on the Conservation Improvement Program and the challenges facing Minnesota's electric cooperatives in meeting the 1.5 percent annual goal.

We expect the Senate to hold hearings on CIP sometime in February and any legislation is likely to be based on the outcome of those hearings.

We've also been talking with individual legislators on a number of proposals to address flaws in the program. We're hopeful we can work with both legislators and the administration to at least address some of the biggest challenges facing cooperatives.

WAPA Bills Moving Forward

Bills (SF 113 and HF 220) have been introduced and hearing requests submitted for legislation that clarifies that all power allocated to electric cooperatives from the Western Area Power Administration (WAPA) can be subtracted from their retail sales when calculating the Renewable Energy Standard. The bills are authored by Sen. John Carlson (R-Bemidji) and Rep. Dave Hancock (R-Bemidji).

The issue arose last year after staff at the Minnesota Office of Energy Security claimed a strict reading of the RES law prohibited East River Power Co-op from subtracting the WAPA allocations from its members' retail sales because the G&T aggregated or pooled the allocations. Minnkota Power Co-op and L & O Power Cooperative also aggregate the WAPA allocations of their members.

The case went before the Minnesota Public Utilities Commission (PUC), and last March, the PUC sided with the OES despite comments from several commissioners that the distinction made no sense.

So far, we haven't heard any negative feedback about the bills and continue to be hopeful that the bills will be seen as nothing more than a "technical clarification" of the RES.

C-BED Legislation Faces Opposition

The new legislation intended to encourage the construction of Community-Based Energy Development (C-BED) projects hit a rough patch when several legislators who originally indicated they would support the bill withdrew their support after learning more about the details in the bill. Those legislators included Senate Energy Committee Chair Julie Rosen and Rep. Bob Gunther, who was originally signed on as chief author in the House.

The legislation, pushed by wind developer Dan Juhl, is similar to legislation authored by Rep. Andrew Falk (DFL-Murdock) two years ago to create a carve-out in the Renewable Energy Standard for small (under 5MW), community-owned projects at a set price well above retail.

Specifically, the bill would require every public utility and G&T in the state to purchase a proportionate share (based on total energy sold) of 200 MW of wind energy from C-BED projects under 5 MW in size. The purchase price of the energy would be based on the "the net present value rate equal to the annual average of the previous year's Minnesota Hub Average Day Ahead Market Price compiled by MISO calculated over the term of the contract." In other words, it would be a rate well above the going wholesale rate for wind energy.

Although the bill nearly passed two years ago, there doesn't seem to be much appetite for it in either body this year.

Stray Voltage Hearing Expected

An expected informational hearing in the House Agriculture and Rural Development Committee on stray voltage has been pushed back until the week of Feb. 28 at the earliest. The hearing, which is in response

to a rising number of stray voltage complaints from around the state, is expected to include testimony from farmers, utilities and stray voltage and dairy experts.

It's unclear at this time if any legislation will be introduced.

Legislative Visits

If you haven't done so already, please remember to set up appointments with your local legislators for our annual Day at the Capitol during the MREA annual meeting on Feb. 22. This is a great opportunity to get some valuable face-time with area legislators and reinforce our message on key issues facing Minnesota electric cooperatives.

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.

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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