



## MREA Legislative Bulletin

Minnesota Rural Electric Association  
Lee Sundberg, Director of Government Affairs & Joel Johnson, Legislative Representative  
11640 73rd Ave N, Maple Grove, MN 55369 ♦ 763-424-1020 ♦ www.mrea.org

Providing service and leadership for electric cooperatives.

1-21-11

### **MREA to Begin Regular Legislative Teleconferences**

Next Friday, MREA will host the first of its new Legislative Briefings for interested members. During the conference call, we'll be providing 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.

The conference call will start at 11 a.m. next Friday (Jan. 28). To participate, call 877-810-9415. The access code is 6422870.

### **Bill to Lift Coal Moratorium Introduced In Senate – Hearing on House Bill Scheduled for Next Week**

This week, Senate Energy, Utilities and Telecommunications Committee chair Julie Rosen (R-Fairmont) introduced a bill, SF 86, to repeal the prohibition on the importation of new coal-based energy or the construction of a new coal plant in Minnesota. The bill mirrors legislation (HF 72) introduced in the House two weeks ago by State Rep. Michael Beard (R-Shakopee).

In talks with Great River Energy and the Lignite Council, House Environment, Energy and Natural Resources Committee chair Denny McNamara (R-Hastings) indicated his committee will take up HF 72 on Thursday, Jan. 27 during the committee's 8:15-10 a.m. meeting. The Senate is likely to take up the bill sometime in February.

Both bills have attracted bipartisan support, but it is unclear whether the bills will be supported by Governor Mark Dayton.

Because of its importance to rates and reliability, lifting the coal moratorium remains MREA's top legislative priority. Over the course of the next few months, we will be asking co-op staff and member/consumers to contact the Governor's office and urge him to sign the legislation into law.

### **Bill to Lift Nuclear Ban to Be Heard in Senate**

SF 4, a bill to end the moratorium on the construction of new nuclear energy plants in Minnesota, is scheduled to be heard on Tuesday in the Senate Energy, Utilities and Telecommunications Committee. Authored by new Senate Majority Leader Amy Koch, the bill will allow the state's Public Utilities Commission (PUC) to approve the construction of a nuclear facility during the Certificate of Need process. Current law prohibits the PUC from approving a new nuclear plant.

A similar bill, HF 9, passed out of the House Environment, Energy and Natural Resources Committee on Tuesday, Jan. 11 on a 10-6 vote.

As with the lifting of the coal moratorium, it's still unclear whether Governor Dayton will sign the bill into law or veto it. During last year's campaign, he said he didn't support lifting the moratorium but, since its passage out of the Committee he hasn't said definitively whether he will veto the bill or not.

## Bill Introductions

Bills are just starting to be introduced, but we're not seeing the same volume as we did over the past few years. In fact, only nine energy-related bills have been introduced this session.

In addition to the bills to lift the coal and nuclear moratoriums, probably the most interesting bill introduced is HF 75, authored by State Rep. Tom Hackbarth (R-Cedar), which would repeal the 25-by-'25 Renewable Energy Standard and the 1.5 percent savings goal of the Conservation Improvement Program (CIP).

Other bills of note include:

- SF 50, which would study the cost of nuclear storage in the state and allow the Minnesota Attorney General to sue the federal government for failing to meet its requirement to provide nuclear storage, with the proceeds going to Xcel ratepayers;
- SF 46, which would provide a \$100,000 grant to a proposed "plasma-biomass" plant in Lake of the Woods County.

## Reactions to Possible CIP Modifications Continue to be Positive

MREA has been visiting with key members of the House and Senate Energy Committees about possible changes to CIP and the response so far has been very positive.

Legislators on both sides of the aisle seem responsive to the unique challenges electric cooperatives face in trying to meet the goal and are at least willing to look at possible modifications to the program.

Senate Energy, Utilities and Telecommunications chair Rosen indicated this week that she is planning on holding a hearing to review CIP during the session and consider changes to the program.

MREA is in the process of drafting legislation to address the most pressing issues facing electric cooperatives when it comes to CIP. That process should be finished in the next couple of weeks. Some of the changes we're looking at include:

- Allowing cooperatives to include more system-wide savings in the 1.5 goal (currently, only .5 of the savings can come on the system side of the meter)
- Setting limits on how much a cooperative must spend on programs
- Tying the measure to load growth
- Providing more flexibility in what gets counted, including all load management programs
- kW savings credits for education
- The subtraction of significant new loads from the CIP calculation
- Streamlining the reporting process to reduce the paperwork and labor required

In the meantime, continue to talk to your local legislators about the need for changes and the impact it has having on your members. If your cooperative has a compelling story to tell, please pass it on to us.

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

Lee Sundberg  
MREA Director of Government Affairs  
(Office) - 763-424-7238  
(Cell) – 763-439-2511  
[lee@mrea.org](mailto:lee@mrea.org)

Joel Johnson  
MREA Government Affairs Representative  
(Office) - 763-424-7237  
(Cell) – 763-639-1746  
[joel@mrea.org](mailto:joel@mrea.org)