



Continuing Resolutions of The Minnesota Rural Electric Association

11640 73rd Avenue N.
Maple Grove, MN 55369

p. 763-424-1020
f. 763-424-5820

info@mrea.org
www.mrea.org

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(S) = State Activity or Issue

(F) = Federal Activity or Issue

(F/S) = Federal & State Activity or Issue

The use of the name “Minnesota Rural Electric Association” or its acronym “MREA” means the membership of the Minnesota Rural Electric Association.

The current MREA Resolutions can be found on the website at:

<http://www.mrea.org/legislative-center/>

The master document is saved on MREA’s internal network at:

<Y:\WP\CMTS\RES\RESOLUTIONS>

Business & Operations

Resolution 1: Focus on Energy

The Minnesota Rural Electric Association (MREA) strongly urges both local and national staff to focus their time and resources on issues which pertain to core electric energy issues. Other matters of *interest* to electric cooperatives should be monitored but not elevated to the detriment of the core agenda. All resolutions, both local and national, should reflect this priority.

Resolution 2: Cooperation among States (S)

The MREA supports states sharing and developing energy resources and urges government and business leaders to develop and promote closer cooperation in commerce, industry, and energy that best serves the interests of electric cooperatives and their member-owner consumers.

Resolution 3: Educational & Safety Programs – The Community (S)

Informational programs, communication with the public, and visible and active participation in the community are important to the successful operation of electric cooperatives.

The MREA is also concerned with injuries and fatalities resulting from contact with energized electric lines.

The MREA shall make available to its member-systems, information and resources designed to educate the general public to the potential dangers and safety procedures involved in providing electricity.

Resolution 4: Capper-Volstead Act (F)

The Capper-Volstead Act provides that agricultural producers may act together in collectively “processing, preparing for market, handling, and marketing” their products. This 1922 law provides anti-trust protection to electric cooperatives working in concert to market their products.

The MREA supports the act. The anti-trust provision is a mainstay for electric cooperative operations.

Resolution 5: Support for Broadband & Telecommunications (F/S)

The MREA supports investments in broadband internet infrastructure and telecommunications in order to better connect rural communities, local governments, farmers, and businesses to their customers. MREA supports cooperatives having the ability and appropriate tools to provide broadband voluntarily, on their own or in partnership with others.

Resolution 6: Diversified Services (F/S)

The MREA supports the right of electric cooperatives to participate in business activities that meet the interests of the electric cooperative membership.

Resolution 7: Farm & Rural Economic Development (F/S)

Many parts of Minnesota suffer from stagnant or declining local economies and a decrease in population.

The MREA supports the efforts of the USDA Rural Business-Cooperative Service with its rural utility service and rural community development divisions. The MREA encourages the agency to work in partnership with electric cooperatives and state programs to stimulate economic development and retention of existing business and farms.

Resolution 8: Support for International Cooperatives (F/S)

The MREA pledges to work with other cooperatives to raise awareness of the strength of our cooperative business model.

Cooperatives around the globe have empowered people to improve their lives through economic and social progress. Cooperatives are a major economic force in developed countries and a powerful business model in developing ones. Millions of cooperatives operate in every region of the world and are owned and controlled by more than one billion members.

Utility & Regulatory

Resolution 9: Stray Voltage (S)

Electric cooperatives, the Minnesota Public Utilities Commission (PUC), the Midwest Rural Energy Council, the US Department of Agriculture, and others have worked to address stray voltage issues through training, research, investigations, consumer education, and an inter-utility task force.

The MREA supports the use of the *Minnesota Stray Voltage Guide*, developed through broad stakeholder input and published in September of 2015, to facilitate common best practices to be used in addressing stray voltage concerns across the state. Collaborative efforts should continue, and further consideration should be given to constructive regulatory or legislative activities based on experience gained applying the *Minnesota Stray Voltage Guide*. The following organizations developed and endorsed the Minnesota Stray Voltage Guide:

- Minnesota Farm Bureau
- Minnesota Farmers Union
- Cooperative Network
- Minnesota Municipal Utilities Association
- Minnesota Power
- Minnesota Rural Electric Association
- Otter Tail Power Company
- Xcel Energy
- Minnesota Department of Agriculture
- Minnesota Department of Labor & Industry

Resolution 10: Federal Support to Electrify Rural America (F)

Congress has long embraced the principle of assisting electric cooperatives through loans and developing public water resources for the public benefit. Consumer-owned utilities have had preference rights for hydro-electric power generated by federal irrigation projects since at least 1906.

More than 30 federal statutes now require preferential treatment for public bodies and rural electric cooperatives.

There have been serious attempts to weaken the preference principle. More than 600 rural electric systems, including 27 Minnesota member systems, obtain part of their power supply from the federal power marketing agencies authorized by the principle provisions contained in federal law.

The MREA supports the Preference Principle and cost-based pricing of federally generated power and encourages the development of broad public understanding and congressional support for the Preference Principle clause. The MREA opposes the privatization of federally-owned hydroelectric generating facilities, supports the proper allocation of costs associated with addressing infrastructure safety under the Safety of Dams program, and supports federal

appropriations, which are repaid with interest, to repair and upgrade federal hydro and transmission facilities.

The MREA supports continued access to an appropriately funded RUS loan program and restoration of loan funds for coal, natural gas and nuclear generation. The MREA supports statutorily defining all hydroelectricity as a renewable resource.

Resolution 11: Rate Regulation & Over-Regulation (S)

The MREA supports the continuation of electric cooperatives in Minnesota being member regulated and opposes any provision which would result in burdensome procedures and unjustifiable cost increases.

Duplicative regulatory review by the Minnesota Public Utilities Commission threatens cooperative innovation and member-focused service. The MREA opposes any duplicative regulation that imposes unnecessary costs, burden and erodes cooperative board authority to balance member interests.

Resolution 12: Service Territory Integrity (S)

Sections 216B.37 through 216B.47 of the Minnesota Public Utilities Act provide for assigned service areas, large load extensions, and municipal service territory extensions and compensation.

These service areas were assigned to ensure stability and predictability in the industry and to avoid uneconomical duplication of expensive capital facilities. The integrity of service territory is the foundation of our long standing regulatory framework and is essential to ensuring power grid stability.

Electric cooperatives should have the right and responsibility to continue serving those areas in which they initiated service. The loss of service territory, or loss of load due to third party energy sales, results in adverse economic impact on the cooperative, and the membership.

The MREA strongly supports just compensation for electric cooperatives affected by municipal acquisitions and will actively support appropriate efforts to protect the interest and investment of electric cooperative members.

Resolution 13: Nuclear Energy (S)

The MREA supports nuclear energy and calls on the State Legislature to rescind the moratorium on the building of nuclear plants in Minnesota. Nuclear energy should be considered an energy resource within the constraints of Minnesota energy policy to give power producers another option in reducing carbon emissions.

Resolution 14: Electric Power Reliability & the Environment (S)

The MREA believes it is imperative that generation, transmission, and distribution facilities be built in a timely fashion to meet the needs of the consumers.

The MREA realizes the need for an adequate supply of reliable electric power as well as the need to protect and enhance our environment. Except for licenses to cross unnamed waters, the MREA does not object to filing for permits and approvals, but strongly feels prolonged and extensive delays are unnecessary, costly, and can be avoided.

The MREA membership applauds the 2001 state energy reliability law and the 2005 state CAPX 2020 law. The MREA supports legislation that will streamline the handling, in a timely fashion and

reduce the cost, of permits and licenses, including land and water crossings, which are required for the construction of generation, transmission, and distribution facilities.

Resolution 15: Rail Transportation (F)

Bulk commodity shippers such as coal-burning electric utilities and grain producers are very often captive to railroads because of their lack of economic transport alternatives.

The MREA urges the Administration, the Congress, and the Surface Transportation Board to consider the captive nature of utility coal and other rail movements, and to protect those with no economic transport alternatives from monopolistic pricing practices. We further recommend Congress repeal the railroads' anti-trust exemption, direct the Surface Transportation Board to promote rail competition, require railroads to quote rates to shippers upon request, facilitate a shipper's access to a competing railroad, remove the unnecessary market dominance showing in captive rail cases at the Surface Transportation Board and require the Surface Transportation Board to review all rules covering rate complaints by small shippers.

The MREA supports the expansion and upgrade of new and existing infrastructure that leads to lower rates, enhanced service, and increased competition.

Resolution 16: Rail Crossings (S)

The MREA supports legislative and regulatory action leading to fair and consistent costs associated with utility lines crossing rail facilities.

Resolution 17: Economy & Rate Impacts (F/S)

The MREA opposes state and federal legislation or regulations that would increase electric rates and put Minnesota at an economic disadvantage compared to other states. The MREA requests NRECA work to ensure the economy is not disadvantaged by actions taken by Congress or Federal agencies (i.e., EPA) which could impact the cost of electric service to our members.

Energy & Environment

Resolution 18: Coal Energy (F/S)

The MREA supports the use of coal-based electricity as part of a broader, all-of-the-above energy policy that ensures reliable and affordable energy for all electric cooperative members. The MREA supports amending the Next Generation Energy Act of 2007 so that it no longer restricts any utility's ability to build or import coal-based electricity.

Resolution 19: Renewable Energy (F/S)

The MREA supports continued research, development, and the use of cost effective renewable energy sources where practical. The use of renewable energy sources is dependent upon their cost, reliability, technical feasibility, and environmental effects. The MREA considers renewable energy as energy produced from wind, solar, hydroelectric, biomass, biogas, recovered energy, and geothermal.

The MREA supports local economic development through renewable energy development, but programs must be balanced with other factors and should not singly determine statewide energy policy.

The MREA supports the current legislative policy of allowing market forces to determine which renewable technologies are adopted to meet Minnesota's aggressive 25% renewable energy

standard (RES). The MREA opposes mandates, goals, carve-outs, feed-in tariffs, expansion of the RES and other regulatory and legislative mechanisms which are designed to force consumers to subsidize non-competitively priced energy projects.

The MREA's renewable energy support also includes other resources, including conservation, efficiency, coal, nuclear, natural gas, and others. Diversity and flexibility of resources is paramount in providing the reliability, safety, affordability, and environmental stewardship our members expect.

Resolution 20: Average Retail Rate Payments & Net Metering (S)

State law and regulations provide the average retail energy rate of each electric utility be paid on a net metering basis to small power producers under 40 kW capacity.

The MREA strongly opposes an increase in the 40-kW level for applying the average retail energy rate and net metering and opposes a state renewable energy payment through a special assessment on all electric utilities.

The MREA supports that the following principles be included in any legislative and/or regulatory changes to the State's net metering laws and policies:

- Net metering and distributed generation should be cost-neutral for our members.
- The purpose of net metering needs to be clarified in statute and/or regulation. The purpose of net metering is to allow electric consumers to offset their individual loads, not become independent power producers.
- Payments for excess generation should be eliminated and replaced with rolled-over credits that expire after a year.
- Generation should be properly sized to a consumer's load.
- Net-metered customers have a responsibility to pay for the services they use.
- A system-wide cap on net metered accounts (based on overall system capacity) needs to be established to maintain the reliability and affordability of the electric distribution system.

Resolution 21: Regional Haze (F)

States are charged under the Clean Air Act with developing State Implementation Plans (SIPs) to address regional haze that impairs visibility in Class 1 areas. The MREA asks the Environmental Protection Agency to recognize states' broad discretion in developing SIPs, especially regarding a state's findings for Best Available Retrofit Technology and in establishing Reasonable Progress Goals. The MREA believes that EPA's review of SIPs must reflect the purpose of the Regional Haze Program – that is, to improve and protect visibility in Class 1 areas.

Resolution 22: Ethanol, Biodiesel & Renewable Fuels (F/S)

The MREA supports programs for ethanol, biodiesel, and renewable transportation fuels. The MREA also encourages all members and affiliated associations to consider the use of biofuels in their fleets.

Resolution 23: Electric & Magnetic Fields (F/S)

Generation and transmission electric cooperatives are committed to generating and transmitting electricity in a way that protects the health and safety of the public.

Extensive scientific research on the health effects of electric and magnetic fields (EMF) has been conducted. Scientific findings from completed research have been reviewed by several national

and international science commissions. These commissions found no conclusive scientific basis of adverse health effects from exposure to power frequency electric and/or magnetic fields. Some studies report no association and others a weak association between EMF and health impacts. The inconsistencies in the research lead most scientists to agree a cause-and-effect relationship has not been established.

During 2000 - 2002, various state, national and international scientific communities and the Minnesota Department of Health concluded current evidence does not show exposure to EMF is a health hazard.

The MREA encourages ongoing field research supported by the Electric Power Research Institute (EPRI) and supports the development and distribution of educational and communication material to provide factual information about this issue and refute statements which have caused unnecessary concern.

Resolution 24: Energy Efficiency (F/S)

The MREA should continue to investigate regulatory and/or legislative reform alternatives that would improve the practicality and productivity of the Conservation Improvement Program (CIP) for its members.

Resolution 25: Disposal of Spent Nuclear Fuel (F)

The federal government's failure to formulate and implement specific programs for the processing of spent nuclear fuels and for the permanent storage of nuclear wastes is inconsistent with policies in place when rural electric cooperative nuclear generating facilities were built. Federal law has named Yucca Mountain as the site of the nation's spent fuel repository, but due to politics, progress on the Yucca Mountain project has been brought to a standstill. This policy change has burdened utilities, such as Dairyland Power Cooperative, with substantial unexpected costs of prolonged storage of high level radioactive waste and spent nuclear fuel. Dairyland currently incurs millions of dollars of annual expenses to safeguard the spent fuel.

The MREA urges the Department of Energy, Congress, and the President to fulfill their obligation under federal law to open a federal repository in a timely fashion and work on creating a reprocessing option. Until a permanent storage facility or reprocessing option is available, our federal elected officials should work with utilities to develop alternatives, including public or private centralized interim storage for spent nuclear fuel – giving special consideration to those nuclear facilities that are shut down, particularly nuclear power demonstration facilities such as Dairyland Power Cooperative's La Crosse Boiling Water Reactor (LACBWR).

Resolution 26: Electric Vehicles (F/S)

Electric miles produce lower carbon dioxide emissions than gasoline miles, even when the electricity is produced from coal.

Plug-in hybrids and all electric vehicles have far fewer total energy losses than a gasoline-fueled system, and they can be charged overnight without the need to build additional electric generation capacity.

The MREA supports the thoughtful development and deployment of plug-in hybrids and all electric vehicles and policies that encourage off-peak charging.

Resolution 27: Pending & Current Environmental Regulations (F)

The MREA has concerns with EPA's regulatory process. The number and volume of changes being proposed and the current pace at which they are being proposed make it difficult to determine the impacts those rules will have. There needs to be an adequate review of the economic impacts of any new regulations, considering both their individual and cumulative costs. The time frame for implementing controls is short and could result in the installation of costly controls on existing power generation facilities that could negatively impact customer rates.

The MREA supports a more measured approach to these EPA environmental regulations that will not jeopardize electric reliability or impose burdensome costs on utility customers.

The MREA strongly supports the position that any legislation or regulation addressing the issue of climate change must be fair, affordable and achievable within a reasonable time frame.

Resolution 28: EPA Rule 111(d) (F/S)

With the Administrative decision made to repeal the Clean Power Plan the Environmental Protection Agency (EPA) must work to develop a common-sense replacement plan. The MREA supports an approach focused on improvements that can be achieved by a variety of possible measures at individual power plants. This "inside the fence" approach would ensure compliance with the Clean Air Act and with decades of policy precedent, result in greater regulatory certainty for electric cooperatives and reduce the likelihood of protracted litigation.

The MREA supports an approach that can be implemented at the power plant; that protects the reliability of the energy supply to cooperative-members and businesses; minimizes undue economic impact for cooperative-members; maximizes substantial plant investment and provides electric cooperatives with more long-term regulatory clarity and certainty. An approach that focuses on flexibility to pursue a diverse fuel mix for power generation will allow cooperatives to respond to local and regional factors and member preferences while ensuring affordable and reliable power.

Resolution 29: Combined Heat Power (CHP) (F/S)

The MREA supports the inclusion of CHP where it is cost effective in any future carbon related legislation and regulation:

- The inclusion of all CHP derived power in state and federal carbon compliance plans.
- Ongoing programs to encourage the usage of CHP in any future power plant projects.
- Encourage the EPA to include any energy savings/efficiency options (CHP) in future EPA rulings.
- Discourage the "singling out" of any fuel source in regard to CHP production.
- Oppose any mandates or goals that would require the construction of CHP.

Finances, Taxes & Fees

Resolution 30: Low Income Energy Assistance (S)

Low-income energy assistance, like other human service programs, should be funded through general tax revenues, not by any tax or fee on electricity.

Resolution 31: Personal Property Taxes (S)

The 2001 Minnesota Legislature significantly revised the property tax law, including the tax on utility personal property, to the benefit of electric cooperatives and their member-owners. The MREA will continue to engage in the development of any state property tax legislation which would impact the membership.

History of Changes to Resolutions

Pre-2015: Original versions of Resolutions from 2000 – 2014 are stored on MREA's internal network at: Y:\WP\CMTS\RES\RESOLUTIONS

FEB 2015 (2/18/15, AY):

Resolution 3: Educational & Safety Programs – The Community (S)¶
Informational programs, communication with the public, and visible and active participation in the community are important to the successful operation of electric cooperatives.¶

The MREA is also concerned with injuries and fatalities resulting from contact with energized electric lines.¶

All electric cooperatives should conduct programs designed to educate the general public to the potential dangers and safety procedures involved in providing electricity. The MREA shall make available to its member systems information and resources designed to educate the general public to the potential dangers and safety procedures involved in providing electricity in this area to its member systems.¶

Resolution 5: Support for the National Rural Telecommunications Cooperative Broadband & Telecommunications (F)¶

The National Rural Telecommunications Cooperative (NRTC) was formed by NRECA, CFC and cooperative electric systems in 1986 to provide telecommunications services and support to its members and their area consumers. The MREA supports the efforts of NRTC to provide telecommunications and utility programs and services. The MREA supports investments in broadband internet infrastructure and telecommunications in order to better connect rural communities, local governments, farmers, and businesses to their customers.¶

Resolution 9: Neutral to Earth Voltage (S) Stray Voltage (S)¶

Electric cooperatives, the Minnesota Public Utilities Commission (PUC), the Midwest Rural Energy Council, and others have worked to address neutral to earth stray voltage issues through training, research, investigations, consumer education, and an inter-utility task force. The inter-utility task force has published and distributed stray voltage testing and mitigation guidelines to be used by utilities until the PUC adopts rules.¶

The PUC's 1998 Science Advisors final report concludes:¶

- It had not found credible scientific evidence to verify the specific claim that currents in the earth or associated electric parameters such as voltages, magnetic fields and electric fields, are causes of poor health and milk production in dairy herds.¶
- There is no basis for altering the PUC-approved standards by which electric utilities distribute power to or in the vicinity of individual dairy farms.¶
- There are numerous well-documented, non-electrical factors which cause production problems including poor nutrition; poor cow comfort and hygiene; and other factors which should always be addressed by those who want to improve performance of dairy herds.¶

The PUC science advisors' report continues to be relevant and established science and its findings collaborated in a study conducted by the Minnesota Department of Health.¶

The MREA supports the PUC's final science advisor team report which provides a scientific basis for decision making. The MREA supports the use of broad stakeholder input to create common best practices to be used as the foundation for standards put in place by the PUC. Any legislation should be based on the PUC standards. The MREA also supports the technical training and educational programs conducted by the Midwest Rural Energy Council.¶

Resolution 17: Coal Energy (E/S)¶

The MREA supports the use of coal-based electricity as part of a broader, all-of-the-above energy policy that ensures reliable and affordable energy for all cooperative members. The MREA supports amending the Next Generation Energy Act of 2007 so that it no longer restricts any utility's ability to build or import coal-based electricity.¶

Resolution 18: Renewable Energy (E/S)¶

The MREA supports continued research, development, and use of cost effective renewable energy sources where practical. The use of renewable energy sources is dependent upon their cost reliability, technical feasibility, and environmental effects. The MREA considers renewable energy as energy produced from wind, solar, hydroelectric, biomass, biogas, recovered energy, and geothermal.¶

Resolution 26/28: Pending & Current Environmental Regulations (F)¶

The U.S. Environmental Protection Agency (EPA) is in the process of making significant changes to rules affecting electric utilities. EPA has recently published proposed or final rules for sulfur dioxide (SO₂), nitrogen oxides (NO_x), greenhouse gas (GHG) emissions, including carbon dioxide (CO₂), ozone, and coal ash—all of which will have an impact on generation and transmission cooperative operations. In addition, EPA has provided notice of its intent to seek further regulation of polychlorinated biphenyls (PCBs), hazardous air pollutants, including mercury, and fine particulate matter.¶

The MREA has concerns with EPA's regulatory process. The number and volume of changes being proposed and the current pace at which they are being proposed make it difficult to determine the impacts those rules will have. There needs to be an adequate review of the economic impacts of any new regulations, considering both their individual and cumulative costs. The time frame for implementing controls is short and could result in the installation of costly controls on existing power generation facilities that could negatively impact customer rates.¶

The MREA supports a more measured approach to these EPA environmental regulations that will not jeopardize electric reliability or impose burdensome costs on utility customers.¶

Furthermore, the MREA strongly supports the position that any legislation or regulation addressing the issue of climate change must be specifically directed by Congressional action and not through rulemaking of any federal agency. Legislation must be fair, affordable and achievable.¶

NEW - Resolution 27: Proposed EPA Rule 111(d) (F/S)¶

The proposed rule is unworkable and in its current form threatens the continued affordability and reliability of electric supply. The MREA believes the Clean Power Plan (CPP) as proposed could significantly reduce or effectively end use of coal as a generation resource in the near future. The MREA supports a diverse mix of generation fuel sources and technologies which will reduce emissions and believes it is wise to avoid any policy or regulatory mandate which could result in an over-dependence on any single source for power generation. Finally, the CPP proposes a time line that is not affordable, is pragmatically unobtainable and threatens reliability.¶

All of the generation owned by co-ops that would be impacted by Rule 111(d) is located outside the state, and our Generation & Transmission Cooperatives, which are owned by the co-op members they serve, are working with the states where that generation is located to deal with the regulations. Co-ops should be left out of any Minnesota carbon reduction plans and allowed to work directly with the states where their generation is located.¶

NEW - Resolution 28: Combined Heat Power (CHP) (F/S)¶

The MREA supports We encourage NRECA to support the inclusion of CHP where it is cost effective in any future Carbon related legislation and regulation rules of legislation/policy.¶

- The inclusion of all CHP derived power in the 4 building blocks of the proposed 111(d) ruling.¶
- Ongoing programs to encourage the usage of CHP in any future power plant projects.¶
- Encourage the EPA to include any energy savings/efficiency options (CHP) in future EPA rulings.¶
- Discourage the "singling out" of any fuel source in regard to CHP production.¶
- The MREA opposes any mandates that would require the construction of CHP.¶

MAR 2016 (3/23/16 AY):

Resolution 9: Stray Voltage (S)¶

Electric cooperatives, the Minnesota Public Utilities Commission (PUC), the Midwest Rural Energy Council, the US Department of Agriculture, and others have worked to address stray voltage issues through training, research, investigations, consumer education, and an inter-utility task force. The inter-utility task force has published and distributed stray voltage testing and mitigation guidelines to be used by utilities until the PUC adopts rules.¶

The PUC's 1998 Science Advisors final report concludes:¶

It had not found credible scientific evidence to verify the specific claim that currents in the earth or associated electric parameters such as voltages, magnetic fields and electric fields, are causes of poor health and milk production in dairy herds.¶

There is no basis for altering the PUC-approved standards by which electric utilities distribute power to or in the vicinity of individual dairy farms.¶

There are numerous well-documented, non-electrical factors which cause production problems including poor nutrition, poor cow comfort and hygiene, and other factors which should always be addressed by those who want to improve performance of dairy herds.¶

The PUC science advisors' report continues to be relevant and established science and its findings collaborated in a study conducted by the Minnesota Department of Health.¶

The MREA supports the PUC's final science advisor team report which provides a scientific basis for decision making.¶

The MREA supports the use of the Minnesota Stray Voltage Guide, developed through broad stakeholder input and published in September of 2015, to create/facilitate common best practices to be used as the foundation for standards put in place by the PUC in addressing stray voltage concerns across the state. Collaborative efforts should continue, and further consideration should be given to additional constructive regulatory or legislative activities based on experience gained applying the Minnesota Stray Voltage Guide. The following organizations developed and endorsed the Minnesota Stray Voltage Guide:¶

- Minnesota Farm Bureau¶
- Minnesota Farmers Union¶
- Minnesota Municipal Utilities Association¶
- Minnesota Power¶
- Minnesota Rural Electric Association¶
- Otter Tail Power Company¶
- Xcel Energy¶
- Minnesota Department of Agriculture¶
- Minnesota Department of Labor & Industry¶

Resolution 10: Federal Support to Electrify Rural America (F)¶

Congress has long embraced the principle of assisting electric cooperatives through loans and developing public water resources for the public benefit. Consumer-owned utilities have had preference rights for hydro-electric power generated by federal irrigation projects since at least 1906.¶

More than 30 federal statutes now require preferential treatment for public bodies and rural electric cooperatives.¶

There have been serious attempts to weaken the preference principle. More than 600 rural electric systems, including 27 Minnesota member systems, obtain part of their power supply from the federal power marketing agencies authorized by the principle provisions contained in federal law.¶

The MREA supports the Preference Principle and cost-based pricing of federally generated power, and encourages the development of broad public understanding and congressional support for the Preference Principle clause. The MREA opposes the privatization of federally owned hydroelectric generating facilities, supports the proper allocation of costs associated with addressing infrastructure safety under the Safety of Dams program, and supports federal appropriations, which are repaid with interest, to repair and upgrade federal hydro and transmission facilities.¶

Resolution 12: Service Territory Integrity (S)

Sections 2168.37 through 2168.47 of the Minnesota Public Utilities Act provide for assigned service areas, large load extensions, and municipal service territory extensions and compensation.

These service areas were assigned to ensure stability and predictability in the industry and to avoid uneconomical duplication of expensive capital facilities.

Electric cooperatives should have the right and responsibility to continue serving those areas in which they initiated service. The loss of service territory, or loss of load due to third party energy sales, clearly has as a result in adverse economic impact on the remaining members of a cooperative.

Resolution 15: Coal-Rail Transportation (F)

Bulk commodity shippers such as coal-burning electric utilities and grain producers are very often captive to railroads because of their lack of economic transport alternatives.

The MREA urges the Administration, the Congress, and the Surface Transportation Board to consider the captive nature of utility coal and other rail movements, and to protect those with no economic transport alternatives from monopolistic pricing practices. We further recommend Congress repeal the railroads' anti-trust exemption, direct the Surface Transportation Board to promote rail competition, require railroads to quote rates to shippers upon request, facilitate a shipper's access to a competing railroad, remove the unnecessary market dominance showing in captive rail cases at the Surface Transportation Board and require the Surface Transportation Board to review all rules covering rate complaints by small shippers.

The MREA supports the expansion and upgrade of new and existing infrastructure that leads to lower rates, enhanced service, and increased competition.

Resolution 16: Rail Crossings (S)

The MREA supports legislative and regulatory action leading to fair and consistent costs associated with utility lines crossing rail facilities.

NOTE: All resolution numbers, after new Resolution 16, were updated.

Resolution 19: Renewable Energy (F/S)

The MREA supports continued research, development, and the use of cost effective renewable energy sources where practical. The use of renewable energy sources is dependent upon their cost, reliability, technical feasibility, and environmental effects. The MREA considers renewable energy as energy produced from wind, solar, hydroelectric, biomass, biogas, recovered energy, and geothermal.

The MREA supports local economic development through renewable energy development, such as Community-Based Energy Development (C-BED), but C-BED and similar programs must be balanced with other factors and should not singly determine statewide energy policy.

The MREA supports the current legislative policy of allowing market forces to determine which renewable technologies are adopted to meet Minnesota's aggressive 25% renewable energy standard (RES). The MREA opposes carve-outs, feed-in tariffs, expansion of the RES, and other regulatory and legislative mechanisms which are designed to force consumers to subsidize non-competitively priced energy projects.

Resolution 20: Average Retail Rate Payments & Net Metering (S)

State law and regulations provide the average retail energy rate of each electric utility be paid on a net metering basis to small power producers under 40 kW capacity.

The MREA strongly opposes an increase in the 40 kW level for applying the average retail energy rate and net metering and opposes a state renewable energy payment through a special assessment on all electric utilities.

The MREA supports that the following principles be included in any legislative and/or regulatory changes to the State's net metering laws and policies:

- Net metering and distributed generation should be cost-neutral for our members.
- The purpose of net metering needs to be clarified in statute and/or regulation. The purpose of net metering is to allow electric consumers to offset their individual loads, not become independent power producers.

Resolution 24: Energy & Capacity Conservation (F/S)

The Minnesota Next Generation Energy Act of 2007 requires electric cooperatives beginning in 2010 to have an annual energy savings goal of 1.5 percent of gross annual retail energy sales. This goal may be modified by the Minnesota Division of Energy Resources (DER) to less than 1.0 percent based on an electric cooperative's historical conservation investment experience, customer class makeup, load growth, a conservation potential study, and other factors.

The MREA supports the inclusion of load management to meet the requirements of the law if it reduces the demand for, or increases the efficiency of, electric services. Load management is valuable to electric cooperatives and reflects considerable investment by their consumer members delaying the need for additional expensive power plants by conserving available power-generating capacity. The MREA should investigate regulatory and/or legislative alternatives that would improve the practicality and productivity of the Conservation Improvement Program (CIP) for its members.

Resolution 28: Proposed EPA Rule 111(d) (F/S)

The MREA believes the Clean Power Plan (CPP) as proposed could significantly reduce or effectively end use of coal as a generation resource in the near future. The MREA supports a diverse mix of generation fuel sources and technologies which will reduce emissions and believes it is wise to avoid any policy or regulatory mandate which could result in an over-dependence on any single source for power generation. Finally, the CPP proposes imposes a time line that is not affordable, is pragmatically unobtainable and threatens reliability.

All of the generation owned by electric cooperatives that would be impacted by Rule 111(d) is located outside the state, and our generation & transmission electric cooperatives, which are owned by the electric cooperative members they serve, are working with the states where that generation is located to deal with the regulations. Electric cooperatives should be left out of any Minnesota carbon reduction plans and allowed to work directly with the states where their generation is located.

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Resolution 29: Combined Heat Power (CHP) (F/S)

The MREA supports the inclusion of CHP where it is cost effective in any future carbon related legislation and regulation.

- The inclusion of all CHP derived power in the four building blocks of the proposed 111(d) ruling related compliance plans.
- Ongoing programs to encourage the usage of CHP in any future power plant projects.
- Encourage the EPA to include any energy savings/efficiency options (CHP) in future EPA rulings.
- Discourage the "singling out" of any fuel source in regard to CHP production.
- The MREA opposes any mandates that would require the construction of CHP.

FEB 2017 (2/15/17 AY)

Resolution 11: Rate Regulation & Over-Regulation (S)

The MREA supports the continuation of electric cooperatives in Minnesota being member regulated, and opposes any provision which would result in burdensome procedures and unjustifiable cost increases.

Specifically related to distributed generation, the MREA supports legislative and regulatory efforts to affirm that local democratically controlled cooperative boards have the authority to set their own policies, including rates, fees and charges. Duplicative regulatory review by the Minnesota Public Utilities Commission threatens to impose unnecessary costs, burden and erode cooperative board authority to balance member interests in developing, approving and applying rates, fees and charges. To further avoid duplicative regulation, reduce regulatory burden, and maintain local control, the MREA advocates that member concerns with a cooperative should be resolved through local member-elected and member-governed boards.

Resolution 12: Service Territory Integrity (S)

Sections 2168.37 through 2168.47 of the Minnesota Public Utilities Act provide for assigned service areas, large load extensions, and municipal service territory extensions and compensation.

These service areas were assigned to ensure stability and predictability in the industry and to avoid uneconomical duplication of expensive capital facilities.

Electric cooperatives should have the right and responsibility to continue serving those areas in which they initiated service. The loss of service territory, or loss of load due to third party energy sales, results in adverse economic impact on the remaining members of a cooperative, and potentially the members being served by a new entity.

Resolution 19: Renewable Energy (F/S)

The MREA supports continued research, development, and the use of cost effective renewable energy sources where practical. The use of renewable energy sources is dependent upon their cost, reliability, technical feasibility, and environmental effects. The MREA considers renewable energy as energy produced from wind, solar, hydroelectric, biomass, biogas, recovered energy, and geothermal.

The MREA supports local economic development through renewable energy development, such as Community-Based Energy Development (C-BED), but C-BED and similar programs must be balanced with other factors and should not singly determine statewide energy policy.

Resolution 21: Regional Haze (F)

States are charged under the Clean Air Act with developing State Implementation Plans (SIPs) to address regional haze that impairs visibility in Class 1 areas. The MREA asks the Environmental Protection Agency to recognize states' broad discretion in developing SIPs, especially regarding a state's findings for Best Available Retrofit Technology and in establishing Reasonable Progress Goals. The MREA believes that EPA's review of SIPs must reflect the purpose of the Regional Haze Program - that is, to improve and protect visibility in Class 1 areas. Based on these principles, the MREA supports the State of North Dakota's SIP and requests that EPA approve the North Dakota SIP in its entirety.

Resolution 27: Pending & Current Environmental Regulations (F)

The MREA has concerns with EPA's regulatory process. The number and volume of changes being proposed and the current pace at which they are being proposed make it difficult to determine the impacts those rules will have. There needs to be an adequate review of the economic impacts of any new regulations, considering both their individual and cumulative costs. The time frame for implementing controls is short and could result in the installation of costly controls on existing power generation facilities that could negatively impact customer rates.

The MREA supports a more measured approach to these EPA environmental regulations that will not jeopardize electric reliability or impose burdensome costs on utility customers.

The MREA strongly supports the position that any legislation or regulation addressing the issue of climate change must be fair, affordable and achievable within a reasonable time frame.

MAR 2018 (3/16/18 AY)

Resolution 11: Rate Regulation & Over-Regulation (S)

The MREA supports the continuation of electric cooperatives in Minnesota being member regulated and opposes any provision which would result in burdensome procedures and unjustifiable cost increases.

Specifically related to distributed generation, the MREA supports legislative and regulatory efforts to affirm that local democratically controlled cooperative boards have the authority to set their own policies, including rates, fees and charges. Duplicative regulatory review by the Minnesota Public Utilities Commission threatens cooperative innovation and member-focused service. The MREA opposes any duplicative regulation that imposes, to impose unnecessary costs, burden and erodes cooperative board authority to balance member interests, in developing, approving and applying rates, fees and charges. To further avoid duplicative regulation, reduce regulatory burden, and maintain local control, the MREA advocates that member concerns with a cooperative should be resolved through local member-elected and member-governed boards.

Resolution 12: Service Territory Integrity (S)

Sections 216B.37 through 216B.47 of the Minnesota Public Utilities Act provide for assigned service areas, large load extensions, and municipal service territory extensions and compensation.

These service areas were assigned to ensure stability and predictability in the industry and to avoid uneconomical duplication of expensive capital facilities. The integrity of service territory is the foundation of our long standing regulatory framework and is essential to ensuring power grid stability.

Electric cooperatives should have the right and responsibility to continue serving those areas in which they initiated service. The loss of service territory, or loss of load due to third party energy sales, results in adverse economic impact on the cooperative, and potentially the membership being served by a new entity.

Resolution 14: Electric Power Reliability & the Environment (S)

The MREA believes it is imperative that generation, transmission, and distribution facilities be built in a timely fashion to meet the needs of the consumers.

The MREA realizes the need for an adequate supply of reliable electric power as well as the need to protect and enhance our environment. Except for licenses to cross unnamed waters, the MREA

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does not object to filing for permits and approvals, but strongly feels prolonged and extensive delays are unnecessary, costly, and can be avoided.

Resolution 19: Renewable Energy (F/S)

The MREA supports continued research, development, and the use of cost effective renewable energy sources where practical. The use of renewable energy sources is dependent upon their cost, reliability, technical feasibility, and environmental effects. The MREA considers renewable energy as energy produced from wind, solar, hydroelectric, biomass, biogas, recovered energy, and geothermal.

CONTINUING RESOLUTIONS OF THE MINNESOTA RURAL ELECTRIC ASSOCIATION - MARCH 2018

The MREA supports local economic development through renewable energy development, but programs must be balanced with other factors and should not singly determine statewide energy policy.

The MREA supports the current legislative policy of allowing market forces to determine which renewable technologies are adopted to meet Minnesota's aggressive 25% renewable energy standard (RES). The MREA opposes mandates, goals, carve-outs, feed-in tariffs, expansion of the RES and other regulatory and legislative mechanisms which are designed to force consumers to subsidize non-competitively priced energy projects.

Resolution 23: Electric & Magnetic Fields (F/S)

Generation and transmission electric cooperatives are committed to generating and transmitting electricity in a way that protects the health and safety of the public.

Extensive scientific research on the health effects of electric and magnetic fields (EMF) has been conducted during the past two decades. Scientific findings from completed research have been reviewed by several national and international science commissions. These commissions found no conclusive scientific basis of adverse health effects from exposure to power frequency electric and/or magnetic fields. Some studies report no association and others a weak association between EMF and health impacts. The inconsistencies in the research lead most scientists to agree a cause-and-effect relationship has not been established.

Resolution 24: Energy & Capacity Conservation Efficiency (F/S)

The MREA should continue to investigate regulatory and/or legislative reform alternatives that would improve the practicality and productivity of the Conservation Improvement Program (CIP) for its members.

The Minnesota Next-Generation Energy Act of 2007 requires electric cooperatives beginning in 2010 to have an annual energy savings goal of 1.5 percent of gross annual retail energy sales. This goal may be modified by the Minnesota Division of Energy Resources (DER) to less than 1.0 percent based on an electric cooperative's historical conservation investment experience, customer class makeup, load growth, a conservation potential study, and other factors.

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Electric cooperatives will take concerted actions to accomplish the annual energy savings goal and be watchful of the costs of this mandate on its consumer-owner ratepayers.

Resolution 26: Plug-in Electric Vehicles (F/S)

Electric miles produce lower carbon dioxide emissions than gasoline miles, even when the electricity is produced from coal.

Plug-in hybrids and plug-in-all electric vehicles have far fewer total energy losses than a gasoline-fueled system, and they can be charged overnight without the need to build additional electric generation capacity.

Resolution 28: EPA Rule 111(d) (F/S)

With the Administrative decision made to repeal the Clean Power Plan the Environmental Protection Agency (EPA) must work to develop a common-sense replacement plan. The MREA supports an approach focused on improvements that can be achieved by a variety of possible measures at individual power plants. This "inside the fence" approach would ensure compliance with the Clean Air Act and with decades of policy precedent, result in greater regulatory certainty for electric cooperatives and reduce the likelihood of protracted litigation.

The MREA supports an approach that can be implemented at the power plant that protects the reliability of the energy supply to cooperative members and businesses that minimizes undue economic impact for cooperative members; maximizes substantial plant investment, and that provides electric cooperatives with more long-term regulatory clarity and certainty. An approach that focuses on flexibility to pursue a diverse fuel mix for power generation will allow cooperatives to respond to local and regional factors and member preferences while ensuring affordable and reliable power.

The MREA believes the Clean Power Plan (CPP) will significantly reduce or effectively end use of coal as a generation resource in the near future. The MREA supports a diverse mix of generation fuel sources and technologies which will reduce emissions, and believes it is wise to avoid any policy or regulatory mandate which could result in an over-dependence on any single source for power generation. Finally, the CPP imposes a time-line that is not affordable, is pragmatically unobtainable and threatens reliability.

All of the generation owned by electric cooperatives impacted by Rule 111(d) is located outside the state, and our generation & transmission electric cooperatives, which are owned by the electric cooperative members they serve, are working with the states where that generation is located to deal with the regulations. Electric cooperatives should be left out of any Minnesota carbon reduction plans and allowed to work directly with the states where their generation is located.

Resolution 29: Combined Heat Power (CHP) (F/S)

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- The inclusion of all CHP derived power in state and federal carbon compliance plans.
- Ongoing programs to encourage the usage of CHP in any future power plant projects.
- Encourage the EPA to include any energy savings/efficiency options (CHP) in future EPA rulings.
- Discourage the "singling out" of any fuel source in regard to CHP production.
- Oppose any mandates or goals that would require the construction of CHP.

Resolution 31: Personal Property Taxes (S)

The 2001 Minnesota Legislature significantly revised the property tax law, including the tax on utility personal property, to the benefit of electric cooperatives and their member-owners. The MREA continues to will continue to oppose engage in the development of any state property tax legislation which would result in a cost shift caused by a change in the personal property tax impact the membership.

File Storage & Access

The Continuing Resolutions of the Minnesota Rural Electric Association (MREA) document is archived and maintained on MREA's computer network at <Y:\WP\CMTS\RES\RESOLUTIONS>.

The most current version of this document can be accessed by members on the MREA website, www.mrea.org, at <http://www.mrea.org/legislative-center/> under the Legislative Publications section.