



Continuing Resolutions of The Minnesota Rural Electric Association

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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:

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Business & Operations

Resolution 1: Focus on Energy (F/S)

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 and additional funding for rural broadband internet infrastructure and telecommunications. This enables better connections between rural communities, local governments, farmers, businesses, and their customers. The 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 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.

Duplicative regulation by the Minnesota PUC and/or other state regulatory agencies imposes unnecessary costs, burdens, and erodes cooperative board authority to balance member interests.

Resolution 12: Service Territory Integrity (s)

Minnesota Statute, Sections 216B.37 through 216B.47, provides 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 (STB) 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 STB 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 STB and require the STB 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.

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 (EPA) 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.

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: Beneficial Electrification (F/S)

The MREA supports Beneficial Electrification. Beneficial Electrification, or the smart use of electricity, is the application of electricity to end uses that would otherwise use fossil fuels, where doing so satisfies at least one of these conditions without adversely affecting the other two:

- 1) Benefit the environment and reduce greenhouse gas emissions.
- 2) Save consumers money over time.
- 3) Foster a more robust and resilient grid.

Resolution 25: 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. Beneficial electrification efforts should be supported and CIP should be reformed to allow for the application of beneficial electrification concepts within the program.

Resolution 26: 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 27: 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 28: 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 29: 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 30: 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 31: 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 32: Utility Taxes (S/F)

The MREA will continue to engage in the development of any tax legislation which would impact the membership.

History of Changes to Resolutions

Original versions of Resolutions from 2000 – 2014 are stored on MREA's internal network at:
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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.