Continuing Resolutions of The Minnesota Rural Electric Association

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Contents

(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.

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)

The MREA is concerned with injuries and fatalities resulting from contact with energized electric lines. Therefore, a concerted effort shall be made to enhance safety and to foster the cultural safety changes needed to achieve zero contacts.

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: Foundational Federal Support (F)

The Capper-Volstead Act, enacted in 1922, 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.

The MREA supports continued access to an appropriately funded RUS loan program to meet the needs of the cooperatives and members.

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

The MREA supports investments and additional funding for rural broadband internet infrastructure, including middle-mile, 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. This would include protecting statutory clarification that electric cooperatives can use their existing easements for the provision of broadband internet services.

The MREA opposes any law or regulation that would undermine the rights of cooperatives to individually negotiate the standards and compensation for others to attach to cooperative transmission/distribution system poles. Important considerations include restoration of electrical services as the top priority, exposure of the transmission/distribution system to physical or cyber security risks, or additional costs to cooperatives' member-owners.

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 decreasing population.

The MREA supports the efforts of the USDA Rural Business-Cooperative Service as well as other federal and state agencies deploying programs beneficial to rural electric cooperatives. The MREA encourages federal and state agencies to work in partnership with electric cooperatives to enable infrastructure investments, stimulate economic development, and retain existing businesses 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.

Resolution 9: Diversity, Equity, and Inclusion (F/S)

The MREA supports the practices of diversity, equity, and inclusion, which benefit not only cooperatives but the community as a whole.

Utility & Regulatory

Resolution 10: 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, 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 through applying the *Minnesota Stray Voltage Guide*.

Resolution 11: Support for Public Benefits from Federal Hydropower (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 hydroelectric power generated by federal irrigation projects since at least 1906. The MREA opposes the removal of existing federal hydroelectric facilities in any part of the country.

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 and transmission 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 hydroelectric and transmission facilities.

Resolution 12: Local Democracy (S)

The MREA supports the continuation of electric cooperatives in Minnesota being member regulated and opposes any provision which would result in burdensome procedures or would unnecessarily intrude on cooperative self-governance.

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 13: 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 longstanding 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 parties, results in adverse economic impact on the cooperative, and the membership.

As long as state law continues to allow for service territory acquisition absent mutual consent, the MREA supports preservation of cooperatives' service territories and full and fair compensation to cooperatives in those instances where the applicable state law permits any acquisition of cooperative territory, facilities, or service rights by other utilities. The MREA will actively support appropriate efforts to protect the interest and investment of electric cooperative members.

Resolution 14: Nuclear Energy (F/S)

The MREA supports nuclear energy and calls on the State Legislature to rescind the moratorium on the building of nuclear plants in Minnesota. Projections show continued growth of electricity demand, so all forms of nuclear energy, a source of carbon-free electricity, should be considered an energy resource within the constraints of Minnesota energy policy to give power producers another option in reducing carbon emissions. Without the removal of the moratorium it will be impossible to meet the carbon free legislation while maintaining reliable, affordable power.

The MREA supports the federal government being responsible for providing a national solution to managing the spent fuel from nuclear facilities.

Resolution 15: Permitting Reform (F/S)

The MREA supports permitting reform for transmission and generation infrastructure construction. Electric cooperatives support efficient reviews to protect the environment. However, the existing processes are lengthy, costly, and an impediment to meeting the future energy needs of consumers and communities. The MREA supports reasonable agreed upon timelines and the avoidance of unprecedented expansion of state and federal jurisdiction. The MREA supports an efficient and predictable process for federal and state reviews, including National Environmental Policy Act (NEPA) reviews, in order to facilitate construction of reliable, resilient, and essential infrastructure.

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.

Resolution 16: Rail Transportation (F)

Bulk commodity shippers, such as coal-burning electric utilities, are very often captive to railroads because of their lack of economical 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 economical transport alternatives from monopolistic pricing practices. We further recommend Congress 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 rail infrastructure that leads to lower rates, enhanced service, and increased competition.

Resolution 17: Rail Crossings (S)

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

Resolution 18: 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 the National Rural Electric Cooperative Association (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.

Resolution 19: Customer Energy Usage Data (CEUD) (S)

Electric cooperatives throughout Minnesota have deployed innovative metering solutions that collect energy usage data for the purpose of creating a more efficient electric grid, and readily provide that data to members. The member can then provide the data to whomever they wish. The current method of sharing information ensures both physical and cyber security, and still allows members access to their own data.

The MREA respects the privacy and security of our member-owners and opposes legislation or regulations that would require electric cooperatives to provide Customer Energy Usage Data (CEUD) to third parties without member consent.

Energy & Environment

Resolution 20: Fossil Fuel Energy (F/S)

The MREA supports the use of fossil-fuel-based electricity as part of a responsible, sustainable, all-of-the-above energy policy to ensure reliable, affordable and increasingly clean electricity for all electric cooperative members. The MREA supports carbon capture and sequestration and other technologies that lead to more efficient combustion of fossil fuels with reduced emissions.

Resolution 21: Renewable and Carbon Free 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 reliability, cost, availability, technical feasibility, and environmental effects.

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 legislative policy allowing market forces to determine which technologies are adopted to meet any carbon free or renewable energy standard (RES).

The MREA supports policymakers working through the process in a collaborative and systematic fashion, including cooperative utility subject matter experts in their decisions.

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

The MREA supports investments in both transmission expansion and distribution grid upgrades as both are needed to realize the state's clean energy and carbon reduction goals.

The MREA opposes mandates, goals, carve-outs, feed-in tariffs, expansion of the carbon free or RES and other regulatory and legislative mechanisms, which require adding new resources that raise electricity costs and require members to subsidize non-competitively priced electric projects. The MREA opposes mandates that prematurely rely on unproven technologies, and policies that result in premature closure of existing generation resources including always-available (baseload) resources that will erode reliability.

The MREA urges Congress, the Administration and States to follow Minnesota's lead and take action to classify hydroelectric power from projects large and small, existing and future, as a renewable resource.

Resolution 22: Average Retail Rate Payments & Net Metering (S)

State law and regulations currently 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 supports flexibility for its members. The current grid access fee is an effective policy for some systems while others need additional or different tools to ensure rate equity and fairness across its membership. The MREA supports the move to an avoided cost structure to eliminate the cross subsidization resulting from the average retail energy rate concept. The MREA supports distributed energy resources (DER) being sized appropriately to offset the member's electric load.

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 members to offset their individual loads, not to become independent power producers.
- Payments for excess generation should be eliminated and replaced with rolled-over credits or paid out at an avoided cost that expire after a year.
- Utilities should have the option to require generation be properly sized to a member's load.
- Net-metered members have a responsibility to pay for the services they use.

Resolution 23: 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. 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 24: 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. Much of the state's rural economy relies on robust renewable fuel standards, and policies to advance those standards should be pursued.

Resolution 25: 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.

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 the potential health effects of electric and magnetic fields (EMF).

Resolution 26: 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 members money over time.
3) Foster a more robust and resilient grid.

Resolution 27: Energy Efficiency (F/S)

The MREA supports regulatory and/or legislative reform alternatives that would improve the practicality and productivity of the Energy Conservation and Optimization (ECO) Act. Beneficial Electrification efforts should be further supported to ensure that ECO delivers the anticipated benefits to MREA's members and allow for the more robust application of Beneficial Electrification concepts within the program.

Cooperatives have deployed effective load management systems with multiple benefits including reducing costs, enhancing reliability, and reducing carbon. The MREA works to protect the effectiveness of these programs from being impacted by unnecessary state and federal regulatory hurdles.

Resolution 28: Electric Vehicles (F/S)

Electric miles produce lower carbon dioxide emissions than gasoline miles, even when the electricity is produced from a resource mix including fossil fuels.

The MREA supports the thoughtful development and deployment of plug-in hybrids and all electric vehicles and policies that encourage off-peak charging but opposes mandates associated with electric vehicle deployment. The MREA supports funding the development of rural charging infrastructure in coordination with electric cooperatives to enable electric vehicle penetration. The MREA supports the development and adoption of standardized metrics to inform consumers as they compare EVs across models.

Resolution 29: Pending & Current Environmental Regulations (F)

The MREA supports an adequate review of the economic impacts of any environmental regulations, considering both their individual and cumulative costs. Short time frames for implementing controls could result in the installation of costly controls on existing power generation facilities that could negatively impact members' rates.

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

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.

The MREA supports responsible carbon dioxide regulations that protect 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 and 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 in future EPA rulings.
- Discourage the "singling out" of any fuel source with 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 and Weatherization (F/S)

The MREA supports low-income energy assistance and weatherization programs; these programs should be funded through general tax revenues, not by any tax or fee on electricity.

Resolution 32: Utility Taxes (F/S)

The MREA will continue to engage in or oppose the development of any tax legislation and regulatory actions which would impact membership. The MREA requests NRECA ensure the tax status of our not-for-profit members are not adversely impacted by actions taken by Congress or federal agencies. The MREA supports actions by the state to reduce tax burdens on cooperative utilities. The MREA further supports tax certainty and deployment of mechanisms including favorable tax treatment to navigate the energy transition without risking affordability or reliability.

File Storage & Access

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