

Community-Based Energy Development

Municipal utilities are owned by the communities they serve. Helping local business succeed and supporting the local economy have been municipal utility hallmarks for generations. We have long supported community economic development initiatives, and we will continue to do so. Bringing economic value to our communities is an important part of our mission.

Municipal utilities support the Community-Based Energy Development concept. A number of our municipal power agencies are involved in developing C-BED qualified projects. But if C-BED is to be successful, it must be implemented in a practical, workable manner, and it must ensure that proposed projects are viable in the short and long term.

The biggest impediments to C-BED development continue to be the lack of transmission, availability of turbines, and the sporadic nature of the Production Tax Credit (PTC) reauthorization. The best incentive that the state could

provide would be to ensure that proposed transmission line projects are permitted and approved in an expeditious manner. The certificate of need process for transmission must be streamlined and simplified so that needed improvements can move off the drawing board and both C-BED and non-C-BED projects can begin carrying energy and help meet our RES goals. We believe that there is a need for transmission, not a need for a C-BED purchase or set-aside requirement.

We support providing the Department of Commerce with the authority to certify a project as a C-BED project. Greater certainty will ensure that utilities do not spend time developing projects that do not qualify. Any potential C-BED legislation should recognize that:

- there is no need to mandate a specific set-aside or percentage that utilities must be required to purchase;
- additional C-BED models should be explored, including larger percentage

participation by municipal electric utilities and municipal power agencies. Public power systems are the original community-based energy projects owned by and benefitting the consumers they serve. They are an ideal vehicle for local participation and ownership in C-BED projects;

- as is the case with other generation projects, the generator should bear the responsibility for establishing interconnections through the Midwest Independent System Operator and bear the cost of the interconnection. It would be unfair to require a small distribution utility to assume this burden; and
- the state should strengthen its ability to act as clearing house and coordinator for C-BED projects.