



Minnesota Rural Electric Association

11640 73rd Avenue N | Maple Grove, MN 55369  
p: 763-424-1020 | f: 763-424-5820  
[www.mrea.org](http://www.mrea.org)



Minnesota Municipal Utilities Association

3025 Harbor Lane N. | Minneapolis, MN 55447  
p: 763-551-1230 | f: 763-551-0459  
[www.mmua.org](http://www.mmua.org)

June 2, 2017

Representative Keith Ellison  
2244 Rayburn Building  
Washington, DC 20515

Dear Representative Ellison:

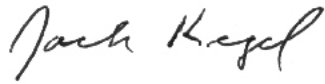
We are writing on behalf of the 125 Municipal Electric Utilities and 50 Rural Electric Cooperatives in the state of Minnesota. More than a third of the municipals and about half of the co-ops receive power from the Western Area Power Administration (WAPA), which is one of the Federal Power Marketing Administrations (PMAs). The clean and reliable hydropower resource delivered from WAPA is a vital component of their energy mix. This federal hydropower, delivered to non-profit entities including municipals and cooperatives in Minnesota and 14 other states, is a vital ingredient in our efforts to deliver affordable and reliable power to households and businesses across the state. As such, our organizations strongly oppose the proposed sale of the PMAs' transmission systems contained in the President's FY2018 Budget within the proposals for Department of Energy programs. Selling the PMA transmission assets would threaten the ability of consumers to receive federal hydropower, raise electricity rates across Minnesota, and threaten the reliability of the transmission grid in this region.

The Municipals and Rural Electric Cooperatives serve some 2 million people in Minnesota. They would suffer rate increases under this proposal, harming fragile rural economies across the state. Additionally, WAPA's Upper Great Plains Region, which serves Minnesota, recently joined the Southwest Power Pool (SPP), to better serve their customers and provide other regional benefits associated with integrating their substantial transmission assets into a Regional Transmission Operator (RTO). Selling these federal transmission assets would inevitably tangle the region in a battle at the Federal Energy Regulatory Commission as the new owner seeks to recover the costs of their purchase and a rate of return, thus raising transmission rates for all SPP members.

These transmission facilities were specifically authorized by Congress to deliver the hydropower generated at federal water projects to the PMA customers. In many cases, to efficiently use transmission rights-of-way and realize economies of scale, these customers partnered with the PMAs for construction of mutually beneficial transmission facilities. Prominent examples in our region date back to Mr. Leland Olds, fourth Chairman of the Federal Power Commission, successfully encouraging cooperation among consumer owned utilities and federal hydropower assets to build a better future for power customers across the Region. In more recent years, customers have helped provide the funds necessary to keep these transmission facilities operational as Congressional appropriations declined. All federal appropriations are repaid with interest. The benefits of this program do not drain federal resources in any way. Today, the transmission assets developed and maintained in partnership with members of our organizations, serve as the backbone of the electric grid across this Region of WAPA. These partnerships and the benefits accrued to our region's people and economy are worthy of celebration as one of the great success stories in the development of the nation.

Unfortunately, this proposal unwinds this partnership, to the detriment of the region's electric power grid and the consumer owned power customers. We ask that you vigorously oppose the proposed sale of the PMAs' transmission assets at every opportunity. We would appreciate being kept up to date on your efforts along these lines, and stand ready to answer questions or provide any further background that may be beneficial.

Sincerely,



Jack Kegel  
Executive Director  
Minnesota Municipal Utilities Association



Darrick Moe  
President & CEO  
Minnesota Rural Electric Association