Dear Minnesota Municipal Utilities Association (MMUA) Members –
Welcome to our 2015 Year in Review. It was an action packed year, and it’s nice to take a few minutes
to look back and see what we’ve done.
We hope you enjoy this trip down memory lane.

Jack Kegel

Shakopee Public Utilities Electric Superintendent Marv Athmann, left, and MMUA Director of Job Training and Safety
Mike Willetts surveyed construction of the grounds for the upcoming APPA Public Power Lineworkers Rodeo.

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Jan. 2 — Xcel proposes to more than double its renewable energy portfolio in its Integrated Resource Plan filed with the Minnesota Public Utilities Commission.


Jan. 27-28 — MMUA holds first Rodeo Team Training Clinic at the MMUA Training Center in Marshall.

Feb. 4-6 — MMUA holds its annual Legislative Conference, at the Crowne Plaza Hotel and Suites in Bloomington, and state legislative offices.

Feb. 25-27 — Cross Training School held at the MMUA Training Center in Marshall.

March 9-12 — MMUA brings over 70 people to the American Public Power Association Legislative Rally in Washington, D.C.

March 10-13 — MMUA holds its annual Meter School and Basic Metering Pre-Conference at the MMUA Training Center in Marshall.

April 14-16 — Generation School held at the Fairmont and Madelia municipal power plants. The school includes a vendor’s show at Fairmont.

April 15 — MMUA files comments in a Minnesota Public Utilities Commission inquiry into standby service tariffs.

April 21-23 — Substation School held in Shakopee.

April 30 — MPUC approves sale of IPL utility assets and customers in Minnesota to the Southern Minnesota Energy Cooperative. The transaction involves approximately 42,600 IPL customers in 84 communities.

May 5 — A group of MMUA members and staff select the top four winners in the annual Tom Bovitz Memorial Scholarship contest.

May 6 — MMUA and MREA joint letter, calling for a ‘fair path forward’ on net metering reform, appears in the Minneapolis Star Tribune. The same letter appears in various media outlets throughout the state.

May 7 — Underground School held in Marshall, in conjunction with APPA and MREA. Approximately 85 people attend.

May 15 — MMUA files comments with the MPUC in regards to the state’s draft Combined Heat and Power Action Plan.

May 15-16 — Public Power Lineworkers Rodeo held in Sacramento, Calif. A total of 84 people from Minnesota attend, under the MMUA banner.
May 17-20 — MMUA staffers Mike Willetts, Marc Machacek, and Bob Jagusch present on varied topics at the APPA Engineering and Operations Conference in Sacramento, Calif.

June 5 — MMUA files comments with the MPUC in regards to a docket involving People’s Energy Cooperative under the Cogeneration and Small Power Production statute. MMUA supported the cooperative in two filings with the MPUC.

June 5-10 — MMUA hosts the APPA National Conference and Public Power Expo in Minneapolis. MMUA staff and members are well represented, with many attending and several contributing as presenters. MMUA Executive Director Jack Kegel chaired the Local Arrangements Committee and worked closely with APPA staff.


August 13 — MPUC opens a docket, involving all utilities, in regards to charges to recover fixed costs from customers with generation interconnected to the utility system.

August 17-19 — MMUA Annual Summer Conference held at Breezy Point Resort. Troy Adams of Elk River receives the president’s gavel. Nearly 290 attend.

Oct. 1 — Members gather at Shakopee Public Utilities to plan grounds construction for the 2016 APPA Public Power Lineworkers Rodeo.

Oct. 12-16 — MMUA members converge at Canterbury Park in Shakopee to construct the linefield to be used for the 2016 APPA Public Power Lineworkers Rodeo.


Dec. 8-10 — Cross Training School held at the MMUA Training Center in Marshall. A small but enthusiastic group learns how to be better helpers.


Comings and Goings at MMUA —

Welcome! Theresa Neddermeyer
Shane St. Clair
Mike Sewell
Art Gatchell

We’ll miss you! Susan Coe
Scott Murfield
Chris Schmitt
Gary Greenwald
State Government Relations

The 2015 Legislative Session was convened on January 6, 2015. Legislative activity concluded with the adjournment of the Special Session on June 13. With divided government—DFL Governor, DFL Senate, and GOP House—many, varying energy policy proposals were discussed, but few were passed into law. Together with the other utility lobbyists, MMUA was successful in preventing the passage of many unfavorable energy policies, including increasing the Renewable Energy Standard (RES) to 40 percent by 2030 and increasing the Conservation Improvement Program (CIP) goal from 1.5 percent to 2 percent.

MMUA Government Relations also fought back a legislative effort to subject municipal power agencies to the Open Meeting Law and Data Practices Act. Working with the power agencies, we were able to stem the threat it posed by explaining to the committee chairs and bill author how this measure could put municipal utility projects at a competitive disadvantage.

MMUA also supported MREA’s efforts to reform net metering. We were successful in passing clarifying language to ensure that co-ops and municipal utilities can recover the fixed costs of providing service to distributed generation customers.

In the interest of our water utilities, MMUA supported several legislative bills that were ultimately enacted into law. One requires a cost-analysis of PCA-proposed water quality standards. Another delays the enforcement of the water quality standard for sulfate until new rulemaking is complete and affected waters are identified.

On behalf of municipal power agencies with generation in Minnesota, MMUA closely followed a proposal to change the taxation of electric generation equip-
In addition to the numerous hearings attended during the legislative session, staff followed the work of several legislative commissions during the interim, including the Legislative Energy Commission, Legislative Water Commission, and Legislative Commission on Data Practices. In preparation for the 2016 Legislative Session, the Government Relations team hosted a successful “CIP Summit” at MMUA to brainstorm over potential proposals to change the state’s Conservation Improvement Program.

**Regulatory Activities**

It has been a busy year for regulatory activity as well. Along with Chris Schoenherr of SMMPA, Mark Fritsch of Owatonna, and Dave Meyer of Glencoe, staff delivered a presentation overviewing Minnesota’s municipal utilities at a work session of the Public Utilities Commission. It was valuable to highlight the successes of our members, discuss challenges, and answer the commissioners’ questions.

MMUA filed comments on the PUC docket relating to standby tariffs and also the state’s “CHP Action Plan.” MMUA also supported local control by filing comments in a consumer complaint against People’s Electric Cooperative. The complaint related to a fixed cost recovery fee on distributed generation customers. Staff participated in the PUC hearing and defended municipal utilities’ local regulatory authority.

Following on the People’s case, the PUC decided to open a new docket requiring all utilities to file information regarding fees charged to distributed generation customers. To preserve the local control of municipal utilities, MMUA Government Relations interceded, offering to file a single response on behalf of all municipals. Staff developed and conducted a survey of all electric members to collect the information, which was analyzed and kept at MMUA. MMUA then filed a single response on behalf of all the state’s municipal electric utilities.
Staff also began compiling data submitted by MMUA members under the state’s reporting requirements regarding qualifying facilities and DG interconnections, small power production tariffs and distributed generation tariffs. That work is leading toward the creation of resources to help our members consistently be in regulatory compliance and deal with increasing customer generation issues.

**Policy Development**

The Government Relations team has been actively involved in the MPCA’s Clean Power Plan (CPP) stakeholder process, supporting efforts by MMUA’s Bob Jagusch to convey the public power perspective to regulators as they develop Minnesota’s CPP “State Implementation Plan.”

They are also participating in the PUC’s Grid Modernization stakeholder process, the LMC Telecommunications Task Force, and the Minnesota Chamber of Commerce Energy Committee.

**Member Outreach**

The Government Relations team made many contacts with MMUA members at events throughout the year, including the annual meetings for three municipal power agencies and tours of municipal utilities, including Worthington and Delano.

With the APPA holding its national conference in Minneapolis, the MMUA Government Relations team (along with many member utilities) were able to attend this event, taking in educational sessions and making connections with municipal utilities from across the country.

**Member Resources**

Bill and Amanda developed a Cold Weather Rule Guide and customer brochure, providing our members with an updated online and printed resource to assist in compliance.

Following the session, Amanda drafted the Legislative Report, which recapped the legislative proposals that were discussed and passed in 2015.

Bill and Amanda have been working with MMUA’s Solar DG Task Force. Their efforts have been focused on developing a municipal solar ordinance and interconnection standards.

**Federal Government Relations**

The 114th Congress opened in 2015. It was a busy year for MMUA Washington Representative Michael Nolan. Issues included the Keystone pipeline, a federal Renewable Energy Standard, repeal of EPA environmental regulations, climate change debates and more.

The GOP made it their legislative mission to repeal or reduce several key EPA environmental regulations, including the Clean Power Plan, Waters of the US (WOTUS), and a new coal ash rule. Other issues included energy policy, tax reform, ozone regs, rail shipping, Dodd-Frank, nuclear waste, power marketing agencies and hydropower, and cybersecurity.
Several bills were separately introduced in the House to repeal major EPA efforts—the Clean Power Plan, WOTUS, coal ash. And several passed, though none were enacted into law.

By March, MMUA key priorities for the APPA Legislative Rally were set: EPA regulations; cybersecurity; tax; and rail, thanks to the continued efforts of the Minnesota congressional delegation to deal with sticky captive rail issues. Once again MMUA brought to Washington one of the largest public power delegations to attend the Rally. There were briefings and meetings with key House staff, and sessions with Sens. Klobuchar and Franken. A highlight included meeting with senior staff from EPA to discuss the Clean Power Plan.

Energy efficiency provisions from the Portman-Shaheen bill (S. 535), passed the Senate in March, the House in April, and were signed into law.

The Surface Transportation Board Reauthorization Act (S. 808) enjoyed broad bipartisan support, including strong support from Sen. Amy Klobuchar and passed a committee by voice vote.

The House was able to easily pass a coal ash bill, HR 1734, on July 22, and its sponsors strategized about including coal ash in the upcoming highway bill. The strategy worked: major cybersecurity provisions were also included in the comprehensive, long-term transportation bill (HR 22, the FAST Act), which passed during the final weeks of the session.

President Obama, late in the session, vetoed two disapproval resolutions, which sought to block EPA CPP rules. APPA strongly supported the measures.

After lengthy, secret, and bipartisan negotiations, an omnibus spending package was developed: a $1.1 trillion package, with an additional $600 billion tax measure attached. The omnibus, which funds the government to Sept. 30, contains three “wins” for public power and the utility industry: departmental and agency funding; cyber measures; and long-term renewable tax credits. LIHEAP funding stays at $3.3 billion.

The key cybersecurity measures establish new policy on information sharing and cyber threat information—on a voluntary basis—between the federal government and private entities, including public power utility systems. In addition, the language provides limited liability protection for these activities. While other cyber protections had been included in the highway bill, these measures were critical pieces of the cyber pie.

The pertinent third element included in the omnibus spending package concerns renewable tax credits. The credits were extended for five years (or less, depending how you count). They were also phased down, then phased out, or expired.

The bill was passed by both chambers and signed into law by the president.
Engineering and Policy Analysis
2015 was another very busy year for MMUA Director of Engineering & Policy Analysis Bob Jagusch. The bulk of his time was spent involved with various regulatory or rulemaking proceedings.

- The Legislative Energy Commission (LEC) met seven times during the year, and covered a variety of topics, including Grid Modernization and the EPA Clean Power Plan rule. The LEC is designing an Action Plan to identify key areas to drive the state forward toward a 2025 energy future.

- Another important energy-related ongoing process is e21, a partnership between the Great Plains Institute, Xcel Energy, Minnesota Power, Center for Energy and Environment, Energy Systems Consulting Services, George Washington University Law School, and other stakeholders.

While the issues being discussed have the state’s investor-owned utilities in mind, it is possible municipal utilities would have to deal with certain items. Grid Modernization is also a topic here, as is the state’s Integrated Resource Planning (IRP) process.

- The Minnesota Public Utilities Commission (PUC) held three Grid Modernization Workshops. These workshops gave utility industry and other stakeholders an opportunity to discuss the changing landscape of grid modernization. The PUC noted it was unsure of the costs and benefits of grid modernization. Another round of comments and workshops are possible.

Dealing with federal Environmental Protection Agency (EPA) rules continues to be a main area of work. There are currently two major issues—the Reciprocating Internal Combustion Engine (RICE) rule and Clean Power Plan (CPP).

RICE Rule
In 2014, MMUA supported APPA in intervening on behalf of the EPA to protect the Final Rule in the Circuit Court. The US Court of Appeals for the District of Columbia ruled in the spring that the 100 hour rule was ‘capricious and arbitrary’ and set aside the 100 hour provision. Legal proceedings ensued. In November, the EPA stated to the Court that a Notice of Proposed Rule will be issued before February 2016.

The EPA reached out to us to test language on recovering the 100 and 50 hour provisions that would meet the test of the Court. We have provided our comments and will have to wait and see what the new final proposed rule will be.

Clean Power Plan
MMUA met with the MPCA and a stakeholder group throughout the year to discuss compliance with the proposed Clean Power Plan issued in 2014. The Final Rule was released by the EPA in August with the CPP publication in the Federal register in October. We are participating, along with the joint action agencies, in the stakeholder process to define and guide the State Plan.

Jagusch was involved in the APPA effort to comment as a Small Business Entity on the Clean Power Plan model Federal Plan. APPA provided these comments to the Small Business Administration in May.

Jagusch was involved in a number of other areas with MMUA in 2015. A few of these included:

- Planning for the APPA Engineering and Operations Conference in Minneapolis, April 2016.
- Conservation Improvement Program (CIP).
- Many other vital, high-level activities.
A total of 84 people from Minnesota attended the 15th Annual Public Power Lineworkers Rodeo May 15-16 in Sacramento, Calif. It was the largest turnout ever from Minnesota.

Twelve teams and a number of individuals from Minnesota competed. While no Minnesota individual or team finished in the top spots, the margin of difference is often down to hundredths of a second. That difference, however, is not what the contest is about. It is all about doing it right. Speed is measured last.

The 2016 Rodeo is APPA’s 16th annual event, but this will be the first national rodeo held in Minnesota. MMUA anticipates that this event will be a real source of pride for our entire association.

A key planning event occurred Sept. 30, as Shakopee Public Utilities hosted a meeting, called by MMUA, of selected municipal utilities. The meeting included a tour of the site, but its main purpose was to identify accountable leadership for specific aspects of the event. Logistics and construction were discussed. Approximately 50 municipal electric and MMUA personnel attended this planning meeting.

MMUA members gathered the week of Oct. 12, at Canterbury Park in Shakopee, to build the grounds for the 2016 National Rodeo. The rodeo grounds construction, coordinated by MMUA and Shakopee Public Utilities, drew approximately 100 lineworkers from 29 Minnesota municipal utilities. Associate members also made significant contributions to the effort.

The rodeo grounds encompasses approximately nine acres (roughly the size of eight football fields). Crews set almost 130 pole structures for the competition. The site itself is on a gravel, overflow parking area adjacent to Canterbury Park in Shakopee.

At the Rodeo, journeyman and apprentice lineworkers practice essential skills in a safe environment while competing for professional recognition, attend training courses and network with other attendees. Each year the Rodeo attracts thousands of attendees from all across the U.S. and abroad. We look forward to hosting this event in 2016.

The actual event doesn’t occur until April 2, 2016, but the APPA National Lineworkers Rodeo occupied much time and effort for MMUA in 2015.
Job Training and Safety program
Gary Greenwald retired at the end of 2015, after 20 years of training municipal electric lineworkers across the state. Greenwald was MMUA’s primary JT&S instructor. He was instrumental in development of the MMUA Training Center in Marshall, particularly the construction of the second substation on the site. He was also a prime mover behind development of the MMUA On-site On-demand Apprentice Lineworker Development Program.

Nearly 100 utilities participate in the JT&S program. A number of MMUA staff members have a strong hands-on utility background and provide training.

Safety Management program
This program is MMUA’s largest in terms of budget and staff—with 11 employees dedicated to this work full-time in 2015, and another two splitting time between a Regional Safety Group and electrical training duties. This program provided a comprehensive safety program for all city departments.

MMUA Regional Safety Coordinators were on call 24/7, for any and all safety services, and have become an integral part of city safety teams.

Training Center
Training Center Coordinator/JTS Instructor Pete Wyffels settled into his work in 2015. A journeyman lineman, Wyffels brings over 21 years of hands-on experience to the association.

The Training Center continued to evolve over the course of the year. The most notable addition was a second substation.

MMUA thanks East Grand Forks Water & Light, which donated the substation, and members of the apprenticeship program, who did the hands-on construction. At the MMUA Overhead School, apprentices tied the new substation into an existing substation with a span of six trans-
Safety and Training

mission poles. MMUA instructors will now be able to offer a real-life training experience with two substations.

Six schools were held at the Training Center in 2015, including the second Rodeo Team Training Clinic. Schools were popular and well attended. Evaluations were very positive in regards to the quality of instruction and students and members were supportive of the programs.

*Gas Circuit Rider program*

MMUA Natural Gas Circuit Rider Troy Dahlin works with Minnesota’s 33 municipal natural gas utilities. Dahlin addressed a variety of needs such as on-site training, assisting with annual Minnesota Office of Pipeline Safety inspections, technical operator training and tracking regulatory changes. Membership evaluations of this program continue to be very positive.

*LMCIT Regional Safety Group program*

The League of Minnesota Cities Insurance Trust (LMCIT) partners with MMUA to deliver the regional safety group (RSG) option to members of its Workers’ Compensation program. With an RSG, neighboring cities come together as partners in OSHA compliance. LMCIT helps coordinate the RSGs and covers a portion of the training costs.

Mike Sewell joined MMUA during the fall of 2015, to serve as Regional Safety Group Program Leader. Sewell was previously a Job Training and Safety Instructor for the Iowa Association of Municipal Utilities. Among his duties, Sewell performs safety audits and inspections and provides one-on-one consulting.

At the end of 2015, there were 29 RSGs comprised of 300 cities throughout the state, covering hundreds of employees trained annually.

*LMCIT/MMUA generation projects*

MMUA has partnered with the LMCIT to put in place customized guidelines designed for safe operation of local electrical generating plants. An up-to-date written preventive maintenance schedule, including a comprehensive inventory of critical equipment, qualifies a utility for a 10 percent rate reduction on its property coverage rates.

MMUA’s Bob Sewell worked on power plant operations and maintenance manuals, and conducted thorough audits of MMUA member power plants, in the company of a utility staff person. Audits included a review of equipment, procedures and records. The audit also provided an opportunity for member utility staff to discuss a variety of generation-related issues with MMUA’s staff expert.
**Major Meetings**

MMUA conducts three major membership meetings each year.

The Legislative Conference was held Feb. 4-6. The meeting focused on policy issues and included legislator visits at the state office building and a well-attended legislative reception at the Best Western Capitol Ridge (formerly the Kelly Inn).

The Summer Conference was held at Breezy Point, August 17-19. The Conference featured a day and a half of professional education, a trade show, presentation of awards, and ample opportunities for networking and socializing. Approximately 340 people attended. At the meeting, Brainerd’s Bill Wroolie handed over the reins of MMUA president to Troy Adams, of Elk River Municipal Utilities.

The Technical and Operations Conference was held in St. Cloud, December 15-17. This meeting was attended by approximately 88 regular, associate and affiliate members. The trade show had 44 different vendors with tables or booths.

**Schools and Workshops**

MMUA presented a variety of schools and workshops over the course of the year. Schools presented at the MMUA Training Center feature hands-on technical task training with a strong emphasis on safe and efficient work practices. The following four schools were co-sponsored with the American Public Power Association and the Minnesota Rural Electric Association.

- **Overhead School.** Converging at the MMUA Training Center in Marshall Sept. 15-18 were 58 students from municipal utilities, six from MREA, and two from a construction contractor, along with instructors and MMUA staff members. They received expert instruction on a variety of tasks and topics.

- **Underground School.** This school was held May 5-8 at the Training Center. Attending were approximately 51 students from municipal utilities, four students from MREA, 20 instructors and eight MMUA/MREA staff members. Attendees enjoyed an evening trade show with 25 representatives of 14 different companies presenting their merchandise and services.

- **Meter School.** This school included a pre-confer-
• Rodeo Team training clinic. MMUA held its first Rodeo Team Training Clinic Jan. 27-28 at the Training Center. Approximately 40 people attended. The purpose of the clinic was to better prepare those planning to compete in the APPA Public Power Lineworkers Rodeo, held May 15-16 in Sacramento.

Additional MMUA Schools
• Substation School. This year’s school, held April 21-23 in Shakopee, emphasized substation operations and maintenance. A total of 38 students were trained (three were MREA students).

• Cross Training School. We had 24 students attend this workshop, held Feb. 25-27 at the MMUA Training Center in Marshall. An additional Cross Training School was scheduled for Dec. 8-10.

• Generation School. MMUA’s 2015 hands-on training at the Generation School was conducted at the power plants in Madelia and Fairmont. An evening trade show was held at the Fairmont Holiday Inn. A total of 30 students attended this school, which was held April 14-16.

• Firstline Supervision. In 2015 we had 19 students graduate from the FirstLine Supervision program and we welcomed 36 new students. This program is designed to provide the first line supervisor with leadership skills needed in today’s competitive market.
The big news in this area for 2015 was the launch of the new MMUA website. Much of this behind-the-scenes work was related to tying together the website and database. Numerous staff contributed to the new website and its continuous upkeep.

Along with the new website, MMUA offered association sponsorships for the first time. This offering was a resounding success, with 18 associate members signing up as our inaugural annual sponsors.

The new website highlights one of the fundamental reasons for MMUA’s existence: Communicating with and between municipal utilities, and with others. Along with the website, MMUA expanded its communications arsenal in 2015, with the active use of a variety of new communication mediums, including an active blogging presence on the website (see the News/Blogs section), Twitter and online photo galleries via the new MMUA website and Flickr.

MMUA staff on twitter include: Steve Downer (@SDownerMMUA), Bill Black (@BBlackMMUA), Amanda Duerr (@ADuerrMMUA), Rita Kelly (@RKellyMMUA) and Jack Kegel (@JKegelMMUA).

As is the case every year, MMUA produced a number of publications in 2015, including 11 monthly Resource newsletters. With an improving economy and strong annual sponsorship support, Resource newsletter advertising was better than ever. MMUA staff also produced 21 Connector newsletters for members to send to their customers. (For more information on this service, contact Steve Downer.)

MMUA also produced position statement booklets for the APPA Washington Rally and the MMUA Winter Legislative Conference, and the MMUA Legislative Directory. Publications staff also produced materials related to MMUA’s training programs and meetings, including a meetings/training calendar. The MMUA brochure and general brochure on municipal utilities were updated, as were various maps and PowerPoint presentations.

MMUA Communications and Member Relations staff played a number of other roles, including:

- Presentations before local policymakers, customer and community groups on a variety of topics relating to municipal utilities and their operation, including Minnesota public power basics and the formation of new municipal natural gas utilities.

- Maintained the MMUA website (along with Rita Kelly).

- Over the course of the year, MMUA researched and answered numerous questions in regards to operation of municipal utilities. On 14 of these occasions, the answer was gained through posting an online survey on the MMUA website.

- Administered the MMUA Tom Bovitz Memorial Scholarship Award and the MMUA Drug and Alcohol Testing Consortium.

- MMUA staff monitored and influenced low-income and telecom issues while chairing the Salvation Army HeatShare Advisory Board, and participated in various meetings on a variety of topics with municipal power and non-profit interest groups, including the Blandin Foundation.

- Steve Downer had a good year on the road, with 59 public power city visits, two power agency annual meetings and several retirement events. Reasons for these visits varied. They often involved gathering newsletter material, saying good-bye to long-time municipal utility staff or welcoming and getting to know new public power personnel.
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