



Minnesota Municipal Utilities Association



THE POWER OF HOMETOWN UTILITIES

**Federal Issues
2024 APPA
Legislative Rally**

Hometown services. Hometown strengths. Hometown solutions.

2024 Federal Legislative Priorities



ENSURE RELIABLE, AFFORDABLE, AND SUSTAINABLE PUBLIC POWER

Municipal utilities pride themselves on being able to provide power that consumers can rely upon to be there at any moment or to be restored quickly after a rare outage. They recognize the need to provide this power in an eco-friendly and sustainable manner.

Between 2005 and 2022, public power producers nationwide reduced CO2 emissions by 31 percent. At the same time, it is important to keep electric rates affordable. Municipal utilities face the threat of physical attacks on infrastructure, cybersecurity attacks, and work to comply with expensive mandates and regulations. There are many steps Congress can take to sustain the long history of success of public power.

MMUA asks Congress to:

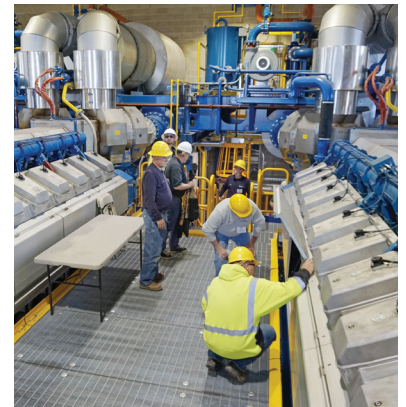
- Avoid passing unfunded or underfunded mandates
- Avoid redundancy such as the reporting of suspected cybersecurity attacks to multiple entities while facilitating the sharing of timely and actionable threat information
- Provide regulatory certainty
- Ensure climate policies take into account grid reliability, affordability, and sustainability, and are based on readily available technology
- Ensure rules are not unnecessarily complex and provide needed flexibility
- Streamline permitting procedures
- Support and invest in local resiliency efforts
- Protect local control over pole attachments and oppose efforts to limit a utility's ability to provide broadband services

ALLEVIATE THE SUPPLY CHAIN CRISIS

Critical infrastructure components, particularly distribution transformers, are not readily available. This has created an unprecedented supply chain crisis for public power utilities. As many as one in five public power infrastructure projects is delayed or even cancelled due to a lack of component parts.

In Minnesota, as in other public power states, it is common for lead times on delivery of distribution transformers to stretch from two to five years. At the same time, proposed federal rules mandating increased efficiency for transformers threaten even longer delays. Lead times for other parts have also increased dramatically.

This supply chain crisis threatens not only the ability to continue the move towards more renewable and carbon-free power, but reliability of both local power and the electric grid as a whole. It slows down recovery time from storms and other natural disasters, even affecting mutual aid efforts when one utility hesitates to provide resources to another over a justified fear the utility may need the items for itself.



MMUA asks Congress to:

- Provide, as appropriated by the Senate, \$1.2 billion for the Department of Energy's Office of Electricity and Grid Development Office to immediately begin addressing this crisis
- Delay new efficiency standards for distribution transformers
- Sign onto and pass H.R. 7171/S.3627 known as the "Distribution Transformer Efficiency and Supply Chain Reliability Act"

MODERNIZE PUBLIC FINANCE TOOLS

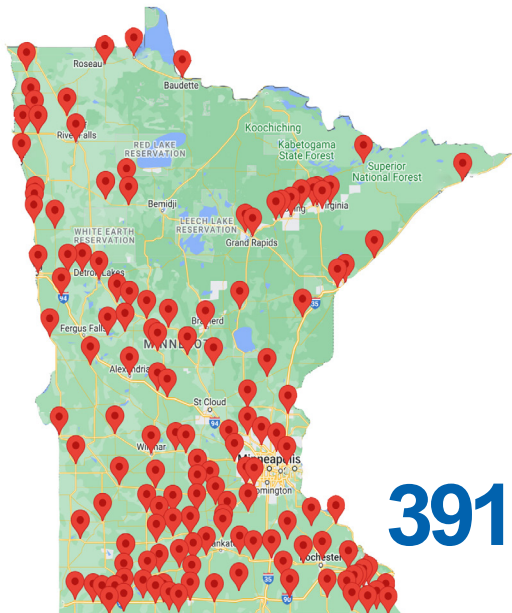
As part of the Inflation Reduction Act (IRA), Congress took a critical step towards modernizing public finance tools when it authorized or extended several tax credits and then approved correlated direct payment incentives for local governments.

However, Congress failed to reauthorize advance refunding of bonds, a tool that could save millions of dollars in financing public power projects. Congress also failed to increase the threshold under which a lender remains a small issuer, and it did not permanently exempt Build America Bonds or the funds for grants to public power providers under the IRA and the Infrastructure Investment and Jobs Act (IIJA) from sequestration and rescission.



MMUA asks Congress to:

- Restore advance refund bonds
- Increase from \$10 million to \$30 million the threshold under which a lender remains a small issuer
- Exempt public finance bonds and grant funding from sequestration and rescission



33 municipal gas utilities are MMUA members.

121 municipal electric utilities serve Minnesotans.

183 municipal water utilities are MMUA members.

391,000 customers served by municipal electric utilities.

50 of the 87 county seats in Minnesota operate an electric or gas utility.

57 customers served by the smallest municipal utility, Whalan.

1,264 customers is the median amount for a MN municipal utility.

57,000 customers served by the largest municipal utility, Rochester.

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