Moorhead customers respond to renewables partnership

by Steve Downer

Moorhead Public Service (MPS) has, for several years, offered incentives for customers to install solar or other renewable energy systems, but those offers brought little response.

The result, which promises to grow over the years, is a community “solar garden,” located between two MPS-owned wind turbines on the northern outskirts of the city.

After doing its homework, the utility offered customers the opportunity to buy a 25 kilowatt solar panel. MPS projected the cost to be around $800 but received a much lower bid and passed those savings along to its customers. It is selling solar interests/modules, reflecting the price of a solar panel, for $480.

“We’re keeping the profits in the community,” said MPS General Manager Bill Schwandt, who will also monitor the program as an investor in a solar panel.

One hundred and eleven customers signed a 20-year agreement with MPS. The fee was split into monthly installments to make participation more affordable. There will also be an annual maintenance fee, based on actual numbers. Those costs are expected to be minimal.

The MPS solar arrays are located near the utility’s two wind turbines and the city wastewater treatment plant, on the north side of the city.

The new program is called “Capture The Sun.

Bigelow: see page 7 please

Bigelow municipal utility at crossroads; investments appear likely

by Steve Downer

The City of Bigelow and its municipal electric utility is at a crossroads. Looming expenses have led local leaders to consider all their options. After taking a look at the gamut of possibilities, it is moving toward making the necessary investments to keep its electric distribution system safe, serve growing customers, and continue to charge an accurate and fair rate.

Bigelow is south of Worthington, on the Iowa border. Its population hovers around 235. The municipal utility in Sibley, Iowa, sells the city power at wholesale and performs maintenance services. Bigelow appears to be the only Minnesota municipal utility that actually serves customers in Iowa. These customers are served off of branches from the line from Sibley. Bigelow serves extensive territory to the east and west, as well.

The main line to Sibley runs approximately nine miles south. While this service might seem tenuous to some, in fact it has proven robust. During the April 2013 ice storm, Sibley’s transmission tie to the water treatment plant on the north side of the city.

Bigelow Mayor Brad Meester has done much to advance the economic viability of his city. However, it appears somebody left town—the population number on this sign reads one less than the sign on the other side of town.

Western Minnesota wins federal appeals court hydro case decision

from MBES

A federal appeals court unanimously ruled that Western Minnesota Municipal Power Agency (Western Minnesota) is entitled to a statutory preference for a permit to develop a hydroelectric project. The U.S. Circuit Court of Appeals for the District of Columbia ruled that the Federal Energy Regulatory Commission (FERC) incorrectly disregarded municipal preference when it granted a preliminary permit for an Iowa hydroelectric project to a private company. The Court filed its order on Friday, November 20, 2015.

The case began in 2013 when Western Minnesota and a private developer simultaneously filed applications for a preliminary permit to study the feasibility of a hydro project in Polk County, Iowa. FERC found both applications to be “equally well adapted.” Because of the importance of this case to public power, the American Public Power Association (APPA), and the Public Power Council (PPC) also intervened at this stage.

FERC rejected Western Minnesota’s claim to municipal preference on the basis that the preference applies only to municipalities that are located “in the vicinity” of the proposed hydropower project. FERC said that since Western Minnesota’s headquarters is almost 400 miles from the proposed project, it is located too far from the project site to be entitled to municipal preference. FERC granted APPA and PPC the right to intervene in the case, but then denied the requests of Western Minnesota, APPA, and PPC for rehearing.

Western Minnesota, APPA and PPC jointly sought judicial review. Several other public power organizations provided financial support for this litigation, including the Minnesota Municipal Utilities Association, AMP, Snohomish County PUD, and the American Public Power Association.

Hydro: see page 4 please
Fiber optics: Will we build ‘the indispensable infrastructure’ of our age?

A couple of statements at the conference struck me. Bernadine Joselyn, Blandin’s Director of Public Policy & Engagement, said that broadband is the indispensable infrastructure of our age. She said our parents and grandparents built the indispensable infrastructure of their age—the electric system serving Greater Minnesota—and that now it’s our turn to build the indispensable infrastructure of our age. (While Blandin tiptoed around this one due to a varied constituency, it is clear that this infrastructure is fiber optic.) Lt. Gov. Tina Smith delivered remarks on the final morning. After announcing the broadband grant awards, she mentioned that “the last mile” of broadband service provision “doesn’t work with a purely private sector model.”

Susan Crawford, an author and professor at Harvard Law School, gave an interesting presentation that included this statement: Don’t pay for anything other than fiber! An oft-cited statistic at the conference came from the Governor’s Broadband Task Force 2013 report. The report estimated that the cost of covering the state with fiber optic cable is somewhere between $900 million to $3.2 billion.

Both public and private money has been welcome in the electric industry for many years now. The same cannot be said for investments in communications infrastructure. Will that change? While municipal utilities have largely had their hands full with electric utility issues in recent years, others continue to carry the flag for local investment and provision of broadband services. This (non-partisan) issue promises to be joined again in the next legislative session.

Every municipal utility manager and policymaker ought to spend some time thinking about the provision of broadband services and the future of their community. After all, modern communications services are necessary for a city’s economic health and well-being. If a city isn’t economically healthy, your electric utility may well be moribund.

MMUA Annual Sponsorships offered a convenient one-stop payment that allows a company to participate in our most popular events and have a significant presence in our most valuable communications vehicles.

To sign-up as an MMUA Annual Sponsor, go to the Sponsor/Become a Sponsor link on our website. For more information, particularly related to advertising, call Steve Downer at 763-746-0702. Questions in regards to meetings should be directed to Rita Kelly at 763-746-0707. Thank you for your consideration and we hope to hear from you soon!

MMUA Annual Sponsorships proved very popular in 2015. The association is pleased to announce that the 2016 sponsorship price remains at $1,500. The sign-up period is ending soon, so act now! Sponsorship benefits include increased visibility with MMUA members and recognition as an MMUA Annual Sponsor:

• on the MMUA website;
• on banners at MMUA events;
• in MMUA publications.

Additional benefits of becoming an MMUA Annual Sponsor include:

• One 2-column by 5-inch Resource newsletter ad, with space (including power) and services vehicles.
• One complimentary registration to either the Summer Conference or Technical and Operations Conference trade shows.
• Two meeting registrations at either the Summer Conference or T&O Conference.

The total value of the Resource ad, trade show exhibit space and meeting registrations is $1,870. So you can see that the $1,500 sponsorship package represents a solid value.

The MMUA Annual Sponsorship offers a convenient one-stop payment that allows a company to participate in our most popular events and have a significant presence in our most valuable communications vehicles.
Key senators seek review of capacity markets run by regional grid operators

by Paul Ciampoli
APPA

The Government Accountability Office is being asked by Sens. Lisa Murkowski, R-Alaska, and Maria Cantwell, D-Wash., to report back to the lawmakers on a wide variety of issues related to the operation of capacity markets run by regional grid operators.

Among other things, Murkowski and Cantwell said that they are “concerned about the relationship of the increments of new capacity cleared in an auction and the increments of new capacity actually installed.”

Murkowski, chairman of the Senate Energy and Natural Resources Committee, and Cantwell, the committee’s ranking Democrat, made their joint request for a report in a Nov. 19 letter sent to Gene Dodaro, the comptroller general of the United States.

“Recent auction clearing prices in capacity markets run by regional grid operators ‘have raised important questions,” wrote Murkowski and Cantwell.

“Price increases resulting from these auctions translate to billions of dollars in additional payments from customers to generators,” they noted.

“Separately, baseload power plants in these markets have faced retirement before the end of their nominal design life. Such retirements of in-service generation have led to questions about how market rules may be adversely affecting the economic viability of current units and future investment and reliability in organized markets,” Murkowski and Cantwell said.

The lawmakers said that differences between the rules of each auction “and ongoing controversy about the basic efficacy of and most effective way to administer capacity markets warrant further inquiry.”

Murkowski and Cantwell pointed out that the Electric Reliability Council of Texas, the Southwest Power Pool and the California ISO do not conduct capacity auctions.

The Midcontinent Independent System Operator and the New York ISO run auctions one year in advance, while the PJM Interconnection and ISO New England run auctions three years in advance, the letter noted. Load-serving entities (LSEs) within MISO and most regions of NYISO can choose whether to rely on the RTOs’ capacity auctions or to self-supply capacity resources, Cantwell and Murkowski said.

With “defined and in practice limited exceptions,” LSEs within PJM, ISO New England and parts of the New York ISO “must accept auction clearing prices irrespective of whether their owned or contracted resources clear,” the senators said.

Senators seek examination of inter-related questions

Cantwell and Murkowski want the GAO to examine several inter-related questions.

“We are concerned about the relationship of the increments of new capacity cleared in an auction and the increments of new capacity actually installed,” they said in the letter. “Two recent surveys suggest that only a small fraction of new capacity has been built in organized markets except under bilateral power purchase agreements or direct ownership by LSEs,” Cantwell and Murkowski said, referring to studies released by the American Public Power Association in 2012 and 2014.

In addition, “it is our understanding that except for one sub-region within PJM, capacity has never cleared above the ‘cost of new entry’ in PJM or MISO,” wrote Cantwell and Murkowski.

“These observations prompt us to ask a central overarching question: Since their establishment, how effectively have capacity markets influenced the construction, maintenance, or retirement of generation in order to ensure resource adequacy and reliability in a cost-effective manner?” they asked.

Cantwell and Murkowski raised several questions in their letter related to resource adequacy and reliability, as well as capacity market design differences.

With respect to resource adequacy and reliability, the senators ask several questions, including whether there are differences with respect to resource adequacy or reliability — historical, current or projected — among regions covered by mandatory capacity markets, voluntary capacity markets and traditional rate regulation.

Meanwhile, the letter notes that differences in the three RTOs/ISOs with mandatory markets have design differences. “These differences raise several questions in the context of non-generation resources such as demand response and energy efficiency to varying opportunities for LSEs to self-supply capacity,” Cantwell and Murkowski said.

The letter asked the GAO to address the following questions:

• Identify any inherent market design considerations that explain limitations on the ability of LSEs to self-supply in mandatory capacity markets in PJM, ISO New England and NYISO;

• To what extent is the status of industry restructuring (with respect to generation ownership and rate regulation) a factor in limiting the ability of LSEs to self-supply within the states subject to mandatory capacity markets?; and

• Based on capacity market outcomes in the various RTOs/ISOs (both voluntary and mandatory markets), what appear to be best practices and market designs in terms of auction frequency, forward time periods (e.g., one-year versus three-year versus other periods), market power mitigation, and LSE self-supply options?; and

• Are there any mechanisms within the RTOs/ISOs to account for the degree to which capacity market revenues overlap with revenues from other market features also designed to ensure resource adequacy and reliability such as short-term pricing?”

APPA has been active on the issue of self-supply, or the right of utilities to build their own generation (or to use bilateral contracts to secure capacity).
The cities of Golden Valley, Fridley, and Hutchinson, are not adjacent, but their staff had a common goal. That goal was their desire for long-lasting, low-impact water main pipe rehabilitation that minimized water service pipe construction and interruptions to area traffic. In addition, the cities wanted lower costs on their respective projects—without taxing their limited staff resources.

CIPP is a trenchless method of pipe rehabilitation with minimal excavation and little risk of damaging existing water service pipes by inserting an epoxy-resin-coated polyester liner into the existing trunk water main pipe. The end result is a Class IV structural pipe with a service life of at least 50 years.

A Cooperative Project Agreement (CPA) establishes a single commission with the power to manage funds, enter into contracts, and hire employees. The State of Minnesota’s “Joint Exercise of Powers” statute, enacted in 1943, opened the door for widespread usage of CPAs by Minnesota cities. In fact, the League of Minnesota Cities reported that its member cities had more than 1,800 CPAs in place between 2004 and 2010.

With the CPA in place, the cities also developed a cooperative and streamlined decision-making process which allowed the design, bidding, and individual construction projects to proceed according to schedule.

Golden Valley staff engineer Mitch Hoeft said, ‘If you’re working as part of a cooperative agreement, tighten the schedule and the specifications to make sure that the work is feasible across the partners. For us, one bid, three jobs, and one bid tab kept the bidding balanced between the Cities. We really believe that all three cities received the biggest bang for the buck by approaching the CIPP projects cooperatively.’

Hydro: continued from front page

The ruling was an affirmation of the municipality located distant from the site. The Court also said FERC could not claim that Congress—which said nothing about geographic location in the municipal preference statute—had intended to delegate to FERC authority regarding proximity to “pick and choose favored municipalities to advance the Commission’s policy.”

The Court vacated both FERC’s Permit Order and its Rehearing Order. FERC has 45 days to seek rehearing, and 90 days to seek Supreme Court review.

“Western Minnesota is very pleased with the Court’s decision,” said Tom Heller, CEO of Missouri River Energy Services (MRES). “The ruling is an affirmation of the municipal preference principal that is so important to public power entities.

Western Minnesota Municipal Power Agency provides financing for power supply and transmission projects operated by Missouri River Energy Services, a joint-action agency that provides power supply and energy services to 60 municipal utilities in Minnesota, Iowa, North Dakota and South Dakota. Western Minnesota is currently constructing an unrelated hydroelectric power project at the Red Rock Dam near Pella, Iowa.
The Austin Utilities (AU) Board of Commissioners approved a proposal to increase electric rates by 2.4 percent and water rates by 6.9 percent at their Nov. 10 monthly board meeting. Natural gas costs are expected to decrease over the year. The rate adjustments will become effective with bills received in January 2016.

The utility cites an increase of six percent in wholesale power as the driver behind the electric increase. The decrease of 61 cents per month. The electric rate increase is also driven by increased wholesale power costs. Meanwhile, Epic Systems, the largest electronic medical records firm in the U.S., has agreed to pay for the majority of a $6.1 million substation to feed a data center project, with AU contributing just over one million for additional features. Epic may apply for up to $2.03 million in rebates over 10 years.

The Senate Bonding Committee visited Lanesboro Oct. 28 and toured the Root River dam, which is in need of renovation.

The Public Utilities Commission is considering a renewable energy policy and is considering sites for a new wastewater treatment facility.

Bill Mars was elected mayor of Shakopee Nov. 3. Mars is a member of the Shakopee Public Utilities Commission and was mayor from 2001 to 2003.

Malinda Hibben is the new finance director at Hibbing Public Utilities. She replaces Kevin Gargano, who is retiring.

The City of Virginia has assessed slightly more than $50,000 to the property tax roles for unpaid utility bills. The assessments affect 37 properties.

Brainerd Public Utilities (BPU) remains in negotiations with Minnesota Power over a wholesale power contract. BPU has stated it would like to have access to market-based energy.

Sleepy Eye Public Utilities is working with a local environmental science class to pay for a solar-powered ‘Welcome to Sleepy Eye’ sign on Hwy. 14 west. Students applied for grants, met with a local electrician, studied solar energy and reviewed quotes. The class presented on their project to the Sleepy Eye Public Utilities Commission and City Council in November.

The St. Peter City Council is considering possible charges to customers that seek to connect solar panels to the municipal electric distribution system. Five customers reportedly have interconnected solar systems, with one large enough to sell energy back to the city.
Sun® (CTS), following the continued from front page Sun:

MPS owns land to the south of the site as well. The City’s Wastewater Treatment Facility is also a neighbor. In 20 years, when the panels reach the end of their projected useful life, the area is projected to be used for wastewater sludge ponds.

With the infrastructure in place, future expansions should be less costly. The new panels join a 10-kW solar photovoltaic (PV) electric system installed by MPS in 2011. This three-array system was installed to demonstrate and study the feasibility of solar photovoltaics in the community. Among the lessons? The arrays have vertical and horizontal (dual axis) tracking capability, but the tracking mechanisms proved troublesome and the arrays are now fixed.

MPS Commissioners, early in 2014, accepted a “solar garden” report. They generally liked the idea, but siting was an issue. The report was forwarded on to the city council. They also had their say on the siting issue. Several locations were considered. These sites either weren’t sunny enough or presented visual challenges, like having the back of the panels facing a road. Many considered this unsightly.

The site selected was a logical place from an engineering standpoint. It is out of the way, but panel output can be monitored online. There is some shadow from the wind turbines, but it is not significant, said MPS Energy Services Manager Dennis Eisenbraun.

Panels join wind turbines

MPS installed the two 750-kW wind turbines in 1999 and 2001, to demonstrate the potential of wind energy. MPS sold the output as ‘green energy’ and customers paid a premium for the wind power. The community impact was outsized compared to the turbine output (one percent or less of the total electricity used in Moorhead). But response was strong in the college town, located across the Red River from Fargo, North Dakota. In fact, the program was a national leader, for a time, in terms of percentage of utility customers participating in a green power program.

The wind subscription program, called Capture The Wind®, ended in 2010. The wind resource is now part of the utility’s rate base. That experience gave MPS reason to believe Capture The Sun® would receive a similar response.

MPS developed the project itself, and realized significant costs savings. It put out a request for proposals and received four responses. The contractor hails from Valley City, North Dakota. Its main line of business is building grain bins. Proximity was a plus and company representatives had been in the utility offices several times over the years. They definitely wanted the business, noted Eisenbraun.

The project has also been great public relations, and utility personnel find it very interesting. “We’re learning as we go,” Schwandt said. “It has been interesting to watch.”
grid was severed. The Silbey municipal utility started up its local generating plant, restored service locally and then fed the power north.

After a brief initial outage, lights remained on in Bigelow. There were scattered outages on some of Bigelow’s rural service lines, but a wider rural area, served by others, was without power for a week or more. A state of emergency was declared in four counties.

Water in Bigelow is supplied from a connection to a rural water system at Ocheyedan, Iowa. The local distribution system is in good condition.

In 2007, the city received a $3.5 million USDA Rural Development loan and grant for sewer system improvements. The city put cash into the project, and spent its reserves down to a level that gives it pause when considering further cash outlays. Steve Schultz is a certified wastewater system operator. He works full-time for the Nobles County highway department during the days and part-time evenings for the city. He also serves on the city council.

Minn. Hwy. 60 from the Iowa border to Bigelow was expanded to four lanes in 2008 and the $67 million project was completed in 2013 with the extension of four lanes into Worthington. The old two-lane highway used to run through Bigelow. The new road runs just to the east of the city.

The city was initially founded in 1872 as a stop on the St. Paul and Sioux City Railway. (The city was named after Charles Bigelow, a member of the railroad’s board of directors.) The tracks still run through the city and proximity to good transportation has led to the expansion of the local grain elevator, which occurred in March 2014.

The new facility will nearly double grain storage capabilities at Bigelow, to a one-million-bushel storage facility and will also provide for faster grain handling operations. The project was built with an eye to the future. There is space available to the north of the construction site to allow for additional expansion. The city partnered with United Farmers Cooperative on in-structure work needed for the elevator expansion, splitting the costs and contributing approximately $10,000 to the project.

The most prominent building in Bigelow is the former public school. It has changed hands several times in recent years, twice serving as a charter school, and was recently donated to a non-profit organization that plans to operate it as a place of refuge for those who have escaped sex trafficking or other abuses.

The city has and will continue to work with the new owners as work progresses.

Also in the city, there are construction plans for one new home in the spring, and the city plans to donate one property to Habitat for Humanity, which plans two houses on the site.

The city is also working on bringing wireless internet access to city hall, so people can log-on to a wi-fi system.

Maintaining services and growing when presented an opportunity are struggles, but the people involved with the City of Bigelow continue to take action to move the city forward. Along with Mayor Meester and Schultz, they include councilmembers Stacie Golombieski, Terry Neugebauer and Robert Paplow. Jennifer Bos is the part-time clerk-treasurer and Lorraine Edwards is the part-time utility billing clerk.

The most prominent building in Bigelow is the former public school. It has changed hands several times in recent years, twice serving as a charter school, and was recently donated to a non-profit organization that plans to operate it as a place of refuge for those who have escaped sex trafficking or other abuses.

Private owners have offered to donate the building to LifeBack Ministries, which will use it as a resource for helping abused teenage girls and women. The building is currently being refurbished. The city also has partnered with Nuetral Path Communications on their new Bigelow facility, splitting the costs and contributing approximately $10,000 to the project.

The most prominent building in the city is the old school building. It once served as the Bigelow Public School, then Faith Christian High School and then as the Worthington Area Language Academy (WALA), which closed in 2011. That impacted the city’s wastewater use projections, as the school was counted as 20 hookups.

The building was sold to a private party and has been empty for several years. The building also hosts a community center.

The Bigelow fire hall and community center was expanded and revamped in 2005.

Bi-

The Bigelow fire hall and community center was expanded and revamped in 2005.

grid was severed. The Silbey municipal utility started up its local generating plant, restored service locally and then fed the power north.

After a brief initial outage, lights remained on in Bigelow. There were scattered outages on some of Bigelow’s rural service lines, but a wider rural area, served by others, was without power for a week or more. A state of emergency was declared in four counties.

Water in Bigelow is supplied from a connection to a rural water system at Ocheyedan, Iowa. The local distribution system is in good condition.

In 2007, the city received a $3.5 million USDA Rural Development loan and grant for sewer system improvements. The city put cash into the project, and spent its reserves down to a level that gives it pause when considering further cash outlays. Steve Schultz is a certified wastewater system operator. He works full-time for the Nobles County highway department during the days and part-time evenings for the city. He also serves on the city council.

Minn. Hwy. 60 from the Iowa border to Bigelow was expanded to four lanes in 2008 and the $67 million project was completed in 2013 with the extension of four lanes into Worthington. The old two-lane highway used to run through Bigelow. The new road runs just to the east of the city.

The city was initially founded in 1872 as a stop on the St. Paul and Sioux City Railway. (The city was named after Charles Bigelow, a member of the railroad’s board of directors.) The tracks still run through the city and proximity to good transportation has led to the expansion of the local grain elevator, which occurred in March 2014.

The new facility will nearly double grain storage capabilities at Bigelow, to a one-million-bushel storage facility and will also provide for faster grain handling operations. The project was built with an eye to the future. There is space available to the north of the construction site to allow for additional expansion. The city partnered with United Farmers Cooperative on in-structure work needed for the elevator expansion, splitting the costs and contributing approximately $10,000 to the project.

The most prominent building in Bigelow is the former school. It has changed hands several times in recent years, twice serving as a charter school, and was recently donated to a non-profit organization that plans to operate it as a place of refuge for those who have escaped sex trafficking or other abuses.

Private owners have offered to donate the building to LifeBack Ministries, which will use it as a resource for helping abused teenage girls and women. The building is currently being refurbished. The city also has partnered with Nuetral Path Communications on their new Bigelow facility, splitting the costs and contributing approximately $10,000 to the project.

The most prominent building in the city is the old school building. It once served as the Bigelow Public School, then Faith Christian High School and then as the Worthington Area Language Academy (WALA), which closed in 2011. That impacted the city’s wastewater use projections, as the school was counted as 20 hookups.

The building was sold to a private party and has been empty for several years. The building also hosts a community center.

The Bigelow fire hall and community center was expanded and revamped in 2005.

grid was severed. The Silbey municipal utility started up its local generating plant, restored service locally and then fed the power north.

After a brief initial outage, lights remained on in Bigelow. There were scattered outages on some of Bigelow’s rural service lines, but a wider rural area, served by others, was without power for a week or more. A state of emergency was declared in four counties.

Water in Bigelow is supplied from a connection to a rural water system at Ocheyedan, Iowa. The local distribution system is in good condition.

In 2007, the city received a $3.5 million USDA Rural Development loan and grant for sewer system improvements. The city put cash into the project, and spent its reserves down to a level that gives it pause when considering further cash outlays. Steve Schultz is a certified wastewater system operator. He works full-time for the Nobles County highway department during the days and part-time evenings for the city. He also serves on the city council.

Minn. Hwy. 60 from the Iowa border to Bigelow was expanded to four lanes in 2008 and the $67 million project was completed in 2013 with the extension of four lanes into Worthington. The old two-lane highway used to run through Bigelow. The new road runs just to the east of the city.

The city was initially founded in 1872 as a stop on the St. Paul and Sioux City Railway. (The city was named after Charles Bigelow, a member of the railroad’s board of directors.) The tracks still run through the city and proximity to good transportation has led to the expansion of the local grain elevator, which occurred in March 2014.

The new facility will nearly double grain storage capabilities at Bigelow, to a one-million-bushel storage facility and will also provide for faster grain handling operations. The project was built with an eye to the future. There is space available to the north of the construction site to allow for additional expansion. The city partnered with United Farmers Cooperative on in-structure work needed for the elevator expansion, splitting the costs and contributing approximately $10,000 to the project.

The most prominent building in Bigelow is the former public school. It has changed hands several times in recent years, twice serving as a charter school, and was recently donated to a non-profit organization that plans to operate it as a place of refuge for those who have escaped sex trafficking or other abuses.

Private owners have offered to donate the building to LifeBack Ministries, which will use it as a resource for helping abused teenage girls and women. The building is currently being refurbished. The city also has partnered with Nuetral Path Communications on their new Bigelow facility, splitting the costs and contributing approximately $10,000 to the project.

The most prominent building in the city is the old school building. It once served as the Bigelow Public School, then Faith Christian High School and then as the Worthington Area Language Academy (WALA), which closed in 2011. That impacted the city’s wastewater use projections, as the school was counted as 20 hookups.

The building was sold to a private party and has been empty for several years. The building also hosts a community center.

The Bigelow fire hall and community center was expanded and revamped in 2005.
The U.S. Energy Information Administration (EIA) Nov. 23 reported U.S. proved oil reserves rose nine percent in 2014, exceeding a U.S. total of 38 billion barrels for the first time since 1972. Texas had the largest increase in proved reserves, followed by North Dakota.

Natural gas proved reserves rose 10 percent in 2014, setting a new U.S. record of 388.9 trillion cubic feet.

The EIA also recently reported that since 2005, energy-related carbon dioxide (CO2) emissions fell in 48 states (including the District of Columbia) and rose in three states, on a per capita basis.

The American Public Power Association (APPA) and the Utility Air Regulatory Group (UARG) have filed a petition with the U.S. Court of Appeals for the District of Columbia Circuit challenging the legality of the U.S. Environmental Protection Agency’s (EPA) Clean Power Plan rule, which aims to reduce CO2 emissions (CO2) from existing power plants. The Clean Power Plan was published in the Federal Register on Oct. 23, APPA and UARG, as well as several other parties, filed challenges to the plan that same day.

On Nov. 5, Basin Electric Power Cooperative (Basin) also filed a motion for a stay in the case challenging the Clean Power Plan. Basin is project operator of the Laramie River Station (LRS). LRS has three coal-fired units, of which Western Minnesota Municipal Power Agency (WMMPA) owns a 16.47 percent undivided share. Other project partners include Heartland Consumers Power District.

In support of its motion, Basin stated it will cost the cooperative at least $5 billion to comply with the Clean Power Plan rules, and it will be required to shut down two units of Laramie River Station (LRS). No decision, however, has been made to shut down any units of LRS.

Minnesota Power Nov. 13 filed a rate case with the Minnesota Public Utilities Commission, for a five percent cut in electric rates for the company’s 11 largest electric customers and a 14.5 percent increase for residential customers. Other customer classes would see an increase of between one and four percent.

The largest customers include paper mills and taconite mines.

Xcel Energy has requested a 9.8 percent electric rate hike, to be phased in over three years. A 5.5 percent “interim” rate hike is scheduled for January. The increase follows five consecutive years of Xcel rate hikes.

Xcel said the request is necessary due to grid and nuclear power plants upgrades, renewable energy spending, property taxes and an increased cost of doing business.

CenterPoint Energy was recently granted a 5.6 percent interim increase.

Xcel Energy has submitted a “Renewable Connect” program to the Minnesota Public Utilities Commission. The program would allow corporate and other customers to sign long-term agreements to receive electricity from wind and solar plants. Participating customers would hold the renewable energy certificates, which certify they are receiving green energy.

The state of Minnesota is seeking bids for energy from large solar projects, as it seeks to offset a third of the electricity used at 29 locations, including the state capitol.

The 12 members of the Southern Minnesota Energy Cooperative Nov. 13 filed a request to update their electric service area maps, to reflect the acquisition of former Interstate Power & Light properties in Minnesota.


APPAs supports ‘disapproval resolutions’ in regards to EPA’s Clean Power Plan

The U.S. House of Representatives Dec. 1 approved disapproval resolutions that would overturn the Environmental Protection Agency’s (EPA) rules to regulate carbon dioxide (CO2) emissions from new and existing power plants. The Clean Power Plan was published in the Federal Register on Oct. 23, APPA and UARG, as well as several other parties, filed challenges to the plan that same day.

On Nov. 5, Basin Electric Power Cooperative (Basin) also filed a motion for a stay in the case challenging the Clean Power Plan. Basin is project operator of the Laramie River Station (LRS). LRS has three coal-fired units, of which Western Minnesota Municipal Power Agency (WMMPA) owns a 16.47 percent undivided share. Other project partners include Heartland Consumers Power District.

In support of its motion, Basin stated it will cost the cooperative at least $5 billion to comply with the Clean Power Plan rules, and it will be required to shut down two units of Laramie River Station (LRS). No decision, however, has been made to shut down any units of LRS.

Minnesota Power Nov. 13 filed a rate case with the Minnesota Public Utilities Commission, for a five percent cut in electric rates for the company’s 11 largest electric customers and a 14.5 percent increase for residential customers. Other customer classes would see an increase of between one and four percent.

The largest customers include paper mills and taconite mines.

Xcel Energy has requested a 9.8 percent electric rate hike, to be phased in over three years. A 5.5 percent “interim” rate hike is scheduled for January. The increase follows five consecutive years of Xcel rate hikes.

Xcel said the request is necessary due to grid and nuclear power plants upgrades, renewable energy spending, property taxes and an increased cost of doing business.

CenterPoint Energy was recently granted a 5.6 percent interim increase.

Xcel Energy has submitted a “Renewable Connect” program to the Minnesota Public Utilities Commission. The program would allow corporate and other customers to sign long-term agreements to receive electricity from wind and solar plants. Participating customers would hold the renewable energy certificates, which certify they are receiving green energy.

The state of Minnesota is seeking bids for energy from large solar projects, as it seeks to offset a third of the electricity used at 29 locations, including the state capitol.

The 12 members of the Southern Minnesota Energy Cooperative Nov. 13 filed a request to update their electric service area maps, to reflect the acquisition of former Interstate Power & Light properties in Minnesota.


APPAs supports ‘disapproval resolutions’ in regards to EPA’s Clean Power Plan

The U.S. House of Representatives Dec. 1 approved disapproval resolutions that would overturn the Environmental Protection Agency’s (EPA) rules to regulate carbon dioxide (CO2) emissions from new and existing power plants. The Clean Power Plan was published in the Federal Register on Oct. 23, APPA and UARG, as well as several other parties, filed challenges to the plan that same day.

On Nov. 5, Basin Electric Power Cooperative (Basin) also filed a motion for a stay in the case challenging the Clean Power Plan. Basin is project operator of the Laramie River Station (LRS). LRS has three coal-fired units, of which Western Minnesota Municipal Power Agency (WMMPA) owns a 16.47 percent undivided share. Other project partners include Heartland Consumers Power District.

In support of its motion, Basin stated it will cost the cooperative at least $5 billion to comply with the Clean Power Plan rules, and it will be required to shut down two units of Laramie River Station (LRS). No decision, however, has been made to shut down any units of LRS.

Minnesota Power Nov. 13 filed a rate case with the Minnesota Public Utilities Commission, for a five percent cut in electric rates for the company’s 11 largest electric customers and a 14.5 percent increase for residential customers. Other customer classes would see an increase of between one and four percent.

The largest customers include paper mills and taconite mines.

Xcel Energy has requested a 9.8 percent electric rate hike, to be phased in over three years. A 5.5 percent “interim” rate hike is scheduled for January. The increase follows five consecutive years of Xcel rate hikes.

Xcel said the request is necessary due to grid and nuclear power plants upgrades, renewable energy spending, property taxes and an increased cost of doing business.

CenterPoint Energy was recently granted a 5.6 percent interim increase.

Xcel Energy has submitted a “Renewable Connect” program to the Minnesota Public Utilities Commission. The program would allow corporate and other customers to sign long-term agreements to receive electricity from wind and solar plants. Participating customers would hold the renewable energy certificates, which certify they are receiving green energy.

The state of Minnesota is seeking bids for energy from large solar projects, as it seeks to offset a third of the electricity used at 29 locations, including the state capitol.

The 12 members of the Southern Minnesota Energy Cooperative Nov. 13 filed a request to update their electric service area maps, to reflect the acquisition of former Interstate Power & Light properties in Minnesota.


The U.S. Energy and the Minnesota Department of Commerce have issued the final Environmental Impact Statement for Minnesota Power’s proposed Great Northern Transmission Line. The next regulatory hurdle is a route permit decision from the Minnesota Public Utilities Commission. The 500-kilo volt line would run 220 miles from the Canadian-U.S. border north of Eden to a substation east of Grand Rapids.

The Keystone XL pipeline is in the national news, but Minnesota has a pipeline controversy of its own: the Sandpiper crude oil pipeline.

The Minnesota Court of Appeals in September overturned a Minnesota Public Utilities Commission decision to issue a certificate needed for the project. The Court said the Commission should have done an Environmental Impact Statement. Enbridge, the Sandpiper pipeline developer, has appealed the ruling, arguing that the Court improperly substituted its own judgment for that of the regulators.

The U.S. Department of Energy and the Minnesota Department of Commerce have issued the final Environmental Impact Statement for Minnesota Power’s proposed Great Northern Transmission Line. The next regulatory hurdle is a route permit decision from the Minnesota Public Utilities Commission. The 500-kilo volt line would run 220 miles from the Canadian-U.S. border north of Eden to a substation east of Grand Rapids.

The Keystone XL pipeline is in the national news, but Minnesota has a pipeline controversy of its own: the Sandpiper crude oil pipeline.

The Minnesota Court of Appeals in September overturned a Minnesota Public Utilities Commission decision to issue a certificate needed for the project. The Court said the Commission should have done an Environmental Impact Statement. Enbridge, the Sandpiper pipeline developer, has appealed the ruling, arguing that the Court improperly substituted its own judgment for that of the regulators.

The U.S. Department of Energy and the Minnesota Department of Commerce have issued the final Environmental Impact Statement for Minnesota Power’s proposed Great Northern Transmission Line. The next regulatory hurdle is a route permit decision from the Minnesota Public Utilities Commission. The 500-kilo volt line would run 220 miles from the Canadian-U.S. border north of Eden to a substation east of Grand Rapids.

The Keystone XL pipeline is in the national news, but Minnesota has a pipeline controversy of its own: the Sandpiper crude oil pipeline.

The Minnesota Court of Appeals in September overturned a Minnesota Public Utilities Commission decision to issue a certificate needed for the project. The Court said the Commission should have done an Environmental Impact Statement. Enbridge, the Sandpiper pipeline developer, has appealed the ruling, arguing that the Court improperly substituted its own judgment for that of the regulators.
PKM Cooperative, Otter Tail Power lock in territory battle over large customer

The Minnesota Public Utilities Commission (MPUC) is conducting its first electric service territory contested case in over a decade, in the matter of the complaint by PKM Electric Cooperative, which has alleged that Otter Tail Power Company has violated state territory laws. The case involves service to expansion of an Enbridge Energy pumping station located in PKM territory. Otter Tail (OTP) serves the pumping station and plans to serve the expansion. PKM has requested service from Otter Tail. PKM has objected.

Enbridge operates a series of pipelines that transport crude oil from Western Canada. The Line 67 Phase 2 tailing project and the newest pump station, which is valued at $18.4 billion, OTP provides service to retail to eight Enbridge-owned pumping facilities in Minnesota, one of which is located in OTP’s service area, and is OTP’s largest Minnesota customer.

Since 1961, OTP has provided electricity to Enbridge for the pump stations serving four other pipelines in the vicinity of the new station. The four OTP-served pump stations are all served off one Enbridge-owned distribution substation, and the four stations share a single containment area, basin and berm. PKM serves an Enbridge radio tower and building located outside the fenced perimeter of the original Donaldson facility.

Enbridge acquired the land on which the original facility is located in 1960 and 1970, before establishment of assigned service territories in Kittson County in 1975. PKM is located in OTP’s service area, and is OTP’s largest Minnesota customer.

In its initial brief, PKM said, “For decades, Otter Tail Power has provided electric service to Enbridge Energy in the assigned service territories of smaller rural utilities as if it has a self-designated and unilateral right to do so. With respect to Enbridge’s newest pump station installed near Donaldson, OTP went so far as to make a concerted effort on advising Enbridge where to construct the new station so as to forestall service territory disputes. After PKM objected, the cooperative argued OTP ‘ignored Minnesota law by refusing to seek Commission approval for the right to serve the new station under the large customer exception statute.’”

The new pump station is located approximately a quarter mile from the original pump station.

OTP argues that the new pump station is an expansion of the existing facility, which it has served for over 50 years. OTP said neither utility had high voltage facilities in the area in 1960, and that it installed the facilities necessary to serve the customer. It has made all investments to serve the customer since that time.

PKM argues the new pump station is a standalone load, not an expansion of the existing facility, and OTP has not disclosed the electrical load.

Superior right to serve the new station based upon its service to the original facility.

Minnkota, which supplies power to PKM, owns a 115-kV line that crosses between the original facility and the new pump station. The new pump station has its own Enbridge-owned substation, electrical switchgear building, service connection and metering, which are not shared with the original facility.

Regulatory documents do not disclose the electrical load for the new pump station, but it is approximately the same, if not slightly larger, than the load for all four pump stations at the original facility.

Brewing controversy
PKM said OTP knew as early as June 2013 that a territory dispute was likely, yet never provided notice of its intent to serve the load to the MPUC. PKM contacted Enbridge about obtaining a request for proposal to serve the new load, but Enbridge declined to provide one.

PKM has offered an economic development rate for the first six years of service.

MMUA-developed solar documents available
MMUA has recently developed and posted to its website (in the Public Policy/Local section) three documents relating to customer-owned renewable energy installations. These documents are:

- a model solar ordinance, a guidance document for the solar ordinance, and a model resolution for adopting the solar ordinance.

These documents were developed by MMUA staff working closely with members participating in the MMUA Solar Distributed Generation Task Force.

The model ordinance aims to protect the health, safety and welfare of city residents and the property interests of adjacent and surrounding land uses.

December 2015 The Resource/9
Utilities (IMU) seeks an energetic and experienced executive to provide leadership to its customers, community and employees as the General Manager with direct responsibility for the delivery of electric, water and broadband services to the community of Indianola, Iowa. Reporting to a five-member Board of Trustees, the IMU General Manager is responsible for leading all aspects of IMU operations. While a bachelor degree is preferred, any candidates with senior level leadership experience will be encouraged to apply. IMU’s next General Manager needs to be an outstanding leader with top-notch communications skills who can facilitate delivery of electric, water and broadband services to the community of Indianola, Iowa. Reporting to a five-member Board of Trustees, the IMU General Manager is responsible for leading all aspects of IMU operations. While a bachelor degree is preferred, any candidates with senior level leadership experience will be encouraged to apply. IMU’s next General Manager needs to be an outstanding leader with top-notch communications skills who can facilitate collaboration. Municipal utility experience is not required but significant consideration will be given to those with experience in a multi-utility setting. IMU has a roster of experienced and talented employees, so while an understanding of utility operations or the ability to learn such is important, the IMU General Manager is primarily a leadership position, not a technical role, and as such demonstrated leadership experience is highly preferred. IMU’s next General Manager must delegate appropriately to employees, maintain high expectations of them and hold those employees accountable for their assigned responsibilities. IMU offers a generous comprehensive benefit package including medical insurance, vacation, holidays, and a defined benefit pension plan with the Iowa Public Employees Retirement system. The IMU General Manager is expected to relocate to Indianola within six months of starting, and must live within the city limits of Indianola or at an address served by the IMU electric utility. Resumes and cover letters will be accepted by email only at recruiter@iamu.org. Materials received by regular mail, ground delivery or fax may be discarded without consideration. For more information contact Troy DeJoode at 515-289-3461 or recruiter@iamu.org.

Start Salary: $67,483 to $90,240 per year. APPLICATIONS WILL BE ACCEPTED UNTIL THE POSITION IS FILLED. ALL MATERIALS RECEIVED BY 10/4/15 WILL RECEIVE PRIORITY CONSIDERATION. For more information and to apply online, go to www.rocshctermn.gov “First-Class City, First-Class Service” EOE
It’s the holiday season, but for public power advocates, state and federal legislative activities loom not far behind.

The American Public Power Association’s (APPA) 2016 Legislative Rally will be held March 7-9, 2016, at the Grand Hyatt Washington in Washington, D.C.

Public power professionals who want to get involved and advocate on behalf of their city and the industry should attend.

MMUA will prepare materials and schedule group meetings with our congressional delegation. Meetings will likely be held the after-
noon of March 8 and/or March 9. Among the likely issues to be discussed:

• Ensuring that energy legislation promotes policies that continue to enable public power utilities to provide affordable, reliable electricity to their cities;
• Continuing oversight of implementation of Environmental Protection Agency’s final rules to regulate carbon dioxide emissions from power plants, coal ash, ‘Waters of the U.S.,” and other environmental regulations;
• Maintaining tax-exempt financing for state and local governments, including public power utilities, in ongoing federal budget and tax reform negotiations;

Also, please save the date of Tuesday, April 19 for MMUA’s 2016 Legislative Rally. MMUA is trying something new for 2016: hosting a one-day legislative rally and reception rather than a three-day legislative conference. With members participating in APPA’s D.C. rally in March and the Lineworkers Rodeo in early April, coupled with a very short legislative session, a one-day event seemed most feasible.

The legislative rally will be held at the Best Western Capital Ridge, right across the street from the Capitol complex. (This is the same location as last year’s reception). After morning briefings and lunch, members can go visit with their legislators. We’ll return to the Capitol Ridge for the reception.

Please mark your calendars for these events now! As the dates approach, APPA and MMUA will be following up with hotel reservation information, event agenda, and registration materials.

 Territory: continued from page 9

vice, and then would charge Minnkota’s standard wholesale rate, with the equivalent of a $2.00/MWh distribution adder. Enbridge said it benefits financially from OTP service, in part because of the an available interruptible rate, which can be coordinat ed with its other OTP-served facilities.

Among the economic considerations that weigh in its favor, said PKM, is that OTP has over 36 times the customer base. Serving the new pump station would have greater economic benefit to it, said PKM, than it would to OTP.

Diverting power supply to PKM would impose approximately $7 million of added costs on its customers in just the first six years, said OTP, and that impact would continue indefinitely. OTP also argued that Minnkota would benefit more from service to the customer than would PKM, and that it is not necessary to benefit Minnkota at the expense of OTP customers. (Minnkota had said that over the six years of service contemplated in the offering of the economic development rate, serving the new Enbridge load will bring it a little over $17 million compared to selling excess energy into the MISO market.) OTP noted that “a wholesale provider is not compensated when a retail utility serves service area rights.”

OTP also said it should provide service to the new load under the large customer exemption contained in Minn. Stat. 216B.42.

PKM submitted its initial filing in February. The MPUC ordered a contested case on March 19. Evidentiary hearings were held before an administrative law judge in September and transcripts of the proceedings were posted on the MPUC website in November. The case is MPUC docket No. 15-176.

As of this writing, no additional hearing date has yet been set before the MPUC.

Mark your calendars now for upcoming national and state legislative rallies

As the dates approach, APPA and MMUA will be following up with hotel reservation information, event agenda, and registration materials.

Dec. 15-17, 2015, Holiday Inn and Suites, St. Cloud
MMUA Technical and Operations (T&O) Conference
This conference—our second largest event of the year—in cludes timely educational sessions and a vendor tradeshow. Information provided is useful to superintendents, managers, supervisors and crew leaders. Keep current with industry trends and network with your peers.

Registration is still open and there is always room for one more—view the program and register online by clicking through the ‘Events’ calendar at www.mmua.org. You may also call Rita Kelly at 763-746-0707 or email rkeiley@mmua.org.

MMUA, along with the Minnesota Rural Electric Association and American Public Power Association, are pleased to offer the 2016 Transformer School

As in the past, two courses will be offered: Three-Phase Connections and, back by popular demand, our pre-conference course: Basic Single-Phase Transformer Connection & Theory.

Mr. Scott Meinecke, an instructor from Northwest Iowa Community College, will again be the instructor for these courses. Through a combination of classroom and hands-on learning opportunities, participants will be engaged in activities that are as “real world” as possible, without the real world risk/danger.

Three-Phase Transformer Connections
Upon completion of the Three-Phase Transformer Connections class, participants should have a good understanding of the following topics, related to transformers:

• Basic Three-Phase Connections
• Delta Connection
• Wye Connection
• Open Delta Connection
• Three-Phase Troubleshooting

Pre-Conference: Basic Single-Phase Transformer Connection and Theory
The pre-conference is intended to serve as a basic or refresher course on the basics of single-phase transformer connections and theory. The course includes classroom and hand-on instruction on topics such as safe work practices, transformer theory, basic calculations, connections, sizing, and trouble shoot ing.

This course would be helpful for anyone that is involved with the electric line crew—from the apprentice to employees from other departments that may assist as a ground person. It would also be beneficial for the apprentice/journeyman lineman who desires to strengthen their basic transformer knowledge prior to attending the Three-Phase course.

Topics include:
• Basic Transformer Connections (classroom training)
• Basic Transformer Connections (hands-on training)


For more information, go to the ‘Events’ section of www.mmua.org or contact Theresa at tneddermeyer@mmua.org or call 763.351.1220.