New Ulm’s modernized cogen plant poised for future success

by Steve Downer

Much has changed since New Ulm Public Utilities (NUPUC) went into business 113 years ago, but some things remain the same.

The NUPUC headquarters and cogeneration plant remain where they started, between downtown and the Minnesota River. The plant—which provides steam to residential, commercial and industrial customers and also generates electricity—has weathered periods of uncertainty over the years but appears to have a new lease on life.

NUPUC is independent. With a peak electric load of approximately 50 megawatts (MW),

New Ulm: see page 6

MMUA holds annual Technical & Operations Conference Dec. 6-8

MMUA held its annual Technical and Operations Conference Dec. 6-8 at the Best Western Plus Kelly Inn in St. Cloud. Approximately 200 municipal utility personnel, vendors and MMUA staff attended the event.

The event featured a variety of technical talks, but also sessions on leadership and a sharply-focused safety message. That safety message was delivered by Tracy Moore, founder of the Highline Hero Foundation. Moore’s husband, a lineman, suffered a fatal workplace accident in 2002. She delivered a message on the impact of the event on those he left behind—a message that won’t soon be forgotten.

The meeting opened with a presentation of Quality Management, by Debra Englund of HRExpertiseBP. The skill set that got a crew leader to where they are may not be enough in the future, and Englund opened a new vista of leadership skills and how to build a leadership team.

MMUA favorite Kit Welchlin presented a Wednesday morning session on Creating an Empowerment Culture.

SMMPA amends agency agreement; allows ‘project’ members

by Steve Downer

It’s the end of one era and the beginning of another for the Southern Minnesota Municipal Power Agency (SMMPA). The former “all-requirements” joint action agency recently adopted Amendment 1 to the agency agreement, and will now also be accepting members on a project-by-project basis.

When SMMPA was formed, “economies of scale” in electric generation dictated that, to remain competitive, municipal utilities needed supply from a large electric generating plant.

In 1981, after years of discussion, 18 municipal utilities joined SMMPA. Those lending money to an agency investing in a power plant wanted to make sure there would be customers around to pay for it. The result was the all requirements contract, whereby individual municipal utility members of the agency agreed to take all of their electric power and energy from the Agency.

SMMPA, in turn, partnered with NSP to build the coal-fired Shero 3. With a generating capacity of approximately 910 megawatts (MW), Shero 3 commenced commercial operation in 1987. NSP (Xcel) owns 59 percent of the power plant and is the operating agent. SMMPA owns 41 percent.

The original term of the SMMPA-member all requirements contract runs through 2030, at which time the bond financing for Shero 3 is paid off. (SMMPA also has a number of member-owned resources under contract, and has a varied and growing portfolio of generating resources, including renewables.)

The all requirements contract did allow members to cap their take from the Agency at a later date, which Rochester Public Utilities (RPU) did, effective in 2000. Austin Utilities (AU), another large member, also capped its take from the agency, effective 2016. The other members eventually chose to remain all requirements customers and ex-
MPUC finds cooperative’s solar tariff violates law; investigation to continue

Questions regarding solar tariffs have drawn the state's electric cooperatives into pro-
ceedings at the Minnesota Public Utilities Commission (MPUC). The MPUC’s most
recent action on cooperative solar tariffs occurred Nov. 21, as the Commission continued
its scrutiny of Minnesota Valley
Cooperative Light and
Power Association’s tariff.
The case involves a com-
plaint by a customer, alleging that Min-
nesota Valley improperly ap-
plicated 2015 amendments to
Minn. Stat. 216B.164 to his solar PV system.
The contract provided to
the customer required him to take compensation under ‘kilowatt-hour carry forward
option.’ The customer argued this violated the statute.
The MPUC on Nov. 21 found that the utility violated the customer’s right to choose a
compensation method other than the “kwh carry forward” method. The MPUC required
the cooperative to present a new contract that includes an option to select compensation,applying 2015 amendments to
Minn. Stat. 216B.164 to his solar PV system.

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compensation method other than the “kwh carry forward” method. The MPUC required
the cooperative to present a new contract that includes an option to select compensation.

The statute in dispute:
2015 amendments to
Minn. Stat. 216B.164
The 2015 statutory
amendment states that “a customer with a qualifying
facility or net metered
capacity below 40 kilowatts
may elect to be compensated for the
customer’s net input into the
utility system in the form of a kilowatt-hour credit
on the customer’s energy bill carried forward and
applied to subsequent
energy bills. Any kilo-
watthour credits carried forward by the customer carried at the end of the
calendar year with no ad-
ditional compensation.”

The customer installed a
9.2 kilowatt (kw) PV system
before the effective date of the
2015 amendment, and expanded it by 9.2 kw after the
effective date. Minnesota Val-
ley argued the new legislation
applied to all customers.
The MPUC stopped short of
finding that Minnesota Val-
ley’s minimum bill was dis-
criminatory as applied to the solar
customer, but did find that additional information was needed before reaching a decision on that question. It delegated authority to its staff to establish procedures and timelines to obtain that information.
The customer also criticized the cooperative because the contract provided by the coop-
erative was not the uniform statewide contract and was not reported to the MPUC in its annual small power produ-
duction tariff.
The MPUC required the cooperative to pay the cus-
tomer’s reasonable attorney’s fees. It also required the util-
ity to recalculate all of the customer’s 2016 bills to com-
pensate him monthly, or use an alternative calculation method mutually agreed to. It
extended that requirement to all Minnesota Valley existing and future qualifying facility customers.
Other parties that filed comments included the De-
partment of Commerce, the Energy Freedom Coalition of America, Fresh Energy and
the Environmental Law and Policy Center and the Minne-
sota Center for Environment-
al Advocacy and the Sierra
Club.
The MPUC docket number is 16-241.
Fees charged by some of the state’s electric cooperatives are the subject of another, larger MPUC proceeding and is MPUC Docket No. 16-512.

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2/December 2016 The Resource
Trump voters support local effort to build fiber optic broadband network

To all:

In very rural Sibley county, in Minnesota, where I live, the vote was nearly 3 to 1 in favor of Donald Trump.

Our incumbent Republicans were re-elected with ease.

Yet in this very conservative county, 10 city councils and 17 of 21 rural townships have come together to support putting their tax dollars at risk to build a fiber optic network to everyone in those communities and to all area farms. (By means of an update, the four townships that voted not to participate in the project have indicated they might want back into the project.)

I don’t even find it ironic that in the middle of this Trump heartland the overwhelming majority of voters believe broadband is so important that it transcends local, state and national politics.

Why? Because they get it. They understand they will need bigger and better broadband networks to survive and grow.

And I suspect, from information I’ve gathered at national and regional conferences around the country the past several years, that the rest of “Donald Trump Heartland” feels the same way.

I believe the time is right to press the advantage for rural broadband efforts at the national and state levels. I told people when I was in Washington in late November that Trump voters in my conservative county strongly support efforts by communities and government entities to grow fiber networks to their homes and farms.

I was in Maine in early November talking to rural communities and counties about broadband. Rural Maine is much like rural Minnesota. They are conservative. They are suspicious of government. They tend to frown on government involvement in private sector affairs.

But broadband is a different issue. When folks in Maine understood how far behind they are, how bleak the prospects are for incumbents to make the necessary investments and how important it is to get ahead of the curve, they flocked to local governments for a possible solution.

In Maine, as in Minnesota, when people realized providers are unable to make the necessary investments in their communities, they began to advocate for solutions that involve local government.

Like rural voters across the nation, they understand the only real way to ensure timely (in their lifetime) access to ultra high speed broadband networks is to take the initiative and make something happen.

I am convinced that sentiment is common throughout under- and un-served rural America. Let’s take the opportunity this sea change in national leadership presents and raise our voices even louder about the need for effective solutions to what I believe is a growing rural broadband crisis.

Let’s make the point very clearly that the people of rural America deserve and are beginning to demand access to fiber networks.

The issue of growing broadband networks and the need to collaborate and find common ground to effectively solve this critically important issue, is at the top of my list because I truly believe that growing fiber networks will help this country grow and protect it for decades to come.

And, by the way, I don’t care who owns and operates them. If we can move the incumbents to action, everyone wins. If the only solution is a new cooperative or a municipal network, I’m on board because the results are the same. Just as long as the networks get built!

I tell legislators in Minnesota that every metric they stand the consequences of not meeting the needs of the people who just put them in office—find the needs for advanced communications are central to the needs of rural America.

Most importantly, this issue transcends party affiliation or partisanship, and should be recognized as what it is—a priority for action at the state, local, and federal levels.

Mark Erickson Winthrop, Economic Development Authority and BS Fiber Cooperative. Erickson is a current MMUA board member and former president of the association.

Trump taps Pruitt as EPA administrator

President-elect Donald Trump’s transition team confirmed on Dec. 8 that the Mr. Trump plans to nominate Oklahoma Attorney General Scott Pruitt to lead the Environmental Protection Agency. Pruitt has been at the forefront of lawsuits challenging both the EPA’s Clean Power Plan and the agency’s “Waters of the United States” rule.

The transition team statement called Pruitt “a national leader against the EPA’s job-killing war on coal” who will help implement Trump’s energy plan.

President-elect Trump has pledged to scrap the Clean Power Plan. A brief biography of Pruitt on the Oklahoma attorney general’s website says that he “established Oklahoma’s first federalism unit to combat unwarranted regulation and overreach by the federal government” and described him as “a national leader in the cause to restore the proper balance of power between the states and federal government.”
MRES proposes to study 1,200 MW pumped storage hydroelectric plant

SIoux Falls, S.D. – Missouri River Energy Services (MRES) has applied for a new permit to study the potential for a pumped storage hydroelectric facility, known as the Gregory County Pumped Storage Project, on the Missouri River in south central South Dakota.

A pumped storage project works by pumping water from a lower-elevation reservoir to a higher-elevation reservoir, where the water is stored. Pumping would occur during low-cost times. Then, during times when electricity prices are high, the stored water is released through turbine generators to produce electricity.

“Gregory County has an added benefit in that it would provide the necessary control to support a significant amount of intermittent wind generation in the region,” said Ray Wahle, director of power supply and operations for MRES. Wind energy facilities can only produce electricity when the wind is blowing, meaning that other generation sources are needed to maintain a reliable flow of energy.

The vision for the Gregory County Pumped Storage Project is that it will be a regional project with several utilities or joint action agencies partnering to develop this resource. The 1,200-megawatt project would be too big for MRES to develop on its own. Over the past three years, MRES staff has been discussing the project with a number of entities that may have interest in working together to make the project a reality. However, a project of this size requires much study and consideration, and there would need to be enough interested parties to make the economics work.

Applying for the preliminary study permit under the name of MRES will allow all parties to continue assessing the potential for the project. The Federal Energy Regulatory Commission (FERC) will need to consider and grant the permit before MRES can proceed.

Xcel Colorado pact addresses solar development issues from APPA

The Colorado Public Utilities Commission recently approved a comprehensive settlement that resolves three major Xcel Energy cases involving electricity pricing and renewable energy.

The settlement allows for Xcel to offer subscriptions to a new 50-MW solar facility through its Renewable Connect program.

The settlement also eliminates the company’s proposed fixed monthly grid charge and develops a pilot program to precede the potential full-scale rollout of residential time-of-use rates.

In addition, it allows for the acquisition of more than 300 MW of on-site solar and community solar gardens.

The PUC on Nov. 9 said that it approved an agreement that resolves an Xcel electric rate case, a solar subscription program and the company’s 2017 renewable energy compliance plan.

The settlement was supported or unopposed by 24 of 26 intervenors in the various proceedings, the PUC noted.

“While the settlement expands the development of solar energy in Colorado, the commission added protections that limit the cost impact to ratepayers, and preserve the ability of the PUC to determine in the future the fairness of proposed changes to how ratepayers will pay for the energy they use,” the PUC said in a news release.

The commission also emphasized that future acquisitions of renewable energy should be proposed through an electric resource plan process under which resources have to be bid competitively and evaluated against other potential resources.

Parties to the settlement included the cities of Denver and Boulder, major environmental advocacy groups, state and national solar power trade groups, large industrial customers, PUC staff and the state’s Office of Consumer Counsel, among others.

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4/December 2016 The Resource
Lights doused at Austin Utilities’ Downtown Power Plant

AUSTIN, Minn. – The neon lights doused at Austin Utilities’ Downtown Power Plant have been decommissioned and the plant’s lights no longer shine. The buildings are planned to be removed when recreation center construction details progress. Meanwhile, with the opening of the new Austin Utilities Service and Operations Center and a recent public auction to clear out all remaining items inside, the buildings are now sitting empty. Shutting off power and heat to the buildings are a cost saving measure for the utility.

The original plant was constructed on this same site in 1888 when the city council approved the erection of a small privately-owned power plant (owned by the Austin Electric Light Company) on Water Street, now 4th Ave. NE. The facility was destroyed in a 1928 tornado, and reconstructed through a series of additions lasting into the 1950’s. As a fully functioning power plant in its prime, it was the utility’s central facility housing all departments. The plant provided steam for the downtown-area district heating system and had capacity of 26 megawatts (MW) of steam driven generation and a 5 MW natural gas fired combustion turbine generator. Throughout the life of the plant the facility utilized three fuel sources at various times—coal, fuel oil, and natural gas.

The Downtown Plant may be best remembered for its performance during a bitter ice storm in 1991. The area was surrounded with power outages when wires and poles that delivered power into the Austin area were down. AU staff were able to start and operate the plant and provide power to most of the Austin community until repairs were made to the power grid.

Austin Utilities is a municipal utility serving approximately 12,300 electric customers, 10,300 natural gas customers, and 9,000 water customers. The utility’s mission is to offer utility products and services in a safe, reliable and responsible manner in order to enhance the quality of life in its community.

The petitioners in the case are load-serving entities in MISO including a number of APPA members: the Midwest Municipal Transmission Group, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services and WPP Energy. APPA filed the brief with several other public power entities in the U.S. Court of Appeals for the District of Columbia Circuit in the case, Madison Gas and Electric Company et al. v. FERC, No. 16-1019.

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Upgrading your peak shaving system?

Utility Energy Systems

In 2015, Central Minnesota Municipal Power Agency announced a change in the name of its management and consulting division from Utilities Plus to Central Municipal Power Agency/Services (CMPAS—pronounced “compass”). Although the name changes, CMPAS will continue to serve as both a project-oriented power agency and electric utility services organization.

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it buys a steady 17 MW from Heartland Consumers Power District. New Ulm provides an increasing amount of renewable energy through that wholesale contract, which runs through 2029. NUPUC also has a small hydropower allocation from the Western Area Power Administration.

The utility can also buy a significant portion of its electric needs on the wholesale market, or generate locally. New Ulm was interconnected with Northern States Power and the electric grid in 1967. Economies of scale in electric generation then threatened the local electric plant's viability. The need to supply steam to industrial customers and a space heating loop helped keep it alive. With the inception of the Midwest Independent System Operator (MISO) wholesale electric market in 2001, the utility saw an opportunity to upgrade the power plant. NUPUC buys from and sells into the wholesale electric market. The utility is paid by NSP (Xcel) and Heartland for its electric generating capacity, which allows NUPUC to hedge its costs. The efficiency of the NU PUC cogeneration process improved in 2014, when a three-year effort to install new back-pressure steam turbines (BPST) was completed. The backpressure turbines reduce steam pressure from the boilers—a necessity for industrial/commercial use—and uses the pressure drop to produce electricity. This allows NUPUC to generate electricity from steam which had not been fully utilized previously. One BPST cuts steam pressure for industrial steam; the other for building/ space heating.

The two BPSTs were placed on existing footings, in space cleared by the removal of an obsolete, 1937 turbine. The project cost $2.3 million. The new turbines should pay for themselves in five to seven years, and are expected to have a service life of over 30 years.

The BPST also increased plant efficiency to an average of 83 percent during the month of January, when steam demand is highest. A variety of other plant energy efficiency projects have also been completed. Patrick Wrase is Utilities Director. He worked at NU PUC as planning and development engineer from 2006 to 2014, before leaving to work as a public works director in the Twin Cities area. He returned to New Ulm in June. “I missed the folks here, and the business,” he said. “The electric industry is constantly changing.”

Gary Domeier is the electric production department chief engineer. He comes from a New Ulm family. Domeier was 20 when he went to work for the power plant and talked to the chief engineer about a job. It was 1974. He was hired on the spot and went to work as a coal handler.

The lowly position didn’t deter him. “I was fascinated with this place,” he said.

Not content to remain a coal handler (a job that no longer exists), he learned everything he could at the plant, and also took classes in accounting, management, computers, anything that applied. He has been electric production department chief engineer since 1994. “I’m still learning stuff,” he said.

Domeier has worked for eight general managers. There was talk, off and on, of shutting the plant down. Through it all, the crew has been integral to that benefit. That hasn’t changed in 113 years, and looks like it will continue well into the future.
The question is not the ultimate reasonableness of these policy choices; it is the commission’s failure to address the relevant statutory factors in making them,” APPA and the other public power entities argued.

The brief focused in part on Section 217(b)(4) of the Federal Power Act. APPA and the others argued that FERC’s failure to account for transmission congestion,” the brief went on to say.

FERC also denied load-serving entities “a vehicle to financially hedge those charges’ application to most new long-term power-supply arrangements,” the brief said.

FERC is expected to file its brief in response on Jan. 13 with a talk on Meaningful Job Briefings. Dave Wood of Ziegler Power Systems discussed Electric Maintenance. Rick Hawthorne of Carhartt talked about Arc Rated Clothing and PPE Improvements. Fall Protection and Improvements was discussed by Jason Giefer of 3M Fall Protection/DBI-Sala.

The ever-popular Trade Show and Reception was held that evening. Thanks to the 50 vendors that participated and event sponsors: Bolton & Menk, Border States Electric, Energis High Voltage Resources, FS3, HD Supply, Irby Utilities, SEH and Utilities Plus Energy Services.

Marc Machacek of MMUA opened Thursday morning with a look at Accidents and Lessons Learned. Electric vehicle fast-charging stations were discussed and MMUA’s Mike Willetts discussed the Mutual Aid Framework & Development. The event closed with an MMUA Update by Executive Director Jack Jegel, Jagusch and Government Relations Director Bill Black.

MMUA thanks those that attended, the cities or utilities that sent them, and the associate members who generously sponsored breaks, reception hors d’oeuvres, beverages and participated in the trade show.

Along with those already mentioned, additional Event Sponsors included Coalition for a Secure Energy Future, and Northwest Lineman College.

Dr. Jim Walters, a former lineman then member of the management staff at Rochester Public Utilities and founder of the Power of Learning, discussed the role of the human mind in accident prevention.

Chuck Heins of Redwood Falls, left, visited with Mike Taylor of Grand Marais at the trade show.

Kyle From and Mark Reuter of Ziegler and Ken Zweber and Bruce Reimers of New Prague Public Utilities, from left to right, visited at the trade show.

Joe Schmidt of MMUA started the crew leader track FPA authority “in a manner that FERC must exercise its authority, but imposes specific objectives that constrain the commission’s discretion when, as here, it determines whether”
Marshall Municipal Utilities is lowering electric rates for 2017. Overall, electric rates will decrease 10.9 percent. Individual customer rates will vary, depending on type of customer and how much electricity is used. Seasonal electric rates are also established, with higher rates in high-demand summer and winter periods.

The rate reduction was made possible by a lower-cost wholesale supply for the utility.

Standby electric rates were also adopted for the utility’s largest customer, according to a local press report. Utility and customer staffs are discussing the change. The customer said it was considering the possibility of building its own combined heat and power plant.

Water rates were raised about 6 percent overall.

Greg Geiger is the new Anoka utilities director. Geiger comes to Anoka from a private right-of-way clearing company, where he was general manager and manager of safety and compliance. Prior to that, he worked for the Marshall, Wisc., municipal utility. He worked for Marshall nearly 27 years and was the electric operating supervisor.

Geiger replaces Dan Voss, a former MMUA board president, who has retired.

Keith Mykleseth is the new general manager at East Grand Forks Water & Light. Mykleseth comes to East Grand Forks from Bemidji, where he was assistant regional manager for the Minnesota Department of Natural Resources. He is a former water superintendent at the City of Crookston and worked for over a decade as program director for Glacial Ridge Program Director for The Nature Conservancy. He has a civil engineering technician background and was also a former Crookston city council member.

Mykleseth is replacing Dan Boyce, a former MMUA board president, who is retiring at the end of the year.

The Chaska City Council Nov. 7 voted to approve concept plans for the Chaska Energy Park Facility, an electric generating station. The project would cover approximately two acres on a 12.37 acre parcel. The project, according to regulatory documents, includes five 9,341 megawatt (MW) natural gas-fired reciprocating engines that are each paired with an electric generator for a total capacity of up to approximately 46.7 MW.

The project would be built, owned and operated by the Minnesota Municipal Power Agency.

The approval followed a council work session which included a visit to a nearly identical plant in Shakopee.

A public hearing was held Nov. 9 in Rochester for a Minnesota Energy Resources Corp., pipeline project, which supporters say is needed to meet current and future natural gas needs in the city. Both the need for the project and possible routes are being considered by the Minnesota Public Utilities Commission. The company hopes to start construction early in 2017 with service to begin in 2022.

The City of Melrose has annexed approximately 15 acres on the east side of the city to accommodate a proposal by Jennie-O Turkey Store for a new processing facility.

The Melrose Public Utilities Commission is also considering purchasing land currently owned by the State of Minnesota to expand an electric substation on the east side of the city.

The City of Nashwauk is replacing all of its street and alley lights, as well as lighting in several municipal buildings. The overhaul will replace the existing lights with new fixtures and light emitting diode bulbs.

The project cost is approximately $13,000 and is expected to pay for itself in six to seven years. Sample lights were installed so residents would be better prepared for the change.

The Redwood Falls City Council has approved a 3 percent increase in electric rates. The increase follows the recommendations of an electric rate study, based on a future capital projects as well as estimated expenses. The local public utilities commission recommended the rate increase to the council.

Increases were also made to the water, sanitary sewer and storm sewer rates.

The Madelia Times-Messenger Oct. 27 carried an article on how Madelia Municipal Light & Power has reinvested profits from electrical sales back into the community and its electric system since 1939.

Those contributions total more than $2 million and include monetary contributions and local improvements. The utility is reliable and responsive, noted the newspaper, and the utility’s commitment to customers and community has not changed.

The City of St. Charles recently made the news with the announcement that a recycled materials manufacturer will bring up to 26 jobs to the city when it eventually reaches full capacity after opening a $3 million production facility in that city. The 18,000 square-foot facility will be built in the Chattanooga Innovation Park, on the north side of Interstate 90.

The $2.1 million business park was developed following a fire and loss of North Star Foods, the city’s former largest employer, taxpayer and utility customer. The City of St. Charles Economic Development Authority was active in the development of the 32-acre commercial/industrial interstate highway park.

Sauk Centre Public Utilities has purchased 1.2 acres of land, from the Burlington Northern and Santa Fe Railway, and plans to construct a new electrical warehouse. The land adjoins current utility-owned property.

The municipal power plant is far from dead, as this artist’s rendering of the Shakopee Energy Park shows. The 46-megawatt plant is expected to enter commercial operation in 2017. A very similar plant was recently approved for construction in Chaska. Both cities are members of the Minnesota Municipal Power Agency.
St. Peter reaches territory agreement with cooperative for service to school, city-developed residential area

The City of St. Peter and BENCO Electric Cooperative recently agreed to the transfer, to the city, of three areas located within the electric service territory assigned to the cooperative. The parties also agreed to compensation to be paid from the city to the cooperative.

The areas, all on the west side of the city, include a new high school area and a proposed residential subdivision. Also included are narrow strips of land alongside either side of a street leading to the high school and connecting the high school area to the residential area.

The high school area includes 85.06 acres; the proposed subdivision 17.10 acres. The areas along the streets encompass over six acres of land.

The city and school district owned adjoining parcels of land immediately adjacent to the existing city limits. The parcels were purchased with the intent of providing a site for the construction of a new, voter-approved high school and associated recreational facilities. The properties have been annexed into the city.

The city purchased the site of the proposed residential subdivision from the school district. The city intends to develop the property utilizing the principles of the Building Better Neighborhoods program of the Greater Minnesota Housing Fund. The neighborhoods feature smaller lots, alleys, and houses with front porches. It will be the third “workforce development” neighborhood recently developed in the city.

The new neighborhoods are the result of the city and school district working together to stem a decline in school district enrollment, from 2002-2009, of approximately 30 students per year. That decline was stemmed and the district now sees an average jump of 30-50 students per year. That decline was stemmed and the district now sees an average jump of 30-50 students per year.

The municipal utility had been providing interim electric service to the high school area, pursuant to the cooperative’s written consent. The municipal agreed to annually pay the cooperative an amount equal to the result of multiplying 12.5 mills ($0.0125) times each kilowatt hour of electric energy sold by the municipal to the high school. The loss-of-revenue payment will be made for a period of 10 years, commencing Jan. 1, 2018.

In addition, the municipal agreed to make a one-time payment of $8,400 to the cooperative “in recognition of the technical expertise and consulting services relied upon in considering the engineering and technical issues, for the benefit of all parties.”

As there were no cooperative facilities in the area, there will be no compensation for facilities or integration expenses.

As the city is the developer of the residential subdivision, there will be no compensation paid. There will also be no compensation for electricity used to power street lights in the area acquired.

The parties made the agreement to “provide stability and reliability of service” to their customers and to “support long-term planning for resources, power supply and customer service.” The agreement was reached after a series of meetings to discuss technical requirements and prudent utility planning.

The parties noted that they wished to avoid litigation regarding compensation and reached the agreement due to their “desire to continue the successful and cooperative relationship between the utilities, to conduct prudent utility planning and practices, and to better serve and benefit” their respective customers.
MMUA recently added three new Associate Members. They are:

**Dahlberg Light & Power Company**
9921 East Main Street
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Dahlberg Light & Power is an investor owned utility providing electric service to 26 communities in Douglas, Washburn and Bayfield counties since 1930.

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The Minnesota Public Utilities Commission Oct. 26 approved the scope for the Environmental Impact Statement in regards to the Enbridge Energy Line 3 Replacement project. Line 3 is a $2.6 billion project, which would connect to a line in North Dakota and move up to 40 miles per hour. Up to two feet of snow fell and winds gusted up to 40 miles per hour.

Heavy snow and high winds caused numerous outages in northeast Minnesota Nov. 18-19. Lake Country Power said approximately 6,000 customers were without power Friday, with some outages lasting until Saturday. A number of vendor companies provided assistance. Minnesota Power reported about 6,800 customers out of service. Up to two feet of snow fell and winds gusted up to 40 miles per hour.

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How to govern key to SMMPA Agency Amendment

Governing issues were key to attending the SMMPA agency agreement. Any amendment had to be fair to everybody, said SMMPA CEO Dave Geschwind. It hasn’t been easy, but it appears that the final result will be worth the effort.

SMMPA has a seven-member board. The three largest members—currently RPU, AU and Owatonna Public Utilities—have seats. The other three board members are elected by the other member representatives. On questions of debt, the member representatives have a weighted vote, based on size. RPU is by far the largest member.

What changes with Amendment 1?

• SMMPA can now have members project by project;
• Once SMMPA has a project member, voting changes; Project members will have a member representative and project committee member, but no additional weighted vote;
• After 2030, there is no weighted voting on various matters, including decisions to add new members and amendments to the agency agreement;
• Project members can only vote on matters where they have a financial interest, and they have no financial liability for matters other than projects in which they participate.

There are few limits as to whom might be a future SMMPA project partner. As for RPU and AU, they have been fully engaged in the surveys and discussions at SMMPA, and are open to participating in SMMPA’s potential future partnership opportunities.

Amending the agreement was an arduous process. Discussions, initially primarily involved principals of SMMPA, RPU, AU, and the SMMPA board, but they quickly spread to include all 18 SMMPA members. Geschwind also credited Steve Thompson of Central Minnesota Power Agency/Services, the original project agency, and the teamwork and strategy from the 2017 legislative session.

SMMPA CEO Dave Geschwind, left, and Director of Agency & Government Relations Chris Schoenherr hope to file Amendment 1 to the Agency Agreement with unanimous approval of the membership.

Agency. Around the time the Badger Coulee conversations began, SMMPA was also receiving inquiries from municipal utilities interested in agency membership. The Agency commissioned an economic study. Through the course of this process, said SMMPA CEO Dave Geschwind, it developed that Agency membership for a new member—would look only like an all-requirements power sales contract unless the Agency could add project participation as an option to its membership model.

SMMPA and RPU have also been among those partnering in CapX 2020. CapX was the Clean Energy Vision 2004 and recently completed four high-voltage transmission line projects in Minnesota, the Dakota and Wisconsin. SMMPA and RPU participated in the Hampton–Rochester–La Crosse Transmission Project (which connects to Badger Coulee in Wisconsin).

RPU General Manager Mark Kotschevar said he is a firm believer in partnerships, and pointed to CapX as a successful model.

A large coal-fired power plant like Sherco 3 may not be built to serve Minnesota anytime soon, but economics of scale still apply, said Geschwind, to wind and solar development, demand side management services and transmission projects.

And SMMPA, with a history of partnership and an updated agency agreement, appears to be well-positioned as a partner for the future.