Municipal utilities caught up in state economic, regulatory battle

If you are going to farm shrimp, it appears you will want to do it in a city served by municipal utilities. Which utility, however, may hinge on factors beyond local control.

trú Shrimp—a pioneer in indoor shrimp farming—last November approved a $45 million facility on 67 acres in Luverne’s Industrial Park near Interstate 90. The Balaton-based company shifted gears on Jan. 4, announcing that it would instead build its first production facility 70 miles away in Madison, South Dakota.

The company said in a press release that there were “open items related to the Luverne site that need to be addressed before trú Shrimp can proceed.”

The company, according to numerous accounts, was facing water effluent regulatory hurdles from the Minnesota Pollution Control Agency (MPCA).

While conditions were the perfect backdrop for the core municipal utility message—we want to keep the lights on at a drop for the core municipal utility mes-

In the midst of a ‘polar vortex,’ a regional electric generation emergency, and pleas for natural gas customers to lower their ther-

Company executives, in making the announcement, reaffirmed their commitment to the region, but said the timeline for capital financing and construction does not allow adequate time to resolve wastewater regulatory issues with the MPCA.

In what appears to be a case of working cross-purposes, the State of Minnesota had invested approximately $2 million in the Luverne project.

The City of Luverne spent $860,000 to build infrastructure. Electricity to the site would be delivered by the City of Luverne—an MMUA Regular Member. Luverne’s wholesale supplier is an MMUA Affiliate Member—Missouri River Energy Services. trú Shrimp officials, in area meetings last year, said they chose Luverne because the city offered a very attractive package, including land and infrastructure, and cited the fact that the city operated a municipal electric and water utility.

The project would have created an estimated 74 full-time equivalent jobs in the community. Groundbreaking on the plant was expected this summer.

South Dakota officials had courted the company for several years. Once the decision was made to put the Luverne location on pause, Heartland Consumers Power District (HCPD) offered a $1 million loan through Lake Area Improvement Corporation (LAIC), a $1.3 million credit facility benefiting trú Shrimp through the U.S. Department of Agriculture, which would include up to two years of deferred payments.

HCPD is also an MMUA Affiliate Member. The City of Madison municipal electric utility, which is an MMUA Associate Mem-

Representatives from MMUA-member cities/utilities visited their senators and representatives the afternoon of Tuesday, Jan. 29. This group, gathered in the Senate Office Building, includes, from left to right: Jeff Larson of Marshall; Joe Bagnoli of the McGrann Shea et al. law firm; Bob Elston of Sioux Eye; Rob Scott-Hovland of Missouri River Energy Services; Bob Weiss of Sioux Eye; Scott Johnson and Randy Haslebu of Springfield; Mark Kober of Sioux Eye and Theresa Neddermeyer of MMUA.

Polar vortex can’t keep MMUA member representatives from Legislative rounds

In the midst of a ‘polar vortex,’ a regional electric generation emergency, and pleas for natural gas customers to lower their ther-

Congressman. MMUA took positions on a number of issues heading into the conference (for a look at these, see the Policy/State page on our website).

A proactive effort involving the municipals, in league with the state’s electric co-op, the state’s co-op, to reform the Conservation Improvement Program (CIP), at first seemed to find much common ground with the state’s leading environmental organizations, but unraveled in the days leading up to the session.

The municipals and cooperatives—now Conference: see page 7 please
New state mandate in effect June 17; spurs MMUA workshop offering

Every municipal electric utility in Minnesota—by June 17—is required to adopt new Interconnection Process for Distributed Energy Resources. This requirement is based on the process adopted on Aug. 13, 2018 by the Minnesota Public Utilities Commission (MPUC).

MMUA and the Minnesota Rural Electric Association spent several months working with STAR Energy Services to develop a streamlined process for municipal and cooperative utilities based closely on the MPUC’s. While easier to follow than the MPUC’s version, the timelines, documents and responsibilities laid out in the Minnesota Municipal Interconnection Process (M-MIP) requires training for every municipal utility.

MMUA will host the necessary training in four locations easily accessible to every municipal electric utility. These dates and locations are:

- March 20 – Owatonna Public Utilities
- March 22 – Grand Rapids Public Library
- March 27 – Detroit Lakes
- March 28 – Marshall

It is very important for every municipal electric utility in Minnesota to have some-one attend one of these training sessions in order to know how to bring the utility into compliance with state law.

The training will also provide necessary updates to the Model Municipal DG Policy and Interconnection RULES and the Model Cogeneration and Small Power Production Tariff that were the focus of related work in 2016-17.

Our main speaker is Kristi Robinson, Senior Electrical Engineer with STAR Energy Services. Robinson started her career in 2002 as a Distribution System Engineer at Steele-Waseca Cooperative Electric. In late 2015, Robinson made the change to STAR Energy Services. Her primary areas of responsibility include system planning, renewable policy and regulation, metering, integration of utility technologies, cost of service studies and operation management of Southern Minnesota Electric Cooperative.

Robinson conducted similar training for all of the state’s cooperatives. After MMUA staff participated in one of those sessions, it was clear she should be the expert to take municipals through the process as well. MMUA’s Bill Black will accompany Kristi during each session.

This event focuses on utility policy and state regulatory compliance and is intended for management and/or upper level operations personnel of all Minnesota municipal electric utilities and municipal power agency personnel.

Member registration fee is $300.00 per person. Attendees must be from a municipal electric utility or power agency.

trū Shrimp: continued from front page

...distribution of the power to the trū Shrimp facility. In addition to the HCPD incentives, the state of South Dakota extended a $6.5 million low-interest loan, South Dakota Gov. Dennis Daugaard made the announcement in the HCPD headquarters. He cited South Dakota’s low tax, low cost, reasonable regulatory environment, and the potential for 120 jobs and tens of millions of dollars in economic impact.

Minnesota District 22 Sen. Bill Weber, a former Luverne mayor, in press reports noted that trū Shrimp has approximately $800,000 of its own money tied up in the Luverne project. But we’re going to have to work through a specific MPCA rule, which quite frankly isn’t a rule they have to worry about in Iowa and South Dakota.” Weber was quoted as saying in local press reports.

The goal to have a shrimp harbor in Luverne remains, said Weber, and the “issue is going to have to be dealt with” during the legislative session. trū Shrimp and Luverne officials have both repeatedly pledged they would continue efforts to develop the Luverne site.

Editor’s note: This article was prepared by Steve Donn- ely, largely from numerous press reports.

Austin Utilities and its customers donate to HeatShare

Austin Utilities recently presented the Salvation Army with a check for $5,475.46. The check represents donations Austin Utilities has received from its customers over the last year for the local HeatShare program. HeatShare is a Salvation Army program that provides emergency utility assistance for people with no place left to turn. The program is funded by Salvation Army donors and customers of local utility companies. Funds are typically used to pay for natural gas, oil, propane and electricity.
Transmission rates, environmental rules promise to be top 2019 issues

by Delia Patterson
Senior Vice President, Advocacy & Communications and General Counsel, American Public Power Association

As 2019 gets underway, the American Public Power Association is keeping a close eye on several key regulatory issues that could affect our member utilities, including possible action by the Federal Energy Regulatory Commission (FERC) on transmission rates. We will also be monitoring developments in the area of environmental regulations this year.

FERC: Transmission rates of return on equity and incentives

The Association is closely following recent FERC pronouncements regarding the Commission’s policies on allowed equity returns and transmission incentives.

In a late 2018 order, FERC proposed a new approach for calculating the allowed return on equity (ROE) to be included in the rates of transmission owners in ISO New England. Application of this new approach could result in higher allowed ROEs and could increase the level of incentives that transmission owners are permitted to collect. In November, FERC directed that this new approach be considered in other pending proceedings.

FERC Chairman Neil Chatterjee has said that the Commission intends to consider whether it should make additional changes to both its calculation of base ROEs and its policies on transmission incentives.

As FERC undertakes this review, the Association is urging the Commission to adhere to its statutory obligation under Federal Power Act sections 205 and 206 to ensure that transmission rates are just and reasonable and not unduly discriminatory and preferential.

For an incentive rate to meet this standard, the costs of the incentive must not outweigh the expected benefits. Incentives must be carefully designed to encourage the desired behavior, and not be greater than what’s needed to achieve the desired result. FERC must abide by the long-standing principle that the level of return follows the level of risk.

Capacity markets

The Association will also continue to monitor proceedings at FERC that involve possible changes to Regional Transmission Organizations/Independent System Operator (RTO/ISO) capacity markets. This includes FERC’s ongoing investigation of PJM’s capacity market. FERC could issue an order in this proceeding as early as this month.

In late December, the Association was joined by several other groups in telling FERC that competitive wholesale electricity markets do not exist to guarantee a return on merchant investments or to protect merchant plant investors from market risks.

The letter from the Association, the Electricity Consumers Resource Council, the Large Public Power Council, the National Rural Electric Cooperative Association and the Natural Resources Defense Council’s Sustainable FERC Project was sent as part of the PJM capacity market proceeding and responded to a letter to the Commission from a group of merchant generation owners.

Along with NRECA, LPPC and the Natural Resources Defense Council’s Sustainable FERC Project, we pointed out that for true market competition to occur, wholesale customers and suppliers should be able to come together and transact as they choose through bilateral contracts.

The Association has voiced concerns about mandatory capacity markets in recent years. While regional transmission organization markets for capacity are described as “competitive,” they are highly mechanized, centrally administered constructs governed by thousands of pages of complex rules. Transactions in these markets are opaque, with little meaningful data available to the public.

Mandatory capacity markets have proven ill-suited to promoting a diverse resource mix that supports reliability and accommodates state and public power resource policies. Worse yet, there is little empirical evidence that mandatory capacity constructs provide resource adequacy benefits that are commensurate with the costs they impose on consumers.

Order No. 841 and DER Rulemaking

At the end of 2018, RTOs and independent system operators submitted filings at FERC outlining how they will ensure that electric storage resources (ESRs) are able to participate in their markets.

In comments filed in early 2017, the Association said it generally supports FERC’s efforts to allow storage and distributed energy resources to participate in wholesale markets but urged the commission to keep its main focus on the end result to electricity consumers and offered a number of recommendations.

While generally supportive of removing barriers to storage resource participation in RTO/ISO markets, the Association has raised concerns that the new rules improperly impinge on local regulation of the distribution system and retail service.

The Association, along with American Municipal Power, Inc. (AMP) and the National Rural Electric Cooperative Association (NRECA) filed a request for rehearing of Order No. 841 in March 2018 arguing that FERC overstepped the limits on its jurisdiction in suggesting that it has authority to allow ESRs located on a distribution system or behind a retail meter to participate directly in wholesale markets even where state or local laws may restrict such participation.

The filing also objected to FERC’s refusal to implement an “opt-in/opt-out” framework for ESRs similar to the approach FERC adopted for demand response in Orders Nos. 719 and 719-A, under which a relevant electric retail regulatory authority (RERRA) can veto aggregated retail customer participation in wholesale demand response programs. FERC has not yet acted on our rehearing request.

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Washington Report

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ity Coordinator declared a ‘Maximum Generation Warning.’

The warning was issued due to extreme cold and consequent high electric use.

During the Warning Period, MISO instructed wholesale electric market participants with remaining available generation “external and internal to MISO Market boundaries” to schedule those resources into the MISO Market.

Non-firm energy sales from inside MISO to outside the MISO Market Area were curtailed.

An interruption in an overtaxed Xcel Energy natural gas system occurred around 10:30 p.m., Tuesday, Jan. 29, in Baldwin Township (near Princeton), affecting 152 homes. Xcel Energy provided electric heaters and hotel rooms to its affected customers.

Xcel on Wednesday, Jan. 30 asked its 436,000 Minnesota natural gas customers to lower their thermostats to 63 degrees, to help conserve natural gas “so the system can continue to operate well for our customers throughout the state.”

Meanwhile, the Minnesota House Energy and Climate Finance and Policy Division held hearings on global warming. On Jan. 15, experts testified about what Minnesota can expect, in terms of weather and climate.

Ned Mohan, a professor in the University of Minnesota Department of Electrical and Computer Engineering, briefed the committee Jan. 24 on his vision for slowing climate change.

Mohan gave a brief tutorial on how electric power systems work, emphasizing the limits of fossil fuels like coal, oil, natural gas and nuclear for electric generation. But he said the larger issue in the climate debate is motor vehicles.

Mohan spoke of how current operational generating stations could be converted to wind or solar, or how customers at the other end of the power stream could convert their homes to rooftop solar.

Energy storage is the key to the transition, Monahan said. “We have wind like crazy from our neighboring states of North Dakota and South Dakota. So Minnesota is the best place to be during climate change.”

Joining Mohan were Mark Ahlstrom, vice president of renewable energy policy at NextEra Energy Resources, and Jukka Kukkonen, founder of PlugInConnect, who espoused the benefits of electric vehicles.
Grand Rapids Public Utilities Commission (GRPUC) continues to work with the Itasca Clean Energy Team on a Community Solar Garden proposal. GRPUC last summer contracted with a solar consulting firm, to design a potential program. The recommendation includes energy storage. Subscribers to the solar plus battery project would be invited to sign up for GRPUC’s existing load management programs. The utility already has automated metering infrastructure in place.

The solar array and batteries would be located on about eight acres of city-owned land near the airport. Rates will be designed to not shift costs onto ratepayers who choose not to participate.

The City of Randall has adjusted electric rates for the majority of its customers from 8.5 cents per kilowatt-hour (kWh) to 9 cents. Customers using more than 2,000 kWh a month will be charged 9.5 per kWh. Demand meters for certain customers may be considered in the future.

ALP Utilities has adjusted electric and water rates. Alexandria customers have been affected by rate changes as well.

State attorney general ‘recommends’ Hibbing hold referendum on steam system downsizing

A consulting engineer’s study last year showed that Hibbing Public Utilities Commission (HPUC) should reduce its district heating system down to a core. The Commission is now studying the legalities and politics of that potential move.

HPUC on Jan. 8 discussed a Minnesota Attorney General’s reply regarding the potential downsizing of the steam system. The reply contained only recommendations, including that the Commission should bring any decision on the downsizing of the steam system to the city council, by ordinance or resolution. Further, the AG’s office recommended approval by two-thirds of the voters in a general or special election.

That recommendation was made in light of Minn. Stat. 412.321, subd. 4, which provides that a municipal gas, light, power or heat utility “may be leased, sold, or its operation discontinued wholly or in part, by ordinance or resolution of the (city) council, approved by two-thirds of the electors voting on the ordinance or resolution at a general or special election.”

If voters rejected the downsizing, HPUC legal counsel noted, it could threaten the future financial viability of the utility.

The AG also recommended that any referendum be open to all Hibbing residents, not just HPUC customers.

The League of Minnesota Cities opined that HPUC is not legally bound to hold a referendum so long as it provided “good findings” (such as the consulting engineer’s recommendation) on why it chose not to follow the guidelines spelled out in the AG’s letter.

One possible solution to the conundrum is a legislative fix to make Hibbing an exception regarding the two-thirds vote.

State: see next page please
The award was for ingenuity and creativity in video. The utility also received the Audience Choice Award, which was based on a vote of meeting attendees who watched 16 award winners, from all revenue classes.

Adrian Public Utilities had planned to begin replacing existing electric meters with automated metering infrastructure in 2019, but has delayed those plans as it has incurred costs relating to the acquisition of electric service territory. Adrian Public Utilities Commissioner Wes Henrickson was honored Dec. 18 with a local award that goes to the top elected and/or appointed official. Henriksen retired at the end 2018, after 25 years of service on the local commission.

Rochester Public Utilities (RPU) and the Olmsted County Environmental Commission at a banquet Jan. 17 honored recipients of their 2018 Environmental Achievement Awards. The awards honor individuals, organizations, schools and businesses that have made a significant contribution in 2018 towards environmental quality in any of the following categories: renewable efforts, conservation, energy, water, agriculture, education, and other.

The Benson City Council has rejected a proposal by two businesses to co-locate with Brightmark Energy at the former Fibrominn biomass-fueled power plant. The businesses proposing the co-location would convert the facility to use corn stover and cobs as a fuel to produce steam, which would be used to power an ethanol plant. The city has been working with Brightmark to acquire the facility, and is concerned the co-location proposal would interfere with and possibly jeopardize the Brightmark acquisition.

Xcel Energy has reportedly offered to sell the site to Brightmark, and declined a different bid.

The Minnesota Public Utilities Commission Jan. 24 granted Roseau Electric Cooperative, Inc., status as an “eligible telecommunications carrier” (ETC) for the purposes of providing local services under the Federal Communications Commission’s CAF II and Lifeline programs.

In a regulatory filing, Roseau said it will provide broadband and voice telephone using fiber-optic facilities. Roseau has committed to provide service to all customers in areas associated with CAF II funding. It will also provide service in additional areas at its discretion and to customers making a reasonable request for service.

The Willmar Municipal Utilities (W MU) Commission recently received its annual reliability report for 2018. WMU customers had power 99.9984 percent of the time, up from 99.9948 percent in 2017.

There were approximately 46 power interruptions in 2018, which came to 0.035 outages per customer. For those who experienced an outage last year, the power stayed off for an average of 26 minutes, significantly less than in 2017, when the average outage time was 77 minutes.

WMU has just over 227 miles of power lines across the city, 105 miles of that are underground. Almost a mile of new line was added to the system in 2018, mostly due to new commercial businesses. All of it was underground.

WMU has started replacing underground line, now that they have completed burying all the power lines that could be. The oldest of the buried lines are from the 1970s and some are beginning to show signs of failure.

The Minnesota Office of Project Review has approved a proposal by the city of Roseau to bury all the power lines in the central business district. The city has spent $2 million on phase one of the project, which includes burying all the power lines on the east side of the business district. The city plans to complete phase two of the project by 2020, which would include burying all the power lines on the west side of the business district.

The city is working with a consultant to develop a long-range plan for the project. The consultant has identified several potential routes for burying the power lines, and the city will consider all of the options before selecting the final route.

The city will also consider the cost of burying the power lines when making its decision. The cost of the project will be paid for through a combination of local, state, and federal grants.

The city of Roseau has also been working with the Minnesota Public Utilities Commission (MPUC) to develop a long-range plan for the project. The MPUC has approved the city’s plan for the project, and the city is working with the MPUC to develop the final plan for the project.

The city of Roseau is committed to providing reliable electric service to its customers. The city has worked hard to develop a long-range plan for the project, and the city will continue to work with its partners to develop the final plan for the project.

Princeton’s Commission shops electric, water rates

Among the municipal utilities reducing rates recently is the Princeton Public Utilities Commission (PPUC). An electric rate decrease of 4 percent went into effect with PPUC’s January billing.

The new, lower rates will affect customers differently, based on usage. Factors leading to the rate decreases include: a decrease in wholesale power costs, and debt reduction which led to savings on interest payments.

The per-gallon charge on water was also reduced. Stable electric rates are forecast for the future.

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The per-gallon charge on water was also reduced. Stable electric rates are forecast for the future.
MMUA's staff lobbying team of Kent Sulem, left, and Bill Black shepherded MMUA members in and around the Capitol complex during our 'day on the hill.'

MMUA Executive Director Jack Kegel (far left) shared a table with Scott Hautala of Hibbing, Scott Magnuson of Brainerd, Sen. Dave Tomsassoni and Doug Carnival of the McGrann Shea firm, from left to right.

For over 30 years, Avant Energy has supported municipal utilities and power agencies in their effort to deliver economic and reliable power. Avant works with its clients to develop innovative, yet practical solutions based on a simple, overarching belief that, "better is possible."

MMUA staff member Theresa Neddersmeyer made her way outside the Senate Office Building.

The Senate Office Building.

Meyer made her way outside MMUA staffer Theresa Neddersmeyer.

That background may au-

is now motor vehicles.

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House 'Energy and Climate'

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With the House changing

Standard (RES).

state's Renewable Energy

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ing into the session (and a

Another big  concern head-

elected representatives.

continued from front page

branding themselves as the Consumer Owned Utilities (COUs)—determined to carry the effort forward on their own, if need be. And that message was delivered to our elected representatives.

Another big concern heading into the session (and a well-founded one as events unfolded) was the potential for a push to increase the state’s Renewable Energy Standard (RES).

With the House changing hands, the first tipoff came with the christening of a House 'Energy and Climate' committee. And when it came time for a Jan. 24 tutorial on how electric power systems work, the briefing was given, not by somebody from the industry, but by a University of Minnesota professor. Perhaps mercifully, the professor noted that the larger issue in the climate debate is now motor vehicles.

That background may au-

ger well for CIP reform, as electric vehicle use is some-

thing the COUs see as having some potential benefit.

Reports from our citizen lobbyists indicated the mu-

ncipal message was well received from our elected repre-

sentatives. Whether or not that will translate to sway

the legislative debate in what we consider to be a reason-

able and prudent direction remains to be seen.

Despite the transition in state administration lead-

ership, which was still well underway as the conference commenced, MMUA was able to land a presentation from Steve Kelley, commissioner of the Department of Com-

merce. Kelley comes to the ad-

ministration as former head of the U of M’s Humphrey

School of Public Affairs. He is also a former legislator and champion of the benefits of broadband connectivity. That background brought him into close contact with municipal utilities, which took a stance on the issue that was congruent to Kelley’s outlook.

How much of that goodwill carries forward on energy is-

sues remains to be seen. Kel-

ley, in his comments, was cir-

cumspect on particulars, as the Walz administration had

yet to stake out positions on

many specifics. While time

will tell, it appears there is

a thoughtful, even-handed man at the helm of Commerce.

The Conference’s reason for being are the visits our people made with their legis-

lators, the afternoon of Jan. 29 (with air temperature and windchill shattering records for the date). Those visits were followed into the evening and a legislative reception—an informal, relaxed way to renew bonds or make new ones.

By way of preparing our people for their lobbying vis-

its, the morning was taken up with sharing of background information. Jukka Kukkonen of PlugInConnect—an electric vehicle advocacy group—started the program with a presentation that got people thinking. MMUA govern-

ment relations representatives Kent Sulem and Bill Black took it from there, with a pep talk on why municipal utilities are important, and a briefing of our legislative ini-

tiatives and other bills of in-

terest.

Following lunch, which in-

cluded an overview from our contract lobbyist—Joe Bag-

gnoi and Doug Carnival of McGrann Shea et al.—buses shuttled our people from conference headquarters—the downtown DoubleTree by Hilton—to the Capitol complex.

Trying to make the best use of the time together, a Wednesday morning program started with a sharing of feed-

back from the legislator visits and sharing of information on other issues of interest.

-Speakers followed up: Krist-

ine Robinson of STAR Energy Services on New (distributed generation) Interconnection Process training, Commis-

sioner Kelley, and Bob Vose of Kennedy & Graven on a hot button topic—5G/Small Cell Issues and an overview of the Federal Communications Commission’s order in regards to technology deploy-

ment.

MMUA thanks those that attended the utilities and cities that sent them. Those municipal utilities that did not attend also owe these people and organizations a debt of thanks and gratitude, and we urge non-attenders to keep their elected representa-

tives close. We also express our gratitude to the men and women who have taken the mantle of legislative service upon their shoulders—may the state’s municipal utilities be a help and support to you in that noble endeavor.
Editor’s note: One measure of a healthy economy and growth in MMUA member cities is the number of requests to modify electric utility service area maps sent to the Minnesota Public Utilities Commission (MPUC). The following is a round-up of recent filings.

The MPUC Jan. 9 approved a joint petition from Federated Rural Electric Association (FREA) and Lakefield Public Utilities (LPU) to modify their electric service territory boundaries. The parties made the request pursuant to Minn. Statute 2168.39, subd. 3, which provides that, “the (MPUC) may on its own or at the request of an electric utility make changes in the boundaries of the assigned service areas, but only after notice and hearing.”

The parties sought to adjust the service boundaries to permanently transfer the area to LPU’s assigned service territory and provide a “service by exception” for a single location for FREA’s assigned service territory. The parties noted that they had agreed upon appropriate compensation and requested the Commission update its official records as to electric service territory boundaries.

The affected area is separated into two parts. The first area is a recent extension of the City of Lakefield’s corporate boundary. No existing customers are located in this area. The second area has been served by LPU since its existence but is identified as the assigned service territory of FREA. The parties agreed this area will also become a permanent part of the LPU’s assigned service territory. Customers in the area will not be affected as there will be no change in the electric service provider.

The single location that is to be a “service by exception” is a three-phase account currently served by FREA within the assigned service territory of LPU. The parties agreed this single location will become a “service by exception” for FREA’s assigned service territory. The customer at this location will not be affected as there will be no change in the electric service provider.

Xcel-Delano

The Minnesota Public Utilities Commission (MPUC) Dec. 20 approved a joint petition submitted by Xcel Energy, along with the Delano Municipal Utilities, seeking approval of a permanent change in electric service territory boundaries. Xcel made the filing pursuant to Minn. Stat. §216B.44(b) and related Minnesota statutes.

This petition involves the permanent boundary change for 23.399 acres of service area. The annexed area is known as the West Metro Business Park, first addition. There are no customers in the area.

The agreement also granted Delano the right to provide interim service to the area prior to Commission approval.

For a period of 10 years starting on the effective date of which the agreement was signed by both parties, the DMU agreed to pay Xcel Energy annually 19 mills ($0.0192) times the kilowatt-hours consumed by the customers located within the service territory transfer area.

Consumption will be determined using the City’s metering records.

The parties noted that the agreement was the result of negotiations and does not represent any binding or legal precedent on any party in any other matter.

Buffalo-WH

The City of Buffalo and Wright Hennepin Cooperative Electric Association joint-
Municipal generation units help maintain service during record-breaking cold

Rochester, MN – Southern Minnesota Municipal Power Agency (SMMPA)’s member municipal utilities’ local generation units played an important role in keeping the lights on during the recent cold weather brought on by the Polar Vortex. With natural gas in short supply in certain areas of the state, these diesel or dual-fuel units operated nearly nonstop for 30 hours beginning in the early morning of Wed., Jan. 30.

“These are smaller units that generally don’t run that often, but when they do, they play an important role in contributing to both local and regional electric reliability,” said David Geschwind, Executive Director and CEO of SMMPA. “Our member utilities and their employees are to be commended for being able to quickly respond to the need and working some long hours to operate these units in adverse conditions.”

SMMPA members Blooming Prairie, Grand Marais, Litchfield, Mora, New Prague, North Branch, Princeton, Redwood Falls, Saint Peter, Spring Valley and Wells have local generation that responded to the request from the electric grid operator, the Midcontinent Independent System Operator (MISO), to generate electricity as many power plants that use natural gas to produce electricity were unable to operate due to natural gas curtailments because of the high demand for natural gas for heating. Collectively, SMMPA members ran 43 local generators on diesel fuel to help keep the electric grid operating reliably.

“It’s more common for the generating units at our members’ power plants to be called upon on the hottest of days in the summer, but clearly they are as valuable in the coldest days of the winter,” says Geschwind. “In either condition, human health can be at risk, so the professionalism of those power plant operators in a time of need is very much appreciated.”

SMMPA provides electric and related services to 18 municipally operated utilities, mostly in south-central and southeastern Minnesota.
MMUA has three new Associate Members. They are:

Cahoy Pump Service performs a number of services, including video well surveying, well treatment and cleaning, system design and efficiency review, direct and reverse rotary drilling, monitor well drilling, pump installation and well treatment and rehabilitation repair, epoxy coating, aquifer/well field investigation, test hole drilling and exploration, logging and analysis and also has complete machine shop facilities.

The company is located at 24568 150th St., Sumner, Iowa, 50674. Phone is 563-578-1130 and fax is 563-578-1135 and website is www.cahoypump.com

Main contact is Janet Cahoy. Her direct line is 563-578-1130 and email is janet@cahoypump.com

Jaguar Communications, Inc., provides broadband telecommunications services including internet, phone, video, dark fiber and other related services via its fiber optic network including fiber to the premises installations. Jaguar serves numerous municipalities and other government entities as well as many business and residential customers.

The company is located at 213 D. Oak Ave., Owatonna, MN 55060. Phone numbers include 507-214-1000 or 800-250-1517. Fax is 507-214-1003 and the website is www.jaguarcommunications.com

Main contact is Kristine Anderson, in-house counsel. Her direct line is 507-214-0269 and email is kanderson@jagcom.net

Werner Electric is a distributor of electric equipment. The company prides itself in transforming what a distributor can do by providing products and services that its competitors cannot. Products of interest to MMUA members may include medium voltage transformers, switchgear, solar energy equipment and grid scale energy storage.

The company is located at 7450 95th St. S., Cottage Grove, MN 55016. Phone is 651-769-6841 and fax is 651-768-5205. Website is www.WernerMN.com

Main contact is Andrew Larson, energy service engineer. He can be reached at 651-256-7755 or alarson@wernerelec.com

For more information, contact:

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24568 150th St.
Sumner, IA 50674
563-578-1130
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Xcel Energy Jan. 10 announced that a $660 million Google data center will locate on 315 acres in Becker, adjacent to the Sherco electric generation station. Xcel also pledged to supplying 300 megawatts of wind energy to the project.

According to reports, the data center will be Xcel’s fifth DC. The announcement culminated three years of work between the utility, city and county on economic development efforts.

The Minnesota Department of Commerce (DOC), under the Dayton administration, Dec. 21 asked the Minnesota Court of Appeals to reconsider the Minnesota Public Utilities Commission (MPUC) decision to grant a certificate of need for the Enbridge Energy Line 3 oil pipeline project.

Gov. Tim Walz on Jan. 10 ordered the DOC to review its appeal.

The MPUC Dec. 20 approved Minnesota Power’s request to purchase electricity for 20 years from the Nobles 2 windfarm. The 250-megawatt project is being developed by Omaha-based Tenaska. The project is expected to come online in October 2020.

The influx of windpower will bring Minnesota Power’s renewable energy percentage to approximately 26 percent.

EDP Renewables of Houston, Texas, held an open house Dec. 5 in Bird Island, in regard to its proposed 23 to 26 turbine, 100-megawatt windpower installation. The project would encompass some 11,000 acres. The area reportedly has available transmission capacity.

The California Public Utilities Commission began a proceeding in late December that, among other things, will look into the possibility that some or all of Pacific Gas and Electric could be reconstituted as a publicly-owned or utilities.

The PUC opened the 2015 investigation in the wake of the Sept. 9, 2010, San Bruno natural gas pipeline explosion that killed eight people and injured dozens.

In the early 2000s, several new municipal electric utilities were created across California in response to new deregulation laws.


The action followed receipt of a report from the Minnesota Commerce Department, which said Frontier failed to provide adequate, reliable phone and internet service to Minnesota customers.

The DOC report was reportedly based on more than 1,000 consumer complaints and statements. Concerns included: frequent and lengthy service outages; delays in repairing service; failure to maintain and repair equipment leading to public safety hazards; lack of investment in infrastructure; frequent billing errors; lack of timely, responsive customer service.

In a letter to the MPUC in advance on the hearing, Frontier noted that the Department’s report is comprised of 133 single-spaced pages of text plus over 300 pages of attachments, which address no less than 30 topics and makes no less than 130 recommendations, many of which have multiple subparts, which address coverage, telecommunications services and internet access services and relies on statements or complaints from more than 90 consumers.

Due to the number and complexity of the disputed facts and issues, said Frontier, a contested case would be necessary to resolve material issues of fact.
### Substation School

**April 16-18**

**Bison Creek Event Center, Buffalo**

MMUA is pleased to partner with Minnesota Rural Electric Association (MREA) on the 2019 Substation School. In addition to classroom instruction on a variety of substation-related topics, participants will also go behind the scenes to tour Buffalo’s state-of-the-art substation and nearby Conexus Solar Field. This School can benefit anyone who works in a substation environment or those interested in learning more.

Topics and speakers include:

**Substation Maintenance and Inspections**

Jeff Kranz, Rochester Public Utilities

Best practices on a variety of operational concepts and maintenance issues.

**Fundamentals of Substation Equipment & Control Systems**

Jamie Sieren, Power System Engineering, Inc.

Discussing concepts and maintenance issues.

**Implementing a Solar Field**

Joe Steffel, Buffalo Municipal Utilities

Tours of the Buffalo Substation and MMUA Solar Field

**The “Ins and Outs” of a Substation**

Nich Koulouzis, East Central Energy

Presented from a lineman’s perspective—engage during this hands-on demonstration of various tools, hardware and SCADA systems.

**Generation School**

**April 23-25**, **Hutchinson Fire Department**

Valuable classroom and hands-on instruction plus networking opportunities. Whether a seasoned operator or just starting out in the field, all can benefit.

Generation School takes place at multiple locations, beginning at the Hutchinson Fire Department and includes hands-on training at the Glencoe and Delano power plants.

Topics to be covered include:

**Basic System Maintenance**—Cooling, Fuel, Lube, etc.

Jeff Crampton, Fairbanks Morse Engine

Tour – Hutchinson Utilities’ Power Plant

Welcome Reception sponsored by Ziegler Power Systems

**Hands-On Training**

Cooper, Enterprise and Fairbanks Morse engines—at the power plants.

Steve Payne, Industrial Diesel Service.

Lester Wheeler and Rex Stormer, Exline, Inc. and Jeff Crampton, Fairbanks Morse Engine.

Hands-on instruction at the plants may include such topics as:

- Basic System Maintenance
- Setting Up CB Fuel Doors
- Combustion Tuning and Balancing
- Pull Cards
- Operation Scenarios (i.e., Black Start)
- Web Deflections and Alignment
- Additional activities as time allows

Thursday general sessions back in Hutchinson include:

Fire at the Power Plant—Now What?

Paul Twile, Delano Municipal Utilities and Tom Excert, MMUA

**Fundamentals of Generation Equipment and Control Systems**

Jamie Sieren

Power System Engineering, Inc.

**Discussion Recap—What are the take-aways?**

Bob Sewell, MMUA

**Competent Person & Excavation Safety Workshop**

May 1-2, **MMUA Training Center, Marshall**

Learn from lead instructor Andy Smoka, a former MN OSHA principal safety consultant and foremost expert on this subject. Learn the basics of OSHA’s excavation standards (29 CFR 1926–Subpart P), soil testing, how to determine the correct protective system needed, and identify hazards.

Learn the proper techniques when digging around natural gas and high voltage power lines.

This workshop includes classroom and hands-on instruction/demonstration to ensure participants can obtain the designation of a Competent Person.

This course is intended for public works personnel, water/wastewater personnel, lineworkers, engineering personnel, contract workers, and anyone else responsible for digging or who spends time in and around excavations.

Schedules subject to change without notice.

For a complete and up-to-date list of training and educational opportunities, see the Events/Calendar section at www.mmua.org