

# Crypto currency data mining comes to municipal utilities

by Steve Downer

**Question:** Why would Minnesota municipal electric utilities care about relatively esoteric developments like data mining and crypto currencies?

**Answer:** Because data mining physical operations consume large amounts of power, crypto currency data miners have been scouring Minnesota for unused substation capacity, and they have been finding it.

Glencoe Light & Power appears to be the first to supply power to a data mining operation. While the initial power demand is relatively modest, it appears demand will grow significantly very soon.

Three data mining companies have contacted Brainerd Public Utilities (BPU). While certain documents need to be signed as of this writing, BPU is taking steps to make necessary infrastructure improvements, and it appears that at least one data mining operation will soon be a BPU customer.

Other municipal utilities



Kyle Streich of Bit 49, left, and Glencoe Light & Power General Manager Dave Meyer in front of part of the crypto mining operation. The facility is adjacent to one of the utility's three substations.

have been approached by data miners, while energy-rich North Dakota is a hotbed of activity. Some of this is affecting Minnesota utilities.

Glencoe Light & Power's new

customer is Bit 49, a Colorado-based company. The data mining operation is humming away, adjacent to a substation a few blocks from the utility headquarters.

The 350-kilowatt (kw) load is expected to rapidly expand to 3.5 megawatts (MW), with 20 MW projected by mid-year.

*Crypto: see page 4 please*

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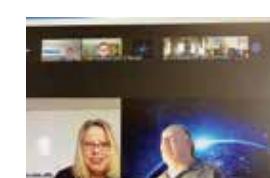
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James Keltgen of Shakopee Public Utilities (left) facilitated a roundtable discussion at the T&O Conference.

## Members glad to gather at T&O Conference

MMUA held its annual Technical & Operations Conference (T&O) in St. Cloud at the Best Western Plus Kelly Inn, on Jan. 18-20.

This meeting was rescheduled from December, due to COVID-related issues. MMUA thanks those speakers who were able to re-schedule and those who agreed to speak on short notice. We also thank the Associate Members who re-worked schedules to participate in the Jan. 19 trade show. Many expressed their thankfulness for the event and their satisfaction that we could get together again.

The T&O program is always designed with managers, crew leaders and lineworkers in mind. This year's event included an emphasis on round-table discussions, which allowed people to develop relationships, share information with each other and with MMUA staff.

Change is a constant and was a topic throughout the meeting.

*T&O: see page 8 please*



MMUA Gas Circuit Rider Dennis Danielson supports municipal natural gas systems across the state. His on-site training includes applying his expertise to regulator stations, as pictured.

prepare for inspections and provide 'hands on' support during the inspection.

MMUA staff is a resource for gas system operators as issues arise. This includes training for fire departments, in whatever format the member prefers.

During and in the aftermath of the February 2021 polar vortex, MMUA kept the Legislature and state agencies apprised of how utilities on various pipelines were affected during the storm, and which ones were

most affected by gas price spikes.

While safely operating a natural gas distribution system is one thing, obtaining competitively priced natural gas is quite another. Both are crucial pieces of running a successful gas utility. And MMUA has long been working on the gas supply piece of the puzzle.

The Minnesota Municipal Gas Association (MMGA) was formed in 2007. MMGA

*Natural gas: see back page*



## MPUC takes up Xcel's energy supply Integrated Resource Plan for 2020-2034

While other investor-owned utilities, generation and transmission cooperatives and municipal power agencies file Integrated Resource Plans (IRP) with the Minnesota Public Utilities Commission (MPUC), none draws the scrutiny of the state's largest utility—Xcel Energy.

On Feb. 8, the MPUC approved Xcel's 2020-2034 IRP, closing an arduous docket that included thousands of comments and spanned two and a half years.

Xcel's previous IRP, approved in 2017, was pivotal, with the Company proposing to retire roughly 30 percent of its baseload generation capacity by 2026. That plan included adding 1,800 MW of wind, including 800 MW by 2020.

Since 2017, Xcel has made significant investments in wind and solar resources, extended several power purchase agreements (PPAs) and has seen significant growth in its community solar garden program.

In 2019, Xcel announced it would shutter Sherco 3, its

largest and newest coal-fired power plant, in 2030. That meant coal would be removed from the Xcel system by 2030.

To replace the 2,400 MW of coal-fired capacity being eliminated, Xcel and parties to the docket proposed various mixes of replacement resources, settling on a proposal to build 2,150 MW of new wind and 2,500 MW of new solar by 2032.

Over the course of the proceeding, noted the MPUC staff briefing papers, much controversy was eliminated, at least temporarily.

Xcel withdrew its proposal to construct a natural gas-fired generating facility at its Sherco site in Becker. The company eventually landed on a proposal requesting the MPUC make a finding that it is likely there will be a need for approximately 800 MW of "generic firm dispatchable resources" between 2027 and 2029, some of which could be located in North Dakota.

A threshold matter, noted the MPUC staff, is whether Xcel can rely on its existing

portfolio of dispatchable fossil-fueled generators.

Xcel explained that natural gas-fired combustion turbines are needed for times when variable, renewable resources are unavailable and/or during extreme weather events, such as the polar vortex of 2019 or cold weather experienced earlier this year.

Gas combustion turbines, said the company, "are, in essence, a necessary insurance policy that enables us to pursue deep carbon reduction and higher and higher levels of renewable penetration while ensuring that our customers will receive reliable and affordable service during the hottest and coldest days of the year, even when renewable generation is limited or non-existent."

Xcel stated, "Operational reality calls for sufficient firm dispatchable capability to cover the inherent intermittence of renewable energy."

Xcel and many of its critics concluded that new, dispatchable resources are needed. A disagreement was mostly

about resource capability, with some favoring new battery storage (either stand-alone or hybrid) to provide flexibility and reliability, especially in the near-term.

While the technologies differed, the plans agreed that solar alone is an insufficient replacement.

The MPUC took up the matter Jan. 25 and continued the discussion on the 27th, eventually closing that meeting to delve into 'black start' and other confidential system restoration issues, which presumably included Xcel's fuel oil-fired peaking units.

It took up the issue again on Feb. 8.

In discussion on the 27th, Xcel said it did not want to rely on imported energy from other regional grid partners. The company noted that even in the Midcontinent Independent System Operator region there are times of "significant" wind drought and that Xcel wants to make sure it can "pull through" those times when there isn't wind across the whole system.

As part of a multi-faceted motion (not official as of this writing), the MPUC anticipates regulatory filings from the company for:

- Transmission tie-lines that can interconnect wind and solar resources to the interconnections at the Becker site and the Allen S. King plant near Bayport (to be shuttered in 2028);

- Site permits needed for any acquisitions of generation, including generation to

utilize the Sherco and King interconnections;

- A resource acquisition proceeding for 800 MW of firm dispatchable resources; and

- A new regulatory docket or series of planning meetings to discuss broader blackstart issues.

The MPUC also approved an Xcel proposal to operate the Monticello Nuclear Generating Plant in Wright County for an additional 10 years beyond its current license, which expires in 2030.

In a related matter, the MPUC took up Xcel's application for additional Dry Cask Storage at the Monticello nuclear plant on Dec. 22. The MPUC referred the matter to the Office of Administrative Hearings for a contested case hearing.

### Grid study identifies seven needed projects

The Southwest Power Pool (SPP) and the Midcontinent Independent System Operator (MISO) Joint Targeted Interconnection Queue study has identified seven possible transmission projects that could allow large amounts of potential generating capacity to interconnect with the grid.

The projects would relieve transmission constraints that are preventing wind, solar and other potential projects from coming online. Cost is pegged at \$1.8 billion.

Projects include a line from Big Stone, S.D. to Alexandria and on to Monticello.



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## Municipal Utilities: We need to communicate a desirable shared destiny

*"People in small towns, much more than in cities, share a destiny." - Richard Russo.*

Shortly after accepting my position as CEO of MMUA, I started informally polling my family, social acquaintances, and business associates. I wanted to find out what they knew—or thought they knew—about municipal utilities.

I am not sure if my circle of people is what statisticians would call a “representative sample.” If they are, it’s clear we all have a lot of opportunities for improving communication and growing understanding about how utilities work and why local control is beneficial.

Here’s one example. I have some reasonably well-educated friends who consider themselves environmentally responsible and thus drive an electric vehicle. These dear people often opine about how fossil fuel business interests are holding back progress on renewables. They had no idea that electricity actually has to be created out of something. They also had no idea the current state of storage technology means there’s no way to have reliable, affordable, and sustainable electric-

### MPUC approves sale of GRE DC transmission

The Minnesota Public Utilities Commission on Jan. 6 approved Great River Energy’s (GRE) sale of the Minnesota portion of the 436-mile long direct current (DC) transmission line that runs from its Coal Creek power plant in North Dakota to the Dickinson converter station east of Buffalo.

Rainbow Energy Marketing Corp., based in Bismarck, is buying the Coal Creek power plant, with affiliate Nexus Line acquiring the power line.

GRE will retain ownership of the associated alternating current (AC) transmission, including the double-circuit 345 kV high voltage transmission line, more commonly referred to as the CDX line, from the Dickinson Substation to the existing Coon Creek Substation site in Coon Rapids, the Dickinson substation; and associated facilities.

As part of the transfer, GRE and Nexus have signed an Operations & Maintenance Agreement where GRE would perform O&M for the DC system after the sale for a term of 10 years.

ity for their EV, cell phones, computers, light bulbs, or anything else, without fossil fuels—at least for now. It has completely blown their minds to learn that it isn’t the maleficent forces of the status quo, but real limitations with know-how and the complexities of the grid that currently prevent us from switching to 100 percent carbon-free energy sources.

Elsewhere, I have a family member who is a municipal utilities customer. Recently there was an outage in her town caused by severe weather. Though the storm damage was considerable, the lights came back on pretty quickly. Meanwhile, friends in a nearby community endured an outage that lasted nearly 24 hours. This difference is routine. Yet my relative has “never really thought about” how it happens that outages are always much shorter in her town than in neighboring IOU territory. She thinks they are just “lucky” it works out that way.

These two interactions are similar to many others I have had since I learned I’d be joining MMUA late last summer. Whether we are talking about electricity, gas, broadband, water, or sewer, a lot of people who have the advantage of receiving municipal services don’t realize the benefits of the municipal model.

MMUA members that have been in the situation of having to educate customers when an IOU comes calling with cash seem to agree. They have had to gear up to spread the word and build understanding when time is short.

Once the story of local control is better understood, voters tend to stay with their municipal utility. That local control is yet another way that lives and destinies are linked in their towns.

It is clear to me that an important strategic issue for MMUA and its members is how to effectively tell this story again and again. We need customers and constituents to truly understand the value of their local assets, the advantages of having local decision-makers, and the desirability of local accountability. Through the power of our Association, we need to make it easy for member municipals to spread the word effectively and consistently. We also need to identify the arguments “the other guys” would make for selling out and provide members with tangible ways to counter their seeming attractiveness.

Next month the MMUA Board of Directors and key staff will begin working on MMUA’s new strategic plan. While I cannot predict everything that will be in it, I can say with confidence the issue of how the Association helps coordinate and drive effective communication about the value of local control is highly likely to feature in several of our goal areas.

The need for help with this type of messaging was a theme that was loud and clear in our survey of members late last year. It’s been something many of you have discussed with me as I have visited member communities and sat in on the annual meetings of joint action agen-

### From My Desk to Yours

**Karleen Kos**  
MMUA CEO



cies since my arrival. At the January Technical and Operations Conference, it came up again and again at the round-table I hosted on social media communications.

This will not be an overnight change. It’s going to take time to move the needle from municipal utilities being something a customer is “lucky” to have, even if they have “never really thought about it,” to a well-understood advantage of living within a community. It will take strategic message development and a variety of tactics for making sure customers see or hear them. It will take patience and repetition.

In time, though, they will start to “get it,” even if they don’t necessarily want to know all the facts. It may be that the average citizen will never care much about how electrons just happen to be accessible on demand, water just happens to be flowing out of a spigot, and sewage properly flushes away. That’s okay, so long as they appreciate the advantages of having those things within the control of their neighbors and friends. People intuitively know their destinies are linked in municipal towns. Let’s work together to help them understand why it works so well.



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## Crypto:

*continued from front page*

The load projection appears to be solid. In addition to the smaller units in operation, a Tessa Rack unit that will draw 3.5 MW when connected is installed on site. Conduit is poking out of the ground for additional units.

Glencoe Light & Power is leasing the land to Bit 49. The utility built a very short underground span of heavy feeder cable from the sub to the customer site. The Tessa Rack unit, in what appears to be a semi-trailer or Conex container, will take power once it receives final electrical inspector approval. OSHA has also inspected the site.

With recent transmission and substation improvements, Glencoe will be able

to shift load as necessary between its three substations.

While the operations differ, data mining load appears to be similar to a data center, from the utility's perspective.

The five-person Glencoe Light & Power Commission developed a tariff that applies to customers with a 90-percent or better load factor. The utility will collect a margin on sales. The utility also figures to benefit from increased cash flow and economies of scale.

"It all comes down to the cost of electricity," said Glencoe Light & Power General Manager David Meyer.

If Bit 49's plans fall into place, it will double Light & Power's electrical demand and energy sales.

Word gets around.

Two weeks after the Bit 49 deal was arranged, another



A City of Glencoe water tower is visible in the background of this picture showing one of Glencoe Light & Power's three substations.



Transmission in the area has been upgraded several times in recent decades. This line is located east of Glencoe.

data mining company contacted Glencoe. With the Bit 49 agreement in place, other data miners will have to wait, for now.

### Brainerd Public Utilities

Brainerd Public Utilities (BPU) has been heavily involved in discussions with two data mining operations.

BPU has excess capacity available in a substation which was upgraded based on a pre-2008 study that estimated load growth which has been slow to materialize. The substation includes three transformers, each with a capacity to supply 47 MW of

power—BPU has a peak electrical demand of 41 MW.

That makes Brainerd a place of interest for cryptocurrency mining operations.

B&D Power Solutions, a Texas-based company, submitted a letter of intent to buy two lots in Brainerd's industrial park and estimated its cryptocurrency mining operation would require an estimated 50 megawatts of power with potential growth to a 200-megawatt capacity in 10-20 years.

Clough Properties, with local ties, requested immediate access to 10 MW and another 10 MW before the end of the 2022. This company has purchased a building in a different industrial park. It is planning to start immediately with 4 megawatts, while it waits for permanent transformers to arrive. BPU has four 1000 kva transformers in stock it will sell to them.

The proposals would require installing new power lines from the nearby substation. Each company is covering these service extension costs.

The council has authorized the Brainerd Economic Development Authority to negotiate with B&D, with the understanding that property sales would be contingent on power agreements with BPU.

BPU has obtained easements for infrastructure, ordered materials and is clearing land for a line extension.

## Data mining, cryptocurrencies: new terms for utilities

Data mining is defined by IBM as the process of uncovering patterns and other valuable information from large data sets.

Cryptocurrency is described as "digital money." It is essentially a system of value.

When investors buy cryptocurrency, said NASDAQ, they are betting that the value of that asset will increase in the future, just as stock market investors buy securities when they believe the company will grow and share prices will increase.

Data miners can mine cryptocurrency. Bitcoin is the most popular but there are others like DigiByte and Bitcoin Cash.

BPU General Manager Scott Magnuson said the parties are working on contracts.

"They've seen the numbers," Magnuson said.

As if the two competing proposals weren't enough, Brainerd recently received inquiries from a data mining operation asking for 500 MW of power.

BPU is beginning to undergo a feasibility study on its future power needs.

### NMPA

North Dakota is a hotbed for data mining activity and some of that is spilling over into municipal utility-related organizations.

The Northern Municipal Power Agency (NMPA) is the energy supplier for 10 municipal utilities in Minnesota and two in North Dakota. NMPA owns a 30 percent share in a coal-fired power plant and approximately 15 percent of the Minnkota Power Cooperative transmission system.

NMPA and Minnkota have worked together to support data mining development. Several new loads were added to the system in 2021, including a large facility in Grand Forks served by Nodak Electric Cooperative.

Data miners have been investigating and touring both municipal and cooperative utilities on the Minnkota system, said NMPA General Manager Jasper Schneider.

"We have a reliable system, competitive rates and the cold climate that is attractive to data mining developers," he said.

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## APPA, MMUA discuss availability of federal funds for cities and municipal utilities

Members of the American Public Power Association (APPA) can access a webpage dedicated to keeping them up to date on activity and funding opportunities related to implementation of the federal Infrastructure Investment and Jobs Act (IIJA).

The IIJA provides \$1.2 trillion in funding, including \$550 billion in new federal spending not previously authorized, for transportation, energy, and water infrastructure.

APPA is also encouraging members to use the Federal Register and Grants.Gov to make specific searches for agencies or programs that are of interest, as it cannot guarantee the webpage will be exhaustive of all funding opportunities.

Additionally, APPA said its members should consider signing up for agency-wide or office-specific newsletters based on their areas of interest.

The law includes several potential funding opportunities for public power including for electric and hydrogen vehicle fueling infrastructure, grid resiliency infrastructure, smart grid investments, physical and cybersecurity infrastructure, incentives for

hydropower production and efficiency infrastructure, energy efficiency and weatherization, and broadband infrastructure.

APPA's IIJA webpage is available to authorized members. It is located in the issues-and-policy/federal-infrastructure-law-opportunities section.

### *MMUA addresses topic*

MMUA Government Relations Director Kent Sulem discussed the IIJA during a presentation at the MMUA Technical and Operations Conference, on Jan. 20.

Sulem noted the bill was the largest of its kind ever adopted by Congress, but there is "only" \$550 billion in new money—the rest were appropriations regularly approved by Congress.

The total earmark for Minnesota is \$6.68 billion. This

### North Dakota approves carbon storage orders

The North Dakota Industrial Commission approved several orders related to underground storage plans for the Project Tundra carbon capture project on Jan. 21.

The project would capture carbon dioxide emissions from the Milton R. Young Station coal-fired power plant

includes zero for electric grid reliability but \$68 million for electric vehicle charging; \$818 million for transit including low/zero emission buses; \$680 million for water and wastewater; \$100 million for broadband; and \$17 million for cybersecurity.

Much of the funding is spread over at least five years, dependent on future appropriations, will be in the form of competitive grants, require a state match of 25 percent and may be available "a few years after local investment."

### *Money, money, money*

In addition, APPA has reported that the U.S. Treasury Department on Jan. 6 issued the final rule for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program, enacted as a part of the American Rescue Plan, which provided \$350 billion

to state, local, and tribal governments to support their response to and recovery from the COVID-19 pandemic.

CSLFRF can be used for utility assistance programs.

Utility revenues may be considered as "lost revenue"

for a local recipient of these funds. The distinction is significant because CSLFRF funds deemed to cover "lost revenue" can be spent on any governmental program, said APPA, which is a substantial flexibility.

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## COVID-19 leads to change but doesn't stop MMUA holding its Legislative Conference

MMUA held its annual Legislative Conference Feb. 8-9.

Originally planned as an in-person meeting, issues around COVID-19 prompted a switch to a remote Zoom get-together. MMUA last held an in-person Legislative Conference three sessions ago. The legislative process remains disrupted, with the House of Representatives offices closed to the public, some Capitol area buildings restricting visitors and City of St. Paul COVID-related measures impacting social interaction.

An unintended but positive consequence of the move to a

virtual meeting was a significant increase in attendance, from numbers in the mid-20s prior to the move to 77 attendees at conference start.

Katherine Blauvelt, a Department of Energy Resources (DER) assistant commissioner, opened the presentations with a discussion of the Walz Administration's agenda, including the push for a 100 percent by 2040 Carbon Free Energy Standard.

That was preceded by an introduction to the 2022 Session, presented by MMUA CEO Karleen Kos, Government Relations Director Kent Sulem and MMUA Govern-

ment Relations Advisory Board Chair Roger Warehime, who doubles as general manager of Owatonna Public Utilities. The Tuesday morning session also featured a look at MMUA's positions on various issues.

Sen. David Senjem (R-Rochester) chair of the Senate Energy and Utilities Finance Policy committee participated in an interactive discussion of energy policy. Sen. Senjem said the direction toward decarbonization of the electric industry and transportation was clear but the path was less clear. He advocated a "common sense approach" to implementing change. MMUA had also invited an expert from the House of Representatives but that invitation was not accepted.

Sulem and Doug Carnival of the McGrann Shea law firm followed with a Legislative overview before members took the afternoon for visits with legislators.

Wednesday morning's program opened with member feedback from legislator meetings. These reports generally revealed good relationships and strong support for

### MMUA outlines its key legislative issues

Municipal utilities strive to provide services that are reliable, sustainable, and affordable. MMUA will evaluate how proposed legislation impacts a municipal utility's ability to achieve this goal. Among MMUA's issues and talking points for the 2022 legislative session are:

- Third party sales – MMUA will aggressively oppose any legislation that would allow the direct sale of electricity to a customer by anyone other than the utility within whose service territory the customer exists.
- Clean fuels standard – We will monitor and support, if possible, legislative proposals on this issue.
- Fuel neutrality – MMUA is also watching this issue and will oppose efforts to ban the use of particular fuels, such as a ban on gas stoves, or similar items.
- Electric Vehicles – We will weigh in as deemed appropriate.
- Pay Equity – Members should seek administrative remedies. There is a need to review and modify classification for certain positions and expand market comparisons to include IOUs and co-ops.
- Fuel switching – MMUA will keep working with 'ECO Act' working group to develop standards to be used for claiming CIP credit.

MMUA's issues and positions.

DER Conservation Improvement Program (CIP) Program Supervisor Anthony Fryer presented updates on CIP.

MMUA Government Relations Attorney Bill Black followed with the latest MMUA efforts to assist member electric utility compliance with the state's Inter-connection Requirements for Distributed Energy Resources.

City of Thief River Falls Electric Superintendent Dale Narlock and Information Technology Specialist Joanne

Olson discussed issues relating to Cybersecurity, Ransomware, and Municipal Utilities. They were joined by Darin Richardson of the League of Minnesota Cities Insurance Trust, Chuck Freeman of Morris Electronics and Rep. Kristin Bahner (DFL-Maple Grove). Rep. Bahner is an IT consultant and member of the Legislative Commission on Cyber Security.

MMUA notes that the APPA legislative rally is still expected to occur in-person in Washington, D.C., Feb. 28 to March 2.



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## MMUA presents legislative champion Senator Rarick with Public Service Award

The Minnesota Municipal Utilities Association (MMUA) annually presents just one or two deserving individuals with its Public Service Award. That honor was recently bestowed upon Minnesota Sen. Jason Rarick (R-Pine City).

Sen. Rarick was instrumental in the passage of the Energy Conservation and Optimization ACT (ECO) of 2021, MMUA's top legislative initiative and major focus for much of the 2019, 2020 and 2021 legislative sessions. Enacted May 26, 2021, ECO modernized the state's Conservation Improvement Program law, allowing utilities to better address a host of issues including the deployment of new and emerging electric technologies.

Sen. Rarick championed this legislative effort from its beginning. He understood the value of modernizing the statute and kept discussions going, often providing shuttle diplomacy between advocates and opponents.

Sen. Rarick worked to carefully craft amendments that addressed concerns but did so in a manner that did not negatively impact the bill.

Sen. Rarick persistently



Senator Jason Rarick (center) with his MMUA Public Service Award. Presenting the award at the Senate Office Building Jan. 26 were MMUA government relations staff Bill Black (left) and Kent Sulem. Rarick (R-Pine City) guided the MMUA's top legislative priority—the ECO Act—through last session.

worked to win over those who had expressed concerns or lacked understanding of the legislation. He then helped negotiate a workable compromise with the House, gaining a 58-9 vote on final passage on the bill.

In addition to ECO, Sen. Rarick defended municipal

and cooperative electric utilities against other problematic bills.

While MMUA announced the award late last summer, government relations staff Bill Black and Kent Sulem were pleased to present the award plaque in person on Jan. 26.

The MMUA Public Service award is presented to a local, state or federal elected or appointed official, who has demonstrated a commitment to the values and principles supported by MMUA and its member utilities.

MMUA, established in 1931, represents the interests of the state's 124 municipal electric and 33 municipal natural gas utilities, as well as water, wastewater and broadband utilities.



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## T&O:

*continued from front page*

The Tuesday afternoon motivational talk to open the meeting was delivered by Michael Melnik. Organizational change efforts often fall short of expectations, he said. In most cases the problem isn't the change itself, it's the environment into which the change is introduced and the methods used to implement and support this change. Melnik identified critical factors and offered time-tested strategies essential for success.

Next we devoted time to talk through topics requested by members, with A Group Discussion on Mutual Aid and More, facilitated by MMUA Director of Training and Safety Mike Willets. This session concluded Tuesday's program.

Wednesday's program started with Julie Kennedy and Jeremy Goodell of Grand Rapids Public Utilities discussing their Solar Plus Battery Storage Project: Experience and Implications. With an increasing reliance on renewable resources, the topic was of great interest.



Grand Rapids Public Utilities General Manager Julie Kennedy (standing at the podium) was joined by GRPU's Electric Superintendent Jeremy Goodell for a presentation on the utility's solar-battery storage project.

Much of the morning was devoted to facilitated round-table discussions, with members able to move freely among topic tables.

The morning concluded with Apprentice Lineworker & Rodeo Recognitions, presented by Willets.

Following lunch, the program broke into Manager or Crew Leader/Foreman tracks.

The Managers Track featured:

- What is Your Experience Modification (e-mod) Factor and Why is it Important to Your Utility/City? presented

by Katie Winge and Julie Jelen, League of Minnesota Cities. The e-mod calculation applies to your LMC insurance premium and can help you determine if your loss prevention efforts are effective and capture maximum cost savings.

- MMUA's On-Site/On-Demand 4-Year Apprenticeship Program: What's Making This Program So Successful? Willets described why this growing program has become standard for many members and answered questions. Utilities participating in the program provided testimonials.

- The Benefits of a Workplace Wellness Program, Mark Hottel, an MMUA safety contractor. Hottel discussed creating



MMUA CEO Karleen Kos met Associate Members at the Trade Show. Here she visits with Paul Cervantez, Kyle Miller and Ryan Haugsdal (from left to right) of Electric Power Systems.



Recently-accredited journeymen lineworkers, who worked through the apprenticeship process in conjunction with Northwest Lineman College and were recognized at the meeting included, from left to right: James Nelson of Henning, and Matt Kahle and Tyler Hanson of Shakopee Public Utilities. They are joined by MMUA Director of Job Training and Safety Mike Willets.

and sustaining a wellness program tailored for the typical municipal utility or city. While not without risks, such a program promises rewards and can be a win/win for all involved.

The Crew Leaders/Foremen Track included:

- Crane & Derrick Standard—Revisited. Is Your Digger Derrick Exempt From OSHA's Crane Standard? by Jim Olson, Terex Utilities. A bona fide expert on the topic, Olson helped attendees understand how OSHA's construction crane standard affects them.

- Switchgear Options & Limiting Systems Operations, by Steve Bode of Irby Utilities and Scott Vergin of Energy Product Sales. Advancements in equipment reliability, safety, capacity, operations and aesthetics of the overhead electrical system were examined.

- Tick and Lyme Disease Prevention, was presented by Brian Anderson, also known as The Tick Terminator.

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## Program:

*continued from facing page*

Minnesota is among the states that fall into the "High Incidence" category for Lyme disease. This entertaining presentation focused on the facts about ticks and how to minimize your risk of contracting Lyme disease.

• Writing New Bucket/Derrick Truck Specifications, by Ryan Scharnott and Troy Cappel of Altec, Inc. These two industry pros provided valuable insight with an inside look at how to write bucket/digger specifications.

The groups came together in the late afternoon for the rapid-fire Vendor Product Showcase, with a look at the latest goods and services for the utility industry.

The event everybody looked forward to came in the early evening, with the Trade Show & Reception. This fun and informative event allowed members to meet with suppliers, learn about new products and services, and catch up with colleagues from around the state.

Following the fun evening, Thursday morning's program started with a sobering look at a Culture of Care, by Spencer Beach.



The workshop featured interactive table-top exercises.

## With eye on mutual aid, MMUA holds Emergency Preparedness Workshop

MMUA held its annual Emergency Preparedness & Restoration Conference on Jan. 25-26 at the St. Cloud Holiday Inn. The conference focused on management and system operations in a mutual aid event.

The program kicked-off Tuesday afternoon with a look at 2021 mutual aid events and lessons learned from Hurricane Irma. The afternoon program concluded with a review of MMUA's mutual aid resources, including record-keeping and forms.

Wednesday morning included a review of the mutual aid focus at the 2021 Overhead School. Most of the morning was devoted to table-top exercises.

Discussion topics included:

- How to prioritize and organize a large-scale event

Spencer suffered a severe workplace burn and has since devoted his professional growth to understanding behaviors, why we do what we do (or don't do) and the impact of company culture, from a worker's perspective. We were glad he could share his inspirational safety message and insights with us.

Along with the Omicron strain of COVID, the world at the time of this meeting was also awash in federal money for various uses. MMUA Government Relations Director Kent Sulem shared information on the Infrastructure Investment and Jobs Act 2021: What's in it for Municipal Utilities? Sulem provided the most up-to-date information available regarding the \$1.2 trillion bill recently signed into law by President Biden.

Some of those federal funds are directed toward Distributed Energy Resources (DERs) and Electric Vehicles (EVs). MMUA CEO Karleen Kos and Sulem shared the latest data and engaged members in discussion.

Members had plenty to think about as they left in the early afternoon of a sunny, sub-zero day. We look forward to getting together again soon at various MMUA events.

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## MMUA thanks Associate Members and recognizes its 2022 Annual Sponsors

Municipal utilities are generally small compared to other utilities and often rely, to varying degrees, on business partners.

Many of these businesses have joined MMUA as Associate Members.

MMUA appreciates all its Associate Members, and particularly wants to recognize those who are supporting the association as Annual Sponsors.

The MMUA Annual Sponsorship offers a convenient way for a company to participate in our popular events and have a significant presence in and on our most visible communications vehicles.

MMUA thanks those Associate Members who recently renewed their Annual Sponsorships and those who signed-up for the first time!

Among the benefits Sponsors enjoy are:

- Recognition online at [www.mmua.org](http://www.mmua.org)
- Recognition as an Annual Sponsor on signage at MMUA events
- Recognition as an Annual Sponsor in MMUA publications

• One complimentary *Resource* newsletter ad, in color. In addition, sponsors receive a color, business-card sized ad in the Professional Services Directory (on pages 14-15 of the newsletter). Sponsors can also upgrade to a larger ad for an additional fee.

• One trade show table (including power) and two attendees at either the Summer Conference or Technical and Operations (T&O) Conference

• Two meeting registrations at either the Summer Conference or T&O Conference

• A variety of other acknowledgements throughout the year at various MMUA events and in other media.

Companies must be members of MMUA to participate as an Annual Sponsor.

For more information, go to the Sponsors/Become a Sponsor link on our website, or call Steve Downer at 763-746-0702. Questions regarding meetings should be directed to Rita Kelly at 763-746-0707.

Late sign-ups welcomed!

## MMUA obtains grant for regional safety group member

The Alexandria Lakes Area Sanitary District (ALASD) recently received an OSHA safety grant to install new railing in one of its facilities. The grant was prepared by MMUA Regional Safety Coordinator Keith Byklum following a Nov. 8 plant inspection, conducted with Plant Superintendent Troy Drewes and Assistant Plant Superintendent Jason Dahl.

As part of the evaluation, the safety team noted that employees and visitors entering the ALASD "Solids Building" need to walk on a loading dock elevated five feet above the ground. The walkway is

also used to access different areas of the facility.

It was observed that the railing in place was deteriorated and weak, creating the potential of falling if too much force was applied to it.

To prevent worker injury, a hazard control recommendation noted that the deteriorating railing needed to be replaced with a new safety railing system.

Byklum, in his grant application, recommended the purchase and replacement of the railing system following the OSHA 1910.29(b)-Guardrail System Requirements.

The total grant awarded

was \$9,312.60. The replacement of the guardrail system will help prevent possible costly fall injuries to both employees and visitors. Injuries sustained in a fall could involve, but would not be limited to the head, neck, and back.

## Distribution Design began busy MMUA workshop season

A busy run of MMUA workshops began Jan. 11-13 with Electrical Distribution Design, held at the MMUA office in Plymouth.

Taught by John Miner, PE, the workshop presented a comprehensive and practical overview of alternating current principles and applications, applied to the design of electric utility services for retail customers. Miner, president of Collaborative Learning, Inc., was joined by online instructor Tom Black, another registered professional engineer with a wealth of real-world utility experience.

"This workshop covered everything I was looking for and more," said one participant. "John did a great job of explaining everything. The information was very complex but he was able to present it in a very understandable way."

"Great information" and "great discussion," said another.

This workshop focused on practical considerations throughout. Those participating worked through application exercises while enjoying the opportunity to discuss issues with the instructors and peers.

Among the items studied were characteristics and selection criteria for distribution transformers, overhead conductors and underground cables. Estimating customer load was covered and participants learned about voltage drop and voltage requirements, with consideration of customer demand and power factor and voltage variations due to motor starting.

Code requirements were examined and design and layout criteria for underground subdivision layouts were considered, along with application examples and exercises.

The 17 participants earned up to 16.5 Professional Development Hours (PDHs) for attending this workshop.



Standing behind the new safety rail at the ALASD facility are, left to right: Assistant Plant Superintendent Jason Dahl, Plant Superintendent Troy Drewes, MMUA's Keith Byklum and Joey Bergs, ALASD Administrative Assistant/Communications Specialist.

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## Associate Member News

The Town of Langford, South Dakota has joined MMUA as an Associate Member.

Langford is a municipal utility that buys electricity and sells it to its residents.

City hall is located at 306 Main Street and the mailing address is P.O. Box 191, Langford, SD 57454-0191.

Contacts are General Manager Sean Kramer and Finance Officer Kaitie Stiegelmeier. Phone is 605.493.6457 and fax is 605.493.6761. Learn more online at [langfordsd.com](http://langfordsd.com)

MMUA has a new Associate Member: Electric Power Systems (EPS). Some of the people working for EPS will be familiar to MMUA members, as EPS recently acquired Energis.

EPS, a member of the Voltyx family, offers over 40 years of industry experi-

ence, service throughout the U.S., 24-hour customer service, and specialization in electrical acceptance and maintenance testing, commissioning, engineering and design, cyber security, system troubleshooting, and maintenance of equipment up to 765-kV for utility, industrial, data centers, renewables, commercial and institutional facilities. EPS is committed to providing a culture of safety and technical expertise. Subsidiary Electric Power Systems International is a full member of the International Electrical Testing Association.

EPS is located at 505 Pilot Street, Albert Lea, MN 56007. Phone is 507-383-4421 and you can learn more online at [www.epsii.com](http://www.epsii.com) and [www.eps-ed.com](http://www.eps-ed.com)

Main contact is Ryan Haugsdal, Project Manager. Email is [r.haugsdal@epsii.com](mailto:r.haugsdal@epsii.com). Other contacts include: Sales & Branch Mgr. Kyle Miller, [k.miller@epsii.com](mailto:k.miller@epsii.com); Minn. Ops. Mgr. Paul Cervantez, [p.cervantez@epsii.com](mailto:p.cervantez@epsii.com); Project Coordinator Rebecca

Gosz, [r.gosz@epsii.com](mailto:r.gosz@epsii.com) and Design Manager David Krause, P.E., whose email is [d.krause@eps-ed.com](mailto:d.krause@eps-ed.com)

Two small Wisconsin investor-owned utilities have joined MMUA as Associate Members. They are Northwestern Wisconsin Electric Co., and North Central Power Co., Inc.

North Central Power Company, Inc. is an electric utility engaged in the production, distribution, and sale of electric energy in Sawyer, Rusk, Washburn, Ashland, and Barron counties. The customer office is located at Radisson and the principal office is at Grantsburg, Wisc. The company serves approximately 5,350 customers and has been incorporated since 1928.

The company is located at 104 South Pine Street, Grantsburg, Wisc., and the mailing address is PO Box 167, Grantsburg, WI 54840-0167. Contact is James Dahlberg, president, who can be reached at [jimdahlberg@dahlberglightandpower.com](mailto:jimdahlberg@dahlberglightandpower.com) or call 715.945.2630. Fax is 715.463.2765.

Northwestern Wisconsin Electric Company (NWE) is an investor-owned regulated electric utility serving Burnett and Polk Counties in Wisconsin, and Pine County in Minnesota. NWE's corporate office is located in Grantsburg, Wisc. NWE has approximately 35 employees who proudly provide retail electric service to over 14,000 customers located in the communities it serves. NWE field staff maintain both the electric distribution and transmission systems that link the communities it serves. NWE has worked with the Minnesota Municipal Utilities Association (MMUA) since 2012 to provide Safety Programming and Compliance services to NWE's staff.

NWE is located 104 South Pine Street, Grantsburg and the mailing address is PO Box 9, Grantsburg, WI 54840. Main contact is John Richards, president. Phone number is 715.463.5371 or toll free: 800.261.1200. Fax is 715.463.2765. Learn more at [nweco.com](http://nweco.com)



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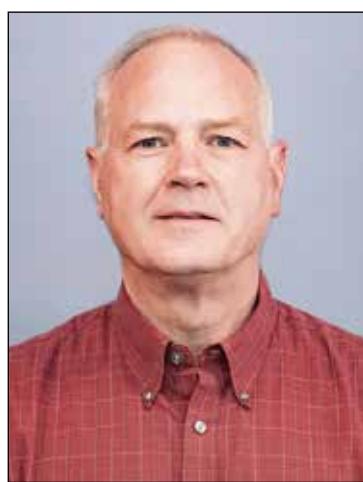
## Austin Utilities Commissioner Lutz named to APPA Policy Makers Council

Austin Utilities Commissioner Jay Lutz has been named to a one-year term on the American Public Power Association's (APPA) Policy Makers Council (PMC) by its Board of Directors.

The Policy Makers Council assists APPA on federal legislative issues. It also provides advice on other issues of importance to the Association. The PMC is made up of members who serve on utility boards or are elected officials in public power communities. Members of the Council meet a minimum of twice a year

and participate in meetings with elected representatives and congressional staff for the purposes of supporting APPA's national legislative agenda.

Lutz was elected to the Austin Utility Board of Commissioners in 2020 and is active in community affairs, including the Austin City Charter Commission, the Austin Planning Commission, the Cedar Valley Services Board of Directors, and the Mower County Humane Society. This is the first time an Austin Utilities board commissioner



Jay Lutz

has held a position with one of its national associations.

APPA represents 2,000 public power utilities before the federal government to protect the interests of the more than 49 million customers that public power utilities serve, and the 93,000 people they employ.

Austin Utilities is a municipal utility serving approximately 12,300 electric customers, 10,300 natural gas customers, and 9,000 water customers.

### CARDINAL-HICKORY CREEK TRANSMISSION PROJECT Mired in court battle

Legal issues continue for the \$492 million Cardinal-Hickory Creek transmission line, which is proposed to run 102-miles between Dubuque, Iowa, and Middleton, Wisc.

The proposed line is the last of the Midcontinent Independent System Operator's \$6.7 billion, 17-project Multi-Value Project portfolio approved in 2011. Regional grid planning has counted on the project becoming part of the transmission system.

On Jan. 14, the federal district court for western Wisconsin found that the Rural Utilities Service's environmental review of the project did not give adequate consideration to alternatives and faulted the U.S. Fish and Wildlife Service's decision to grant a right-of-way through the Upper Mississippi River National Wildlife and Fish Refuge.

The court requested briefs on remedies and language for a final judgment by Jan. 24.

Project partners American Transmission Co., ITC Midwest and Dairyland Power Cooperative said they remain committed to completing the project, which is expected to reduce energy costs, improve electric grid reliability and help support the interconnection of renewable generation in the Upper Midwest.

## MRES names Chris Olson its new CFO

Missouri River Energy Services (MRES) announced Jan. 20 that Chris Olson has accepted the position of Vice President and Chief Financial Officer (CFO) for the organization, effective March 7. He will replace Senior Vice President and CFO Merlin Sawyer who has completed over 35 years of service to MRES and will retire May 6.

Olson served as Finance Manager at ALP Utilities in Alexandria, for over 10 years and also as Assistant General Manager for more than three of those years.

ALP Utilities is a member of MRES. Olson received



Chris Olson

his Bachelor of Science in Accounting from Moorhead (Minnesota) State University.



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<sup>1</sup> [www.bls.gov/oes/current/oes499051.htm](http://www.bls.gov/oes/current/oes499051.htm) | <sup>2</sup> [www.bls.gov/oes/2017/may/oes499052.htm](http://www.bls.gov/oes/2017/may/oes499052.htm)

<sup>3</sup> [www.bls.gov/oes/2017/may/oes472152.htm](http://www.bls.gov/oes/2017/may/oes472152.htm)

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The City of Halstad will soon be installing an electric vehicle charging station. Installation will be partially funded through a grant from the area Clean Energy Resource Team (CERT), which also awarded a grant to Marshall County.

Grant monies ultimately come from the Minnesota Department of Commerce.

Halstad received \$5,000. The Level II station will be along Minn. Hwy. 200, near U.S. Hwy. 75, adjacent to the World's Largest Sugar Beet. The site is within an easy stroll of the city's commercial area.

Marshall County received \$4,000. Its station will be placed at a county facility in Warren.

The City of Pierz and Minnesota Power (MP) signed a service by exception agreement which stipulates that the city will install, own and operate electrical facilities in MP's service area to any current or new customer in city-owned property. The property includes the area to be used for an expansion of the municipal golf course

## Around the State

from 9 to 18 holes. The council approved the agreement Feb. 1.

Xcel Energy reported Jan. 27, as part of its integrated resource plan hearings before state regulators, that the decommissioned **Granite Falls** power plant would be demolished this year. The plant is a Minnesota River Valley landmark.

In January, **Austin Utilities** (AU) commenced demolition of the Northeast Power Plant and expects to complete the job in April. The total project cost is estimated at \$1.056 million.

In late November asbestos and equipment inside the plant were removed. All useable motors, power plant electric equipment and steel will be refurbished and reused by others. Other items of value were sold at an online auction.

AU continues to own a sub-

station and wellhouse located on the property.

The 30-megawatt power plant was completed in 1971 as part of a project to provide Austin with reliable power. The total cost to build the plant was \$7.5 million. The plant was decommissioned in 2016.

**Austin Utilities** and **Owatonna Public Utilities** both warned their customers in late January to beware of calls telling them they had overpaid on their account. The utilities assured customers they were not making these calls and to not give any personal information over the phone, unless the customer initiated the phone call to the utility.

The utilities said, "If we were to call you, we would leave a message with a phone number to call us back and it would be a local number." They also thanked customers who contacted them to make them aware of the scam.

Inflation is rising at the fastest level in decades, and more proof emerged at the **City of Rushford** January council meeting, when the council was informed that downtown flower baskets will cost \$9 more per basket than the previous year, when they had been placed at 82 locations. The availability of the volunteer watering crew was also unknown. The topic was held over for further discussion.

Staffing shortages have led to delayed postal service in **Moorhead** and also affected emergency services and law enforcement, according to local Fargo-Moorhead media reports. Retirements and issues around COVID-19 were cited as factors.

**North Branch** will see the addition of a Tesla electric vehicle charging station. It will be located on the east side of I-35W and north of Minn. Hwy. 95 at the Holiday gas station. There will be a total of eight charging hook-ups.



The UPM Blandin Paper Company facility is located on the Mississippi River and occupies a prominent place in the heart of Grand Rapids. The company recently participated in wastewater system improvement with partners, including Grand Rapids Public Utilities.

**Grand Rapids Public Utilities** (GRPU) is operating a new wastewater Super-Oxygenation system, which significantly reduces odor issues and improves water quality by eliminating discharge of residual chemicals into the Mississippi River.

The new system eliminates most chemical use by introducing dissolved oxygen into the waste stream, which prevents the formation of odor-causing hydrogen sulfide.

The new infrastructure will significantly reduce GRPU's industrial wastewater treatment plant operations and maintenance costs, which are passed on to UPM Blandin Paper Company through rates.

GRPU's service area includes the cities and outlying areas of Grand Rapids, LaPrairie and Cohasset and a total of around 12,000 people. Iron Range Resources & Rehabilitation supported the project with a \$300,000 Development Infrastructure grant to the city. Total project investment was \$810,000.

Other infrastructure funding partners included the city of Grand Rapids, GRPU, UPM Blandin, Blandin Foundation and Itasca Economic Development Corporation.

Public hearings were held Feb. 1-2 at the **Windom** Community Center regarding the Application of Big Bend Wind, LLC for a Certificate of Need, Site Permit, and Route Permit for an up to 308 MW

Wind Farm and Associated 161-kV Transmission Line in Cottonwood, Martin, and Watonwan Counties.

The hearings also addressed the related application of Red Rock Solar, LLC for a Certificate of Need and Site Permit for an up to 60 MW Solar Facility in Cottonwood County.

**Willmar** will be the site of a new 217,000-square-foot logistics facility being constructed on 27 acres in an industrial park on the west side of Willmar. Project costs were estimated at \$30 million.

The **City of Anoka** is considering a plan to expand the offerings at its city-owned golf course. The initial cost estimate is \$6.9 million up to \$11 million, depending on amenities selected.

Financing the improvements could come from a land sale, tax abatement bonds and an up to \$3 million loan from the municipal electric utility.

The former Seaway Hotel in **Duluth** burned for seven hours Jan. 10 while fire crews battled arctic conditions as well as flames. The vacant structure has been condemned since 2020. Minnesota Power shut off electricity to a seven-block area and businesses and residents were evacuated.

Assisting fire crews from Duluth and Superior, Wisc., were Duluth Public Works and Comfort Systems (natural gas utility) crews, who helped thaw and keep hydrants open. Sand dikes were built to divert water from businesses, while other crews rotated fire hoses to keep them from freezing. Wind chills ranged to -35 during the daylong ordeal.



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### Ads

#### Regional

#### Safety Coordinator

Minnesota Municipal Utilities Association is accepting applications for Regional Safety Coordinator. This position will serve as safety coordinator for a group of cities and public power electric utilities located in Southwestern Minnesota. Duties of this position include identifying, developing and delivering training and ensuring compliance with regulatory and safety standards. Applicants must possess a strong background in OSHA/safety compliance and solid teaching skills. Travel required. Salary DOE. EEO. Please submit resume and cover letter to: Mike Willetts, MMUA, 3131 Fernbrook Lane North, Suite 200, Plymouth, MN 55447. [mwilletts@mmua.org](mailto:mwilletts@mmua.org)

#### Regional Safety Coordinator/Job Training & Safety Instructor

Minnesota Municipal Utilities Association is accepting applications for Regional Safety Coordinator/Job Training & Safety Instructor. This position will serve as safety coordinator for a group of cities and public power electric utilities located in South Dakota and Western Minnesota. Duties of this position include identifying, developing and delivering training and ensuring compliance with regulatory and safety standards. Applicants must possess a strong background in OSHA/safety compliance and solid teaching skills. Safety professionals having technical line-worker skills are an advantage but not required. Travel required. Salary DOE. EEO. Submit resume and cover letter to: Mike Willetts, MMUA, 3131 Fernbrook Lane North, Suite 200, Plymouth, MN 55447 or send him an email at [mwilletts@mmua.org](mailto:mwilletts@mmua.org)

## Bits & Pieces

WBI Energy, a subsidiary of MDU Resources Group, announced Feb. 1 that it completed the North Bakken Expansion Project, which will transport natural gas from the Williston Basin to a new interconnect with Northern Border Pipeline's existing mainline in McKenzie County, North Dakota.

See top of next page please

*continued from previous page*

The 62-mile long, \$260 million pipeline in western North Dakota is expected to add 250 million cubic feet of natural gas per day to the pipeline network.

SP Global predicted steady dry gas production growth this summer. Elevated oil prices and expanded infrastructure could lead to growth.

Meanwhile, New York City has banned new natural gas service connections. And the Environmental Protection Agency has urged the Federal Energy Regulatory Commission to delay natural gas infrastructure proposals until it revises how it reviews proposed projects, including a closer look at greenhouse gas emissions.

The Midcontinent Independent System Operator's resource adequacy stakeholder group is working on new accreditation designs. Driving the need is a "fundamental shift" in the resource mix to renewable energy. The topic is expected to be controversial.

The Resource Adequacy Subcommittee (RASC) met Jan. 26.

On Jan. 26, the Biden administration reinstated a moratorium on two federal mineral leases held by Twin Metals Minnesota, clouding the company's work to develop an underground copper, nickel and precious metals mine seven miles east of Ely.

The Obama administration was the first to decline a renewed lease, but the Trump Administration renewed the leases in 2019.

The development proposal has been the subject of an environmental review and permitting process by state and federal regulators, which began in 2019.

Environmental interests cheered the moratorium. Supporters of the development noted the mine would provide jobs and critical supply chain minerals necessary to address climate change.

In a related development, the Biden Administration has also proposed a 20-year moratorium on new copper-nickel mining proposals in the Boundary Waters Canoe Area watershed.

MidAmerican Energy said Jan. 19 that is planning a \$3.9 billion investment to develop 2,042 megawatts (MW) of wind and 50 MW of solar and explore new technologies

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in the company's quest to approach net-zero emissions. If approved, the company would begin construction of the new generating resources by late 2024. The company did not announce where the generation would be sited.

The company, based in Des Moines, Iowa, reportedly provided 88 percent renewable

energy to its Iowa customers last year.

MidAmerican is owned by Warren Buffet's Berkshire Hathaway.

Among the technologies the company proposes to study: energy storage, small modular nuclear reactors and carbon capture.

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## MMGA:

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is a sister organization to MMUA. MMGA was formed to provide a conduit for Minnesota municipal gas utilities (and others beyond our state) to finalize a prepaid gas deal which would provide financial savings and benefits to customers.

Parties to the original agency agreement included the cities of Austin, Circle Pines, Clarissa, Eagle Bend, Fairfax, Hibbing, Hutchinson, New Ulm, Owatonna, Perham, Tyler and Virginia. These and other utilities sought to participate in various gas prepay deals over the years.

A gas prepay is a complicated financial transaction and calls for attention to the details with a number of working partners.

"A prepay can be an important gas pricing hedge for the MMGA members – and the agency is currently working on a prepay with significant potential savings," said MMUA Executive Director Karleen Kos.

The gas prepay market died during the Great Recession and MMGA's prepay deals died with it.

With changing economic conditions, in 2018 MMGA was invited to participate in a new prepay transaction. Progress on the transaction was slowed by the pandemic-related market turndown, but conditions are now potential-



Dennis Danielson

ly more favorable for putting together a successful prepay deal.

Participants in the possible transaction include municipal gas utilities from Minnesota and other states, as well as municipal electric utilities purchasing gas for their generating units. Participants have provided gas volumes required to help size the prepay proposal.

MMGA is a municipal corporation and a political subdivision of the State of Minnesota and may finance, acquire, operate and dispose of projects, located within or outside the state, for the production, exploration, transmission or storage of gas resources, and to enter into contracts for various purposes including to secure an adequate, economical, and reliable supply of gas.

Under the guidance of its board of directors, consultants and President and CEO Jack Kegel, who has retired from MMUA but remains in place at MMGA, MMGA members recently amended the agency agreement to publicly-owned



MMUA's natural gas services range from working to arrange economical gas purchase deals to working with member utilities on a variety of operational tasks.

operators of electric generation. MMGA, under state law, may now also exercise the powers of a municipal power agency in a tax-exempt prepaid energy transaction.

"This gives the Agency substantial flexibility in planning for its future needs and those of its members," Kegel said. "With the new power granted by the legislature, MMGA can provide a long-term discounted gas contract to a publicly-owned electric generating utility and allow the utility to convert the contract to a discount from market purchases of electricity if the generation shuts down. To reflect this wider scope, MMGA will be doing business as Minnesota Community Energy."

Mark Nibaur serves as the MMGA Board President. Nibaur is general manager of

American Public Gas Association boards of directors, and an MMUA board member and past president.

"Participants in the pending transaction include municipal gas utilities from Minnesota and other states, as well as municipal electric utilities purchasing gas for their generating units," Nibaur said. "While there are a lot of moving parts at this time, a successful prepay promises to bring substantial cost savings to our utilities and customers."

While the success of any gas prepay deal relies on timing and the vagaries of various markets, MMUA remains committed to helping its natural gas utility members succeed in matters large or small.

## Billing error variance approved in overcharge docket

The Minnesota Public Utilities Commission Jan. 20 approved an expedited billing variance process and a billing error variance for Minnesota Power (MP).

While the state's billing error variance rule (Minnesota Rule 7820.3800 (Electric Utility Billing Errors)) does not apply to locally-regulated municipal utilities, municipals may want to consider state actions on the issue.

In the particular case involving Minnesota Power, it had overcharged a customer during the billing period October 2014-May 2021. The overcharge was due to a change to

the customer's metering that was not updated on the customer's account. This error resulted in a double billing for service and an overcharge of \$73,282.51.

Under Minnesota Billing Error Rules, utilities are permitted to issue refunds to customers who have been overcharged within the past three years.

MP knew the date of the error; however, the duration was beyond the three years specified in Minn. Rules. MP sought the one-time rule variance as well as a one-time modification to their Billing Adjustments tariff.

## Upcoming Events

### Substation School

April 5-7, MMUA Training Center, Marshall

The substation is arguably the most important piece of your electrical system. MMUA is pleased to partner with Minnesota Rural Electric Association (MREA) on this year's School.



In addition to classroom instruction on a variety of substation-related topics, participants will go behind the scenes and tour the Marshall Municipal Utilities' newest substation

Registration deadline is March 14.

### Generation School

April 19-21, Hutchinson

Generation School offers participants valuable classroom and hands-on instruction plus networking opportunities for generator operators and technicians. Whether a seasoned operator or just starting out in the field, all can benefit.



This year we will offer in-plant, hands-on instruction Cooper, Enterprise and Fairbanks Morse engine sets. Plus we'll tour Hutchinson Utilities Diesel Plant.

Deadline to register is March 28.

### Underground School

May 10-13, MMUA Training Center, Marshall

The Underground School offers a hands-on training track with a variety of training sessions and an advanced technical course. Whether you are a seasoned Journeyman looking to stay current or are an Apprentice just starting out, this school offers something for everyone.



Individuals registered for the Multi-Session Class will rotate through six different sessions, covering a variety of topics that can enhance safety and improve efficiency.

Deadline to register is April 18.

### Competent Person & Excavation Safety Workshop

May 24-25, MMUA Training Center, Marshall

Mark your calendar now for this important school!