

Lyon leaves Melrose improved over 42-year municipal utility career

by Steve Downer

Dale Lyon didn't learn about electricity by reading a book or at a computer, though there was plenty of that along the way—he learned by making and distributing it, to friends and neighbors.

Lyon, the electrical supervisor for Melrose Public Utilities, retires Aug. 11. That is 42 years, to the day, that he went to work for the municipal electric and water utility.

It didn't seem like a long time, he said. "It went fast."

Lyon was 23 when he answered an ad in the local paper, for a person to work at the Melrose power plant. He was hired.

The plant, at the time, was staffed 24 hours a day, seven days a week.

"We ran a lot," Lyon said.

He worked three different shifts, during a week. It might

have been hard on his sleep pattern, at least initially, but he learned just about everything there was to know about plant operation.

He worked seven years in the plant. He soaked up everything he could, but his goal was to get outside on the line crew, which he joined in 1982. He was named line foreman in 1985, as the city distribution system was being converted from delta to wye.

As a lineman, it helped to understand generation and the different feeders that carried electricity from the plant. He continued to learn as he worked. He isn't shy to admit that the experience he gained led to "a very good understanding of the electrical system and how it worked."

He was named electric supervisor at the turn of the century,



Dale Lyon retires August 11 after 42 years with Melrose Public Utilities.

and is responsible for substations, lines and generation.

Driving through the city in his pickup, he remarked that

the Melrose distribution system is "completely new" from when

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The RESOURCE

Official Publication of the
Minnesota Municipal Utilities Association



July/August
2017

Volume 24, No. 18

Periodicals
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Benson, Hibbing, Virginia compromise with Xcel on removal of biomass energy mandate

by Steve Downer

Three MMUA members—Benson, Hibbing, and Virginia—this past legislative session partnered with Xcel Energy in finding a compromise that benefited all three communities while saving millions of dollars for ratepayers in the Xcel Energy service territory.

In 1994, the Legislature granted Xcel Energy (then Northern States Power Company) expanded storage capacity for spent nuclear fuel at the Prairie Island nuclear power plant. As part of the deal-making around that bill, the Legislature mandated Xcel purchase 125 megawatts of biomass-produced electricity, and also established a Renewable Development Fund (RDF).

Eventually, the biomass power was supplied by a newly-developed, privately-owned plant in Benson, by St. Paul District Energy, and by municipal power plants owned by the Hibbing and Virginia municipal utilities. The municipal utilities created the Laurentian Energy Authority (LEA) to supply the biomass power.

The 2017 Legislature ended the biomass-purchase mandate, and includ-



The Benson Power plant burned turkey 'litter' and wood chips to produce electricity. The renewable technology worked, but also proved to be uneconomic.

ed a number of stipulations (funded from the RDF) to ease the coming economic dislocation.

The legislation provides that an amended or terminated power purchase agreement must be presented to the Minnesota Public Utilities Commission and be agreed to by all parties. The legislation specifically exempted the St. Paul District Energy plant, which will keep on producing during the remaining six years of its agreement.

The Benson situation is unique. Benson is home to Benson Power (formerly Fibrominn), a privately-owned company. The plant there has burned turkey 'litter'

and wood chips to produce power since 2007.

Benson Power paid approximately \$929,000 in property taxes to the state, county, school and city in 2016, and provides approximately a quarter of the city's levy. It was the city's largest utility customer, purchasing nearly \$200,000 in electricity, water and sewer services annually.

Xcel has agreed to compensate the City of Benson more than \$20 million, payable over four to six years, for infrastructure and related costs. Xcel will pay property taxes on the plant for two years beyond its closing.

Biomass: see page 7 please

Willmar to decommission district heating system

The Willmar City Council on June 19 unanimously approved a resolution to shut down the Willmar Municipal Utilities district heating system. The vote followed a public hearing, at which nobody spoke.

The Council vote followed a May 22 action by the Willmar Municipal Utilities Commission, which approved a resolution to decommission the district heating system. The Commission decision followed years of research and deliberation.

State law requires a two-year notice before shutting down a district heating system. Willmar policymakers decided three years was more acceptable, and set July 1, 2020, as the decommissioning date.

The decision to get out of the heating business was based on economics.

A study requested by the Commission in 2014 showed that significant upgrades to the system would be needed in the near term. Paying for those improvements would lead to a doubling of rates. Even at current rates, heating customers were leaving the system, and saving money by converting to a natural gas-fired furnace or boiler.

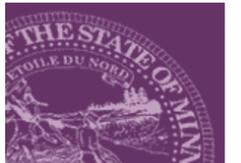
District heating customers and the public were well-informed of the pending shut-down.

At an April 3 Commission-Council work session, Utility General Manager John Harren reported that in 1990 the utility had 394 district heating customers, but that number had dwindled to 218 residential and commercial customers. (By the time of the Council

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MPUC drops complaint over gas service to Vikings; opens look at competition

by Steve Downer

Xcel will serve natural gas to the new Minnesota Vikings corporate headquarters and practice facility in Eagan, despite a complaint to the Minnesota Public Utilities Commission (MPUC) from Minnesota Energy Resources Corp. (MERC)

The MPUC on June 8 dismissed the complaint, but that isn't the end of the story.

Was the complaint an anomaly with a high-profile customer, or the tip of a competitive iceberg in an rate-regulated industry with no defined service territories?

To get to the bottom of that question, the MPUC will open a generic docket to review and investigate the parameters of inter-gas utility competition that involves the duplication of existing facilities. That docket will also review and investigate the use of promotional incentives and other non-tariffed payments provided by utilities to their existing customers and potential future customers.

The 200 acres in Eagan purchased by the Vikings was formerly owned by Northwest Airlines. MERC provided gas service to the airline head-

quarters.

In March 2017, Xcel-Gas and the Vikings entered into a Natural Gas Competitive Agreement, whereby Xcel would provide natural gas service to the entire 200-acre development site. In April 2017, the Vikings requested MERC remove its facilities. MERC did so.

MPUC staff said it appeared both utilities were offering service in accordance with their tariffs. However, it said Xcel-Gas was offering a "stimulus package" consisting of promotion incentives, potential tax savings and conservation rebates. Essentially, said MPUC briefing papers, "Xcel-Gas is paying the Vikings to take its service."

Staff said it was "uncertain of the legality of Xcel-Gas's incentives" or if the incentives are in accordance with the company's tariff.

MERC proposed to provide service through its firm sales service applicable to the projected load, at tariffed rates.

Neither utility required the

customer to provide a Contribution in Aid of Construction for the necessary facilities to provide service.

In its complaint, MERC argued the area was located entirely within its natural (though not exclusive) service territory, which it has long served. MERC alleged that Xcel's actions were inconsistent with Minn. Stat. 216B.01 and existing Commission policies.

The statute cited reads, "It is hereby declared to be in the public interest . . . to avoid unnecessary duplication of facilities which increase the cost of service to the consumer and to minimize disputes between public utilities which may result in inconvenience or diminish efficiency in service to the consumers . . ."

MERC also expressed concern over safety and stranded cost issues. It said "customer poaching," particularly of a large customer, could adversely affect rates for its other customers.

Xcel said it provided the Vi-

king with a proposal to serve the area, that it believed MERC also submitted a proposal, and that the Vikings selected Xcel as its gas provider.

MPUC staff said it appeared duplicate facilities would result from Xcel service to the customer. It said MERC's estimates to serve the customer were substantially less than Xcel's estimated construction costs. Xcel's proposed facilities would cross underneath Interstate 494 and involve construction along various county highways, whereas MERC's construction would involve constructing service lines from its pre-existing main.

Staff broached the subject of requiring Xcel-Gas to make payment to MERC for remaining facilities costs and revenue losses. It notes this was "relatively normal" with electric utilities. The MPUC did not require any such payment.

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SMMPA, EDF partner on 100 MW wind project

EDF Renewable Energy has signed an agreement to supply Southern Minnesota Municipal Power Agency (SMMPA) with 100 megawatts (MW) of wind energy from the Stoneray Wind Project in Minnesota beginning in 2020. Construction is expected to commence in early 2018 with an anticipated commercial operation date (COD) of December 2018.

Stoneray Wind Project, located in Pipestone and Murray counties in Southwestern

Minnesota, will be comprised of up to 50 wind turbine generators. The project was made possible due to grid transmission expansion and is expected to result in more than 150 construction jobs and 10 long-term, full-time positions, as well as millions of dollars in economic benefits to the local area.

SMMPA had previously worked with EDF on the 100.5 MW Wapsipicon Wind project.

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MMUA The Resource USPS #009836. ISSN: 1080-3750 is published 11 times a year, combining July-August, by MMUA at 3025 Harbor Lane North, Suite 400, Plymouth, MN 55447. Periodicals postage paid at Mpls., MN and other mailing offices. **POSTMASTER:** Send address changes to MMUA The Resource, 3025 Harbor Lane North, Suite 400, Plymouth, MN 55447. Annual subscription rates: \$12 per subscription (included in dues), associate members, \$12 (included in dues). 3025 Harbor Lane North, Suite 400, Plymouth, MN 55447. 763-551-1230, members 1-800-422-0119. FAX 763-551-0459.

Pieces of federal budget proposal have potential to adversely affect public power

by John Godfrey, Senior Government Relations Director, American Public Power Association

President Donald Trump recently sent Congress a budget for Fiscal Year 2018 that proposes cutting federal spending by \$24 billion in 2018 and by \$3.6 trillion over the next decade, while boosting federal revenues by \$2.7 trillion over the same period, to bring the federal budget into balance by 2027.

Overall, non-defense Department of Energy programs would be cut by \$3 billion (17.5 percent) in 2018. That average, though, masks massive cuts to specific DOE offices. For example, the budget proposes cutting the Office of Energy Efficiency and Renewable Energy by \$1.4 billion, a 69 percent reduction from Fiscal Year 2016 funding levels.

Likewise, the Office of Electricity Delivery and Energy Reliability would be cut by \$389 million (42 percent) including the assumed elimination of \$5 million in funding for “cyber and cyber-physical

Washington Report



solutions for advanced control concepts for distribution and municipal utility companies,” a program used to fund cybersecurity cooperative agreements between DOE and the American Public Power Association and the National Rural Electric Cooperative Association.

The budget would also eliminate funding for the Low Income Home Energy Assistance Program. The budget cites as one reason for eliminating the program a 2010 Government Accountability Office report which found the program needed greater controls to prevent fraud. The budget also notes that 15 states prohibit utility companies from cutting off power and/or electricity to customers in extreme weather.

The budget would also extend for an additional two years the sequestration of mandatory spending programs, including payments

to issuers of Build America Bonds. As a result, the budget provides no specific rationale for this proposal, which would extend payments through 2027.

The budget is largely silent on the issue of tax reform, simply restating general principles announced by the Administration earlier. However, the budget assumes that tax cuts provided by tax reform will boost real GDP growth to 3 percent per year (up from consensus projections of real GDP growth of 2 percent), generating an extra \$2 trillion in new revenue for the federal government.

Overall, the scope of changes proposed in the budget would be historic if enacted. For example, non-defense discretionary spending would be cut by 42 percent by 2027, putting non-defense spending at its lowest level (as a percentage of GDP) since before World War II.

The budget also proposes raising \$700 billion in new revenues for the federal government (in addition to the \$2 trillion spurred by eco-

nomie growth)—some from new fees, some from the sale of federal assets such as parts of the Strategic Petroleum Reserve and transmission assets of the Power Marketing Administrations. Again, revenue increases of this magnitude would be well outside historic norms.

On the one hand, the scope of these budget proposals make them unlikely to be enacted.

On the other hand, the scope of the cuts also makes it clear that these provisions were not included because of budgetary concerns, but for philosophical ones. For example, the \$5.5 billion that would be raised by selling PMA transmission assets is not even a rounding error to the \$3.6 trillion in spending cuts proposed elsewhere in the budget. The scope of the cuts will also make it more difficult to defend specific programs. There are only 535 members of the House and Senate, while there are hundreds of programs the Administration is proposing cutting or eliminating.

As a result, while it is true that the budget proposal itself stands very little chance of being enacted into law, we are taking quite seriously the specific proposals it contains.

Trade groups, lawmakers oppose proposal to sell transmission assets

On June 6, the Association and the NRECA sent a letter to Energy Secretary Rick Perry expressing strong opposition to the proposal in President Trump’s FY 2018 budget request to sell the transmission assets of three PMAs.

They noted that PMA costs “are paid by customers and not the federal government; none of the costs are borne by taxpayers.”

Fifty bipartisan House members sent a letter to the Chairman and Ranking Member of the House Budget Committee June 26, opposing the provision to sell the PMA transmission assets.

Signing the letter were Minnesota’s Tom Emmer, Collin Peterson, Rick Nolan and Tim Walz.

MPUC requests ALJ in cooperative ‘DG’ fees docket

The Minnesota Public Utilities Commission June 15 requested the appointment of an Administrative Law Judge to oversee certain aspects of an investigation of fees charged to qualifying facilities by cooperative electric associations under the 2015 amendments to Minn. Stat. 216B.164, subd. 3.

The MPUC docket was initiated in June 2016, following receipt of customer complaints. In February of this year, the Department of Commerce requested that the proceeding be suspended pending the outcome of the legislative session, particularly in regard to proposals to amend MPUC authority involving cooperative and municipal utilities.

Under the 2017 amendments to Minn. Stat. 216B.164, Article 10, Section 8, a new Subd. 11 states the Commission may complete its investigation of cooperative fees for net-metered customers (DG fees), “if the Commission determines that completing the investigation is necessary to protect the public interest.”

The amendments adopted by the Legislature stipulate that the MPUC investigation must be complete by the end of the year.

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Willmar:

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vote, that number was 209.)

As the Commission and utility staff continued to gather data and consider options, they reached out to customers. They shared the numbers and took note of customer thoughts and concerns.

District heat covers downtown Willmar and some residential areas on the north and northwest side of the city. Customers include three schools, Rice Memorial Hospital, city buildings, three buildings owned by the utilities, the Kandiyohi County courthouse and Willmar Public Library (the system's first customer).

Utility staff will provide some reasonable level of assistance to customers as they convert heating systems.

Willmar Municipal Utilities has been in business since 1891. The heating system was built in 1913.

In 1982, the utility modernized the heating system to utilize hot water, rather than steam, increasing efficiency. As part of that renovation, the utility rebuilt the entire distribution system. The district heating program started serving only the commercial,



The Willmar Municipal Utilities cogeneration plant looms behind the utility office building on U.S. Hwy. 12 in downtown Willmar. The utility has been in business since 1891 and the district heating system dates back to 1913.

institutional and industrial buildings in the core business district, but began expanding in 1983 and continued expanding until 1990. The most recent expansion was to the Rice Memorial Expansion Project in 2003.

Power plant study continues

While supplying hot water for distribution, the local power plant co-generates approximately 5 megawatts (MW) of power. The utility's peak load is well over 60 MW in the summer and in the mid-40s in winter. Most of the electricity sold by the utility is purchased on the open market, through power supply

contracts.

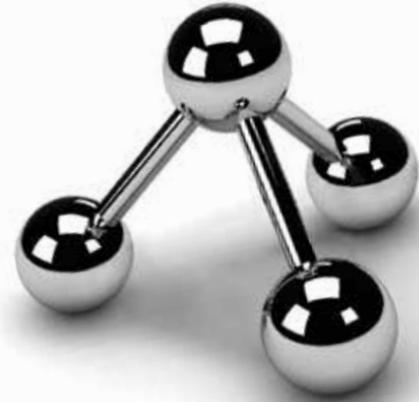
The same study that showed a dire economic future for the district heating system also considered the future of the utility's electric generating plant. Eliminating district heat would lead to greater electric generating efficiencies, according to the study, and open up more potential options for local generation.

With the district heating decision taken care of, commission and staff will further study options for the power plant. Depending on wholesale electric market conditions, power supply savings could increase if the power

plant ceased operations and the utilities purchased all the power needed.

Information is being shared with utility staff regarding the district heat and power plant upgrade discussions as it becomes available, and

ideas are being gathered regarding employee training, severance, possible retirements and other employment opportunities for those who might be affected.



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MMUA taking nominations for individual, utility membership awards

Doing an outstanding job locally is expected. So it often takes somebody from outside your community to recognize outstanding achievement.

At times, recognition of an individual is called for. These individuals can be utility employees, policymakers, or even a citizen. At other times, the utility as a whole should be recognized.

In addition, individuals outside of our cities and/or utilities often play significant roles in advancing the interests of public power. These people should also be recognized.

Those reasons, in part, are motivating factors behind the MMUA Awards and Recognition program.

The MMUA Nominations and Awards Committee and the MMUA Board of Directors have approved the following slate of awards.

While eligibility for the awards may vary somewhat, in general individuals and utilities must represent or be MMUA Regular Members.

Individuals cannot receive the same award twice. Utilities can earn awards once every five years.

All nominations of MMUA's Awards and Recognition Program will be forwarded to the MMUA Nominations and Awards Committee for their consideration. Awards will be presented at the MMUA Annual Summer Conference Aug. 21-23.

MMUA Honorary Lifetime Membership

This prestigious award symbolizes a long professional life dedicated not only to the advancement of municipal utilities locally, but also for the betterment of our industry on a state-wide basis.

Eligibility: Individuals who have concluded or are about to conclude a long and distinguished career in the municipal utility industry.

Criteria: Nominees should have:

- a long professional life dedicated to the achievement of

excellence in the municipal utility industry; a strong record of involvement in MMUA and efforts on behalf of the betterment of the industry on a statewide basis.

Public Service Award

This award is given to a state or federal elected or appointed official who has been a strong supporter of MMUA and its members.

Eligibility: Any publicly elected or appointed official at the local, national or state level whose activities have advanced the objectives of public power.

Criteria: Nominees should have:

- made substantial contributions to public power;
- made contributions with lasting impact.

Community Service Award

This award is given to an individual who has performed long and well in support of a municipal utility at the local

level.

Eligibility: An individual who has a long record of service to an MMUA member utility.

Criteria: An individual who has performed long and well at the local level, but who may not have the level of involvement with MMUA to merit a lifetime membership.

Distinguished Service Award

This award is given to individuals who perform outstanding service in support of the association and its goals.

Eligibility: Individuals who demonstrate leadership on various issues.

Criteria: Performance of outstanding service in support of the association or its goals.

System Innovation Award

This award is given to a utility that has demonstrated leadership and innovation in customer service, energy efficiency or renewables, technol-

ogy, or other areas.

Eligibility: The utility must be an MMUA Regular Member system.

Criteria: Nominees should have achievement or sustained performance that:

- was widely recognized in the public power field;
- served to enhance public power's prestige;
- improved service to their communities;
- represented an earnest, coordinated effort on the part of the system.

Nomination forms for each award are available on the MMUA web site in the About/Awards and Recognition section.

Nominations are due to the MMUA office by July 25, 2017.

Please submit nomination forms to MMUA via e-mail at tneddermeyer@mmua.org, via fax at 763-551-0459, or via U.S. mail at 3025 Harbor Lane N., Suite 400 Plymouth, MN 55447.

Nominations being taken for open seats on MMUA Board; three directors up for re-election

The MMUA Nominations and Awards Committee is now accepting nominations for the MMUA board of directors. Board members traditionally serve two three-year terms.

Two current board members will be completing their years of service on the board.

William Wroolie, Brainerd Public Utilities Commission-

er and past MMUA president, will complete eight years of board service at the upcoming summer meeting. Wroolie was elected to fill out a departing board member's term, in September 2009. He was elected to the board in August 2011 and re-elected in August 2014.

Chuck Heins, superintendent of Redwood Falls Public

Utilities, was elected to fill the unexpired term of a departing board member in 2011 and was re-elected in 2013. Having served six years, Heins has decided to step down, in part to set the board succession schedule back on track.

MMUA thanks Heins and Wroolie for their dedication and outstanding contributions to the association.

Along with the two openings, three current board members will be up for re-election for a second three-year term. They are: John Crooks, Utilities Manager, Shakopee Public Utilities; Chris Olson, Finance Manager, ALP Utilities (Alexandria); Vernell Roberts, General Manager, Detroit Lakes Public Utility.

In selecting board nominees, the MMUA Nominations and Awards Committee will consider the following: personal integrity, independence and knowledge of the industry, providing a broad geographic balance on the Board representing all sizes and types of utility operations; a commitment to the promotion of municipal ownership of utilities; willingness to commit the time and energy necessary to the organization and the office; and a demonstration of interest in the affairs of the members and the Association through active participation and in furtherance of the goals and purposes of the Association.

Nominees must be designated representatives of member municipalities to be eligible for election. The Nominating Committee will not discriminate against age, race, sex, sexual preference or national origin in the nominating process.

Forms for submitting nominations to the MMUA board are available. Nomination forms for each in the About/Awards and Recognition section.

If you have any questions, you may contact John Crooks, MMUA President-Elect and Nominations and Awards Committee chairperson, at 952-445-1988, ext. 1511.

Nominations will be accepted through July 25, 2017.

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Lyon:

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he started. The distribution voltage is now 12,470 in the city, and 7200 delta over 16 miles of rural line, running to the north and east.

Half the Melrose distribution system is now overhead; half underground.

It may have been work, but it didn't seem like a job. He always enjoyed the challenge of understanding elec-

trical equipment and how it worked.

He is quick to thank others. Without prompting, he said the training provided by MMUA was very valuable. He also learned a lot by talking with other municipal people at workshops and meetings. Lyon said he also worked with and learned from excellent engineers.

He was glad, as the years went on, to fill the role of mentor to others.

The utility would do any-



The Melrose electric crew includes, from left to right, Pat Lomax, Steve Scholz, Dale Lyon and Jesse Umland. In the background is one of the power plant engines and generators.



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thing it could to improve reliability. And that didn't include just the electric crew.

"I had one of best utility commissions to work with," he said. They could see what was needed, and never objected to building something more reliable and efficient.

As technologies developed and improved, Melrose made good investments, including automated metering infrastructure and a good System Control and Data Acquisition (SCADA) system. The SCADA screens are up and running continually in the utility office.

Line losses were 12 percent in the mid-1970s; they are now less than 2 percent. Reducing losses was a systematic undertaking, which included buying good materials and high efficiency transformers. Peak demand was 3 megawatts (MW) and is now 20 MW. That growth wasn't an accident. The utility has provided a more-than-competitive rate, top-tier reliability and hometown service.

Through it all, Melrose maintained an enviable rate and little, if any, debt.

"The customer comes first," Lyon emphasized.

Melrose employs four linemen/power plant operators. Steve Scholz is the main operator and has worked with Lyon at the utility for 32 years. Pat Lomax joined the crew in 1992, and Jeremy Umland two years ago.

Understanding the plant starts with understanding the giant engines. The local crew has completely overhauled the prime movers—they know them inside and out.

"You have to run these engines like you own them," Lyon said. "It's a really dependable plant. It's in better shape than when I came."

That statement could extend to the entire Melrose utility system. What better way to leave a utility, and the city it serves.

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Biomass:

continued from front page

Funds for those payments will come from the RDF.

Xcel needs to complete the purchase of the plant, from Benson Power, and obtain regulatory approval. It expects to close the plant, with its 45 jobs, next year. There are an additional 55 jobs in trucking fuel to the plant. The legislation funds a study of the plant's supply chain.

With the high cost of the power, Benson City Manager Rob Wolfington said there was little doubt state regulators would approve the closing. Xcel said it expects to save its customers nearly \$700 million over the next 11 years.

The news that Xcel was pursuing the plant closure came as a surprise to the people in Benson. Wolfington, who spent 28 nights in St. Paul this session, called the situation "bittersweet," with the monetary settlement easing the pain of the plant's closing.

"We won the battle but lost the war," he said.

In contrast to the purpose-built plant in Benson, Hibbing and Virginia produced biomass-fueled electricity from their refurbished municipal power plants. With new boilers and associated equipment for the biomass fuel, the municipals viewed the deal signed over 11 years ago as a new lease on life for their aging power plants and district heating systems.

Several times since 2005, the municipals, through LEA, went back to the Legislature



This view is of the Virginia Public Utilities cogeneration plant from across Silver Lake. Steam heat and electricity has been provided from this site since the early 1900s. The municipal service dates from 1913.

to make adjustments to the biomass legislative language. This year, with large customers putting the heat on Xcel due to the relatively high cost of the biomass-produced electricity, Xcel suggested a revision to include the buyout option.

With a buyout of Benson Power on the table, Xcel also offered to buy out LEA. Eventually a deal was struck to pay out \$34 million to the LEA utilities, to be paid out over five years. Again, the buyout funds out came from the RDF.

Negotiations continue on the termination agreement between Xcel and LEA. Once finalized, there are three other approvals required: by LEA, and the Hibbing and Virginia Public Utility Commissions.

The agreement with LEA also needs to be approved by



The Hibbing Public Utilities business offices are located in front of the municipal cogeneration plant, in this photograph from April of this year.

the Minnesota Public Utilities Commission. Since the costs of the plants are also rolled into Xcel rates in North Dakota, any termination agreement also needs to be approved in that state.

The LEA-Xcel biomass con-

tract was originally scheduled to end in 2026. The expedited timetable means Hibbing and Virginia utility planners are very busy determining the path that will provide the best future utility service in

each city. Balancing the concerns of employees, ratepayers, taxpayers, environmental, and suppliers will indeed require tremendous effort.

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Kandiyohi Power Cooperative has made an offer to purchase the **City of Kandiyohi** electric system. The city is considering the offer.

Don Qualley, utilities superintendent, is retiring after 33 years with the **City of Lake Park**. Among the utilities provided by the city are electric, natural gas, water and wastewater. Qualley was a part of and oversaw many improvements to the city and utility systems over the years, and will be missed. He also served as a fireman for 23 years.

A number of **Central Minnesota Power Agency Services (CMPAS) members**, including Kasson, Kenyon, Blue Earth, Granite Falls, Janesville and Sleepy Eye, are offering a solar program to their customers this summer.

The solar energy will come from the Lemond Solar Center near Owatonna.

The program allows residential and commercial utility customers to purchase a subscription to a shared, community-based solar plant. Subscriptions will match or offset part of customers' energy use, and they will receive a corresponding credit on their monthly electric bill, reflecting the solar energy production and market prices.

Costs are lower than for a rooftop unit.

Customer response to the offering has been strong in a number of cities, including Kasson, where a solar structure will also be built this summer.

The **Rochester City Council** in June approved the Rochester Public Utilities (RPU) SOLARCHOICE program. The program will allow RPU customers to subscribe to one or more solar panels from a 'community solar garden.' Customers would receive a monthly bill credit for electricity generated from the subscribed panels.

The price per panel is \$650, which covers insurance, operation and maintenance costs. The subscription is transferable if the customer moves. The program is scheduled to go into effect in January 2018.

Austin Utilities also recently announced the SOLARCHOICE program to its customers.

The **City of Adrian** is selling 17 lots in a residential subdivision. Nearly

Around the State

every board associated with the city was involved in the planning. Existing utilities were sufficient to handle the potential increased demand. Entities involved in the new housing development include the Adrian Industrial Development Corporation, Housing and Redevelopment Authority, Public Utilities Commission and City Council.

A five-year tax abatement is also available on each lot from the Worthington Regional Economic Development Corp.

The **Brainerd Public Utilities Commission** recently granted a bill adjustment of \$1,119 to a mobile home park following discovery of leaks in the park's water system. The amount follows a previous adjustment precedent for mobile home parks.

The Commission also approved a motion to provide for no future bill adjustments for all mobile home parks due to system leaks.

Brainerd is considering building a new 500,000 gallon water tower at an estimated total cost of about \$2.2 million.

RS Fiber Cooperative (RS Fiber) plans to begin construction to link the cities of



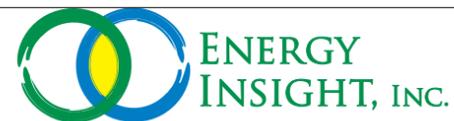
Rochester Public Utilities (RPU) held a ribbon-cutting at a new \$6.1 million substation Tuesday, June 20. The substation is adjacent to an Epic Systems data center. Epic is the largest electronic medical records firm in the United States, and handles the Mayo Clinic's electronic medical records. RPU employees gathered along with various other parties involved in the project. People pictured here are RPU employees, unless otherwise noted. They are, from left to right: Jeff Kranz, Jeff Fate (Hunt Electric), Tyler Meiners, Pete Minogue, Neil Stiller, Ted Mason, Bill Schmitz, Levi Kaiser (Benike Construction), Sidney Jackson, Mark Kotschevar, Jeff Heinemann and Patrick Deibel (both of Ulteig Engineers) and Mike Benike (Benike Construction).

Brownton, Buffalo Lake, Fairfax, and Stewart to the RS Fiber network by the end of June. Those cities will join six others (Gaylord, Gibbon, Green Isle, Lafayette, New Auburn, and Winthrop) who have been connected to the network since the project began in June 2015.

To date, RS Fiber is serving more than 1,100 customers. Customers connected directly to the fiber network are receiving TV, telephone, and Internet services with speeds up to 1 Gbps. Some customers receive services

through RS Air which delivers wireless broadband internet to homes and farms

in more than 17 townships over a network of 13 towers.



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MPCA issues notice of process to amend water quality fee rules

The Minnesota Pollution Control Agency (MPCA) in the June 26 State Register issued notice that it is planning to begin a process to amend water quality fee rules (Minnesota Rules chapters 7002 and 7083). This could lead to an increase in permit application, annual and/or additional fees.

This amendment process, said MPCA, will address “a more equitable distribution of permit costs” among affected permittees. The MPCA said fee revenue now covers only 17 percent of the cost of de-

livering services associated with those fees. The remainder of the funding comes from Environmental Fund, Clean Water Legacy Fund, federal funds, and General Fund.

The MPCA said it has not comprehensively increased water fees since 1992—or 25 years. During the past quarter-century it said it has sought water fee increases several times from the Legislature, without success. A spokesperson for MPCA said it was open to other forms of revenue, such as General Fund or a combination of

other revenue sources that currently are dedicated to the Environmental Fund, or new funding sources, and was open to phasing-in fee changes.

The June 26 notice is the very beginning of the process, said an MPCA spokesperson. The agency said it does not have a new rule for review, nor does it have a “plan” in hand. Rather, it is asking permittees, stakeholders, and the public to weigh in. The agency is taking pre-rulemaking comments on-line through August 14.

MPS responds quickly as transmission topples

Moorhead experienced a citywide power outage at about 9 p.m., June 13 for approximately eight minutes. The outage was caused by the collapse of a high-voltage steel transmission structure in south Fargo that collapsed in strong winds.

Because Moorhead Public Service (MPS) has a second feed into Moorhead, power was quickly re-routed to restore electric service.

MPS experienced localized outages caused by the storm. Crews worked through the night into the next day.

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Mike Willetts

MMUA's Willetts receives national service award

Mike Willetts, Director of Safety and Training at the Minnesota Municipal Utilities Association, June 20 received the Harold Kramer-John Preston Personal Service Award at the American Public Power Association's national conference in Orlando, Florida. This award recognizes individuals for their service to the American Public Power Association.

Willetts has played a pivotal role in the development of the Association's Safety Manual and is a frequent speaker at Association conferences and meetings. He has been involved with the Public Power Lineworkers Rodeo since its inception, and he played a critical role in the planning and execution of the 2016 rodeo, which took place in Minnesota. He has long been a member of the Association's Engineering and Operations Section, serving as chair in 2000. Willetts has also served on the Association's Mutual Aid Working Group since 2013.

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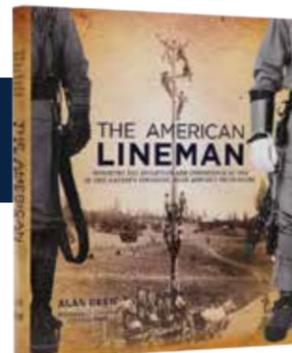
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Electric Line Person
Lakefield Public Utilities is looking for an Electrical Lineman for the electric department. Lakefield is a progressive community of 1,700 people in SW Minnesota that maintains an electrical distribution system and a stand-by generation plant. Lakefield also maintains a water distribution system. Qualifications for the position: High School diploma or equivalent and vocational degree as an electrical lineman. Knowledge of water systems not necessary but helpful. Must be able to obtain a Class B CDL license. Duties include: construction and maintenance of the distribution system, including stringing wire, setting poles, placing transformers, installing meters, and other work as needed. Will also be working with the water system. Competitive salary and benefit package. If interested contact the Lakefield Public Utilities at 507.662.5457 or clerk@lakefieldmn.com for an application package. Applications will be taken until the position is filled.

Apprentice Lineworker
Fosston Municipal Utilities, located in Fosston, Minnesota, is accepting applications for an Apprentice Lineworker position. This position includes the construction, maintenance and repair of underground distribution lines, transformers, cabinets, insulators, fuses and other associated equipment. This is a regular full-time position following completion of a 6-month training period. Applicants must be a graduate of an accredited Lineworker Training Program or have equivalent experience. Applicants should have knowledge of the OSHA 1910.269 and familiarity with the National Electrical Safety Code. Applicant must possess a valid Minnesota Class B Driver's License and CDL or the ability to obtain one. Applicants currently enrolled in an Apprenticeship Program for Lineman are encouraged to apply. Salary commensurate with experience and qualifications. Excellent benefits package. Applicants should submit a completed application, resume, and three references to: Dave Larson, Fosston Municipal Utilities, 220 East First Street, Fosston, MN 56542. Application information can be obtained by calling 218.435.1737, contacting Fosston Municipal Utilities in person or via e-mail at dave.larson@fosston.com. An application for employment can also be downloaded from the City of Fosston website at www.fosston.com. Position will remain open until filled. The City of Fosston is an Equal Opportunity Employer.

For a complete and up-to-date listing, see the News/Classifieds section at www.mmua.org

Bits & Pieces



Minnesota Power announced in June that it is partnering with Dairyland Power Cooperative to build a \$700 million, 550-megawatt natural gas-fired power plant in Superior, Wisc. The proposed plant has yet to obtain necessary regulatory approvals.

The Minnesota Department of Commerce said on June 1 that Minnesota Power has shown no evidence that it needs a proposed 6.1 percent rate hike, and instead should cut rates 2.6 percent. The utility last November filed a request to increase annual rates about 9.1 percent. It revised that request downward in March, to 6.1 percent. An interim rate hike of 5.6 percent went into effect Jan. 1.

A June 11 thunderstorm resulted in 87,000 Xcel customers without power in the Twin Cities. Outages were also reported that day in Faribault and St. Cloud. It was reported that more than 1,000 utility workers from Minnesota and nine other states were spread across the state restoring power. East Central Energy reported 925 customers without power that same day.

A June 13 thunderstorm resulted in outages for 12,280 Otter Tail Power customers in 14 Minnesota communities, including Fergus Falls, along with several communities in the Dakotas.

NextEra Energy Resources announced in June a \$300 million wind power project in Steele and Dodge counties. Plans call for 83 wind turbines to produce up to 200 megawatts of power. A 25-mile long transmission line will connect the output to a Southern Minnesota Municipal Power Agency substation in Byron. The wind development is planned to be operational by the end of 2018.

Greater Minnesota Gas is expanding its natural gas system in the Pelican Lake area. Lake Region Electric Cooperative has partnered with the gas company to extend service to Deer Creek and Parkers Prairie. Lake Region will own and maintain the distribution system that serves customers.

United Farmers Cooperative representatives attended a June 12 meeting of the Lafayette City Council to

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provide information about natural gas service provided to the community by United Natural Gas, a division of the cooperative.

A number of electric cooperative and municipal electric utilities in Minnesota are now exempt from Conservation Improvement Program (CIP) requirements, according to legislation signed into law on May 31. Electric co-ops serving less than 5,000 members and municipals serving less than 1,000 retail electric customers are affected. The exempted co-ops and municipal utilities can determine if they wish to continue CIP programming and the reporting of CIP performance and plans. Utilities with ques-

tions should contact Jessica Burdette or Anthony Fryer of the Minnesota Division of Energy Resources.

The Lake County Board of Commissioners has unanimously voted to declare its intent to sell Lake Connections, the county's broadband internet company.

Nevada lawmakers June 5 approved a bill to increase the state's renewable portfolio standard to 40 percent by 2030 from 25 percent by 2025, and also approved an increase in net metering payments to customers with solar panels on their roofs. In late 2015, the Nevada Public Utilities Commission slashed net metering rates and imposed charges on net

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The bill reflected a recommendation made by a panel appointed by Gov. Sandoval. Under the bill, net metering compensation will be 5 percent to 25 percent below retail rates, depending on how much distributed capacity is added in the state.

The "first known major loss of utility-scale solar resources" occurred in California on Aug. 16, 2016, as the result of a transmission system disturbance initiated by a fire-induced fault, the North American Electric Reliability Corporation (NERC) said in its 2017 Summer Reliability Assessment.

No conventional generators

tripped and all the generating resources that were lost, practically instantaneously, were utility-scale renewables, primarily solar, the NERC report said.

NERC concluded that the event "highlights on-going challenges with the interconnection of inverter-based technologies to operate reliably . . ."

NASA "has predicted a total solar eclipse with a path that will directly affect North American bulk power system operations on August 21, 2017," but NERC does not expect the bulk power system's reliability to be affected.



MMUA Summer Conference

Aug. 21-23 – Madden’s Resort – Brainerd

Sunday, August 20

4:30 pm Resort Check-in
7 - 9 pm MMUA Board of Directors

Monday, August 21

8 am - noon MMUA Board
noon - 6 pm Registration Open

Afternoon activities include the scramble Golf tournament at *The Classic at Madden’s*, and a group ride on the Paul Bunyan Bike Trail.

That evening is the meeting’s first official event—the Welcome Reception & Outdoor BBQ.

Tuesday, August 22

Moving Public Power Forward
Sue Kelly, American Public Power Assn.

Uncommon Leadership—The Difference of One
Kent Myers, Vision Companies

The Washington Scene
Michael Nolan, MMUA Washington Rep.

Afternoon sessions:

MMUA’s Summer Conference is an opportunity for networking, education and socializing for municipal utility leaders from around the state.

We are often asked for training for governing board members, so this year we are presenting a two-part session called, “Taking Care of Business: Effective Governance for Public Sector Utilities.” John Miner of Collaborative Learning will be on-site to conduct this specialized training. Sessions will be held Tuesday afternoon and Wednesday morning.

This seminar is intended for policymakers and executive managers

Policymaker Track

Taking Care of Business: Effective Governance for Public Sector Utilities
John Miner, Collaborative Learning

Management Track

Know Everything About Natural Gas Generation and Infrastructure Readiness? Sure About that?
Theresa Pugh, Theresa Pugh Consulting

who are new to their roles or who have a need to acquire more-in-depth understanding of governance principles and practices in public sector utilities. Although the focus of this seminar is on electric utility governance, participants will also be able to apply their learning to the governance of other utility enterprises (gas, water, wastewater, telecommunications, etc.). Participants will improve their understanding of the legal requirements that typically apply to boards and they will be exposed to “best practices” in public sector governance.

For more details or to register, see: <https://www.mmua.org/event/summer-2017>

Introduction to Hometown Connections and Industry Trends

Tim Blodgett, Hometown Connections

How Perimeter Cybersecurity Leaves You Exposed

Scott Mossbrooks, N-Dimension Solutions

Tradeshow and Reception
Banquet and Awards

Wednesday, August 23

(Meeting for Regular & Affiliate Members Only)

MMUA Business Meeting

Policymaker Track

Taking Care of Business: Effective Governance for Public Sector Utilities (continued from previous day)
John Miner, Collaborative Learning

Management Track

Developing and Utilizing Technology to Enable a Diverse Low-Carbon Energy Portfolio
Mike Holmes, Lignite Energy Council

Solar Rules & Standards – Federal, State or Local?
Bill Black, MMUA

State Legislative Developments
Bill Black and Amanda Duerr, MMUA
Doug Carnival, McGrann Shea

Issues Round-Up
Jack Kegel, Bob Jagusch and Mike Willetts, MMUA

Conference Adjournment - noon

See www.mmua.org for session descriptions

Overhead School

Sept. 12-15, MMUA Training Center, Marshall

MMUA and our partners—the Minnesota Rural Electric Association and the American Public Power Association—are pleased to offer the 2017 Overhead Lineworker School.

Overhead School offers a variety of hands-on training classes and an advanced technical course on Overhead distribution design. Small class sizes maximize participation and learning. Whether you are a seasoned Journeyman looking to stay current or are an Apprentice just starting out—this school offers something for everyone.

General sessions include:

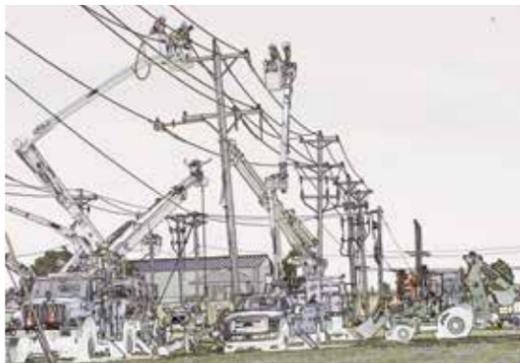
- SKYWARN, to educate individuals on typical weather threats.
- A Widow’s Personal Journey—To Honor the Craft and Inspire Safety—by Tracy Moore, High-line Hero Foundation.

MINNESOTA LINEWORKERS RODEO—September 12

Prior to the Overhead School, MMUA will sponsor the first Minnesota Lineworkers Rodeo. Join us for this historic event, the morning of Sept. 12. All classes of lineworker—from the first-year apprentice to the advanced lineworker—are eligible to participate.

Rodeo includes these individual events for both apprentice and journeyman: Hurtman Rescue, 5kV Insulator Change Out, Obstacle Course. Check-in at 9 and the competition will be done by 12:30. Top finishers will be honored at a reception, open to all Overhead School participants.

Rodeo is free to members. No onsite registration—Registration deadline is August 22. For details, see the Lineworker Rodeo in the Events calendar at www.mmua.org



• Mike Willetts and Cody Raveling of MMUA will also present a general session on the 2017 Public Power Lineworkers Rodeo.

Hands on training will include:

- Backyard Easements and Construction
- Overhead Maintenance
- Mastering Hot Sticking, and
- Digger Derrick Qualification—Phase One & Two

Registration deadline Aug. 29. For details, see the Overhead School in the Events calendar at www.mmua.org



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