

1. Minnesota's current net metering laws allow co-op members who install solar and small wind on their property to avoid paying their fair share for the infrastructure required to provide them with electricity when the sun isn't shining or the wind isn't blowing. Those costs are then shifted onto their neighbors. As more rural electric cooperative members add solar and small wind there is cost-shifting onto others. What do you think about Minnesota's current net metering laws? What role should the state play in deciding how electric co-ops address these members' desire to add renewable energy?

Encouraging the adoption of new energy sources is good policy for the state as we import our energy needs in the form of coal, oil or gas from other areas. Where this has come into conflict is where energy providers, like our rural coops, have made commitments to getting their energy from sources outside the state and have locked themselves into long term contracts. We shouldn't blame the new adoptees of green energy for taking advantage of incentives to be the first to get onto the grid. What really needs to be looked at is, "How can the costs of maintaining a base load capacity be fairly carried by all customers?"

2. Co-ops exist because people in rural areas worked together to form non-profit organizations to serve rural Minnesotans. Now, third party companies have become more active in trying to operate within cooperative territories. These third party companies are looking to take the most profitable customers and leave the cost of maintaining the grid in the rural areas of Minnesota to fewer and fewer rural residents. How do you believe situations with third party companies should be handled?

As a customer who is only served by such a company, what I see is actually no way of choosing any alternative when buying electricity as a customer. In the rural area it is rarely profitable to extend lines away from existing infrastructure. The REAs were a result of Federal efforts, FDR's presidential executive order of 1935 to establish the rural electrification act, to make electricity available to our rural areas. The mission thereof of the REAs is to provide power to those areas that are not cost effective to put lines into. If continued federal subsidies are needed then this would be a federal question.

3. The Minnesota Legislature has implemented or increased mandates of certain renewable generation sources while electric cooperatives have continued to integrate and increasing amount of renewable energy into our generation mix. We have also helped consumers save money by teaching them ways to lower their individual demand for electricity. Do you support state mandates on

renewable energy and conservation? What role do you think the state should play in determining the mix of energy used by electric co-ops?

As a state regulated utility, state mandates are the peoples' desire to get the mix of available energy balanced with the sourcing of it from renewables and traditional generation. It is in the best interest of everyone that we use our resources wisely and efficiently.

4. Minnesota leads the country in the number of stray voltage cases landing in courts. Minnesota has seen an increasing number of questionable cases brought to court due to the increase in consultants looking to benefit financially from a lawsuit. How do you believe these issues should be addressed in Minnesota? What qualifications should people who testify on stray voltage cases have?

As a dairy farmer I've found stray voltage issues to be very real and an ongoing problem that we deal with on our dairy. What led to the court case issue was a series of denials by those involved that it was an issue at all. That it is now considered real is good in that we can now routinely check for stray voltage, trace and fix the problem without resorting to going to trial over it. I feel this is now a healthy atmosphere to work out the problem. If on the other hand the utility denies existence of the problem and ends up in court and then faces in some cases questionable testimony on the part of a plaintiff it is then their responsibility to prove with evidence based testimony their case.

5. In the case of natural disasters, municipal utilities are entitled to a state match during FEMA-declared disaster to help repair damage to electric lines and infrastructure. Co-ops have access to state funds, but only through an application process with their county office that is not guaranteed. What role should the state play in helping rural electric co-ops turn the lights back on after natural disasters?

I believe the lack of guarantee is one of degree of disaster, if the county in question has met a threshold amount of loss to qualify for the FEMA disaster declaration then the state aid also kicks in. It is not the state's responsibility to aid in normal operational losses from low level disasters.

Respectively submitted,
James Kanne