

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?

Falk: Municipal power agency's do not pay patronage dividends. The reason why Investor-owned utilities (IOU) and electric co-ops are not eligible for these resources is because they pay money to shareholders. If the State of Minnesota were to appropriate money directly to an IOU or a Electrical Co-op in response to a disaster and that entity makes a shareholder distribution, then the State of Minnesota has directly paid money to a private interest. The question is then raised, why didn't the IOU or the electric co-op use their existing cash to pay for the damage themselves and not pay the shareholders. As long as electric cooperatives continue to pay patronage dividends (return cash) to their members, the State of Minnesota will expect them to be responsible for covering their portion of disaster-related expenses.

Miller: Co-ops should be afforded the same access to funds and support as all other sources of power generation.