

LEGISLATIVE ENERGY COMMISSION
Meeting Minutes: Monday, September 8, 2009
12:00 p.m., Room 123 Capitol

PRESENT:

Senator Satveer Chaudhary
Senator Steve Dille
Senator John Doll
Senator Julie Rosen
Senator David Senjem
Senator Yvonne Prettner Solon
Representative Mike Beard
Representative Tom Hackbarth
Representative Bill Hilty
Representative Frank Hornstein
Representative Al Juhnke
Representative Kate Knuth
Representative Doug Magnus
Representative Mary Ellen Otremba
Representative Torrey Westrom

EXCUSED:

Senator Ellen Anderson
Senator Gary Kubly
Senator James Metzen
Senator Pat Pariseau
Representative Kent Eken

Call to Order

Sen. Yvonne Prettner Solon called the meeting of the Legislative Energy Commission to order at 12:15 pm.

Sen. Prettner Solon reviewed a study completed by John Fuller that outlined what the Legislature has done in recent years related to transmission.

Sen. Prettner Solon announced that a quorum was present.

Transmission Presentations

David Boyd (Chair, Minnesota Public Utilities Commission), Marya White (Manager, Energy Regulation and Planning and Energy Facilities Permitting, State Energy Office, Office of Energy Security), and Jennifer Curran, (Transmission Asset Management Director, Midwest ISO), updated the Commission on transmission in Minnesota and the policies that are being pursued. Mr. Boyd reviewed how transmission construction, planning and cost allocation was performed historically. Ms. Curran spoke to the impact of federal regulations and addressed current utility service provisions.

Mr. Boyd noted that in order to meet the state's Renewable Energy Standards new transmission is needed. Mr. Boyd then explained the old rules are not well suited for today's expansion. Ms. Curran reviewed transmission planning and funding efforts currently taking place.

Ms. White spoke to legislative studies including the Dispersed Renewable Generation Study, Resource Assessment Study, and the RES Transmission Plan. She then spoke to funding efforts and cost allocation. Ms White addressed two specific situations where projects or utilities are caught between cost allocation rules based on the old situation and the current situation, the Otter Tail and Brookings projects. Mr. Boyd, Ms. Curran and Ms. White stood for questions.

Beth Soholt (Executive Director of Wind on the Wires) and Paul White (President of Project Resources Corporation) gave an update on the Brookings transmission line and cost allocation issues. Ms. Soholt gave a brief background of the Brookings project and pointed out that the cost of the Brookings line is approximately \$700 million. Mr. White addressed how the Brookings issue impacted Project Resources Corporation C-BED wind project. Ms. Soholt and Mr. White stood for questions.

Rep. Hilty moved approval of the Tuesday, August 4, 2009 meeting minutes. **Motion Prevailed.**

Terry Grove and Laura McCarten (Co-Executive Directors of CAPX 2020) updated the Commission on CAPX2020 transmission projects. Mr. Grove gave a brief background of the CAPX2020 utilities pointing out that it includes eleven cooperatives, municipals and investor-owned utilities. Mr. Grove then spoke to the progress of the Group 1 Projects noting their purpose is to serve load growth. Ms. McCarten gave an overview of Minnesota route review and the approval processes. She then addressed the Brookings project speaking specifically to the cost allocation and recovery issue. Mr. Grove and Ms. McCarten stood for questions.

Carol Overland (Utility Regulatory Attorney) spoke to CAPX2020 transmission and issues related to landowners. Bev Topp spoke to the eminent domain law and the exemption of public utilities. Joyce Osborn (United Citizens Action Network) spoke to property owner's rights. Ms. Overland, Ms. Osborn and Ms. Topp stood for questions.

There being no further business, Sen. Prettner Solon adjourned the meeting at 2:55 pm.