

Senator Gary Dahms

1. What do you believe is the role of an electric cooperative in the community?

Co-ops developed out of the necessity to electrify rural Minnesota. It is very expensive to build a reliable system in sparsely populated areas; that is why the for-profit investor owned utilities (IOUs) ignored these areas focusing on the more densely populated urban areas. The role of an electric co-op is to provide reliable, cost effective electricity to its members at reasonable rates. It has taken a tremendous amount of cooperation among distribution co-ops and their partner generation and transmission co-ops to provide the electricity needed to power our farms, homes, industrial and commercial customers. Co-ops have no profit motive; therefore, we should ensure that co-ops retain their autonomy of self-governance.

2. Do you believe the Public Utilities Commission (PUC) should be involved in setting rates, fees and charges for unregulated electric cooperatives that are governed by their consumers (members) through a member-elected Board of Directors?

As I mentioned, co-ops have no profit motive; their only goal is to provide reliable, cost effective electricity to its members at reasonable rates. State law provides for self-governance and it is unfortunate that we are seeing more and more local control shifted to the PUC. Major policy decisions at the state have caused this shift. Those policies include the conservation improvement program, renewable energy standard and net metering law. For instance, it is unfortunate that co-ops are being forced to defend their net metering cost recovery fees before the PUC. Co-op members are perfectly capable of making the important decisions for all its member and we should do everything we can at the state level to ensure they maintain that self-governance.

3. What is your stance on the net metering laws in Minnesota? Do you believe electric cooperatives should be required to buy excess generation from members who own distributed generation? Do you think it is fair to require electric cooperatives to pay the retail rate rather than the lower rate at which they purchase power from the market (wholesale rate)?

Minnesota's net metering law need to be reformed. The law is outdated and reflects a time when there were very few net metering systems in any given service territory. Those times have changed. Distributed generation is a burgeoning industry. As the price of solar panels (primarily) continues to fall, you are seeing more and more homeowners installing systems to generate their own electricity. As these net metered systems increase, it is putting more pressure on non-net metered costumers to cover stranded costs and forces all customers to pay higher electricity rates due to state law requiring the purchase of net metered electricity at the retail rate. I believe the retail rate is too generous and is unfair

to non-net metered customers. The legislature should fully review the net metering law for co-ops to ensure that all customers are equitably paying their share to maintain the integrity of the system at reasonable rates.

4. Right now, Renville-Sibley Co-op Power is trying to balance environmental goals with reliability and affordability. Are you concerned that the Clean Power Plan and additional proposed regulations in Minnesota will tip this balance away from affordability for our members?

The legislature has been very aggressive in changing energy policy over the past few years. In addition, you have the Environmental Protection Agency trying to impose a nationwide greenhouse gas reduction program through the Clean Power Plan. Utilities need an even handed regulatory system that provides long-term certainty and stability so utilities can confidently plan for the future. It is very expensive to provide reliable electricity to rural communities. Each new mandate (federal or state) imposes additional costs to its members. Policy decisions made at the state and federal level need to carefully consider costs and reliability. Any policy changes should be incremental and thoroughly vetted. The Clean Power Plan is most concerning because it not only takes away local decision making, it takes away much of state's control to manage its own affairs.

5. What is the biggest issue facing your district and how will you help alleviate this issue?

There are several major issues facing our district as well as the state. One issue is the MN Sure debacle which is the state's exchange for the Affordable Care Act. The individual health insurance has sky rocketed since the beginning of MN Sure in 2014. This is the third enrollment period and the individual market has increased, in some cases, two to three fold with deductibles that have been increased tenfold. This is unacceptable and the issue needs to be addressed. This can be done by doing a combination of various things. We switch from MN Sure to the Federal Exchange; ask for a variance in order to re-instate the Minnesota Comprehensive Health Program (state pool) and we can also allow for businesses such as yours to set up a small group program for their members.

2017 is also a budget year and we need to make sure that we pass a budget that lives within our means and invest in programs based on effectiveness and not on automatic increases. In this budget cycle we need to deal with transportation funding, funding for the disabled community, deal with the ever growing achievement gap in our high schools, and work with our colleges to develop programs that foster business partnerships between industry and the education community in order to provide post secondary graduates that meet the needs of our current work force.