



2013 MN House Energy Policy Committee

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Minnesota Rural Electric Association

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Minnesota Electric Cooperatives

- Private, locally-operated electric utility businesses.
- Owned and rate-regulated by our customers.
- Established to provide at-cost electric service.
- Governed by a board of directors elected from the membership, a board that sets policies, procedures and rates to be implemented by the cooperative's professional staff.





Minnesota Electric Cooperatives

- There are 44 distribution cooperatives in the state. They range in size from just under 2,000 to more than 130,000.
- Six Generation and Transmission Cooperatives provide the 44 distribution cooperatives with power and transmission. They are owned by cooperatives they serve.





Minnesota Electric Cooperatives

- We employ about 2,500 people in Minnesota. These are good jobs with good wages and benefits.
- We serve 755,000 customer meters, or about 1.8 million Minnesotans. The median-sized co-op is 6,472 members.
- We supply over 14.5 billion kWh per year (about 18 percent of the state's total kWh sold) and generate \$1.4 billion in revenues.





Minnesota Electric Cooperatives

- We operate at close-to-cost (a certain level of margins is required by lenders), which provides competitive energy costs for rural businesses and consumers.
- Revenues above our operating costs are returned to members through capital credits. An average of \$26 million a year is returned to customers by the state's electric cooperatives.
- We invest in our communities. In 2011, Minnesota cooperatives guaranteed \$2.39 million in no interest loans on behalf of communities and businesses throughout Minnesota.





Minnesota Electric Cooperatives

- We provide electricity for 85 percent of the geographic area in Minnesota, serve 28 percent of the population and sell 18 percent of the electricity.
- 41 percent of the net metered installations (under 40 KW) in the state are located on cooperative lines. That reflects 54 percent of the state's net metered capacity.





Minnesota Electric Cooperatives

- Our distribution network (lines and substations) is the largest in the state by far, with more than 123,000 miles of electric distribution lines.
- Average 6.1 consumers per mile of distribution line, compared with 38 consumers per mile for investor-owned electric utilities and 48 customers per mile for municipal electric utilities.





Minnesota Electric Cooperatives

- Our revenue per mile of line (\$7,500) is a fraction what it is for investor-owned (\$68,000) and municipal utilities (\$78,000), making it harder to spread out the cost of investments in renewable energy and conservation.
- 79% of co-op consumers have a per capita income below the state average, meaning that rate increases impact their budgets significantly





Minnesota Electric Cooperatives

- Our customer base and load profiles are weighted heavily toward residential meters and we have relatively few industrial and large commercial accounts.

2009 Energy Sales Statistics for Minnesota

	Residential	Commercial	Industrial	Total
Co-op	63%	23%	14%	100%
IOU	26%	40%	34%	100%
Muni	29%	30%	40%	100%

Source: US Dept of Energy





Minnesota Electric Cooperatives

- The six G&Ts serving Minnesota cooperatives are:
 - Great River Energy
 - Minnkota Power Co-op
 - Basin Electric Power Co-op
 - Dairyland Power Cooperative
 - East River Electric Power Co-op
 - L&O Power Cooperative





Minnesota Electric Cooperatives

- Minnkota serves 11 distribution cooperatives – eight in northwestern MN, three in eastern North Dakota.
- Headquartered in Grand Forks, N.D.
- Minnkota provides electric energy to more than 120,000 residential, commercial and industrial customers.
- Power is generated through two lignite-fired coal facilities – the Milton R. Young Station near Center, N.D., and the Coyote Station near Beulah, N.D. They provide about 60 percent of the G&T's electricity or about 1,100 MW.
- 31 percent wind portfolio
- 10 percent hydro from the Western Area Power Administration (WAPA)





Minnesota Electric Cooperatives

- Basin serves 133 cooperatives in nine states
- Provides power for 12 cooperatives in Minnesota, but is the exclusive provider for only four.
- East River and L&O purchase their electricity from Basin and distribute it to their members.
- Headquartered in Bismark, N.D.
- Basin has 5,153 MW of capacity within its generation portfolio – 437.51 MW wind energy, 44 MW waste heat energy, and 690 kW flare-gas. It also has 77 MW of purchased nuclear energy.





Minnesota Electric Cooperatives

- Dairyland serves 25 cooperatives in four states
- Provides power for 3 cooperatives in southeast Minnesota
- Headquartered in LaCrosse, WI
- Dairyland owns 1,030 MW of coal generation, 22 MW of hydro, 71 MW of natural gas, and has contracted for 14 MW of landfill gas generation, 40 MW of biomass, 3 MW of methane/manure digesters, 47 MW of wind energy, and 143 MW of diesel from the munis it serves





QUESTIONS

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