



February 2010

## Co-ops opposing EPA enforcement on CO<sub>2</sub>

The National Rural Electric Cooperative Association is asking cooperative leaders to support two legislative proposals aimed at blocking the Envi-

ronmental Protection Agency (EPA) from regulating greenhouse gases under the Clean Air Act.

Senator Lisa Murkowski (R-AK) last month introduced a disapproval resolution that would prevent EPA enforcement. Earlier, in December, Rep. Earl Pomeroy (D-ND) introduced a bill with similar intent.

Co-op leaders were being asked to contact their senators and urge support for the Murkowski resolution, as well as seeking support among House members for the Pomeroy bill.

Sponsorship by just 30 senators is needed to qualify the resolution for consideration by the entire body. Murkowski said she already had 38 sponsors at the time of introduction but only three (Blanche Lincoln-AR, Mary Landrieu-LA, and Ben Nelson-NE) were Democrats and additional majority Democrats signing on would improve the proposal's chances of seeing action.

Pomeroy, as of press time for this edition of *Capsule*, had recruited five co-authors for his bill.

Murkowski, ranking Republican

on the Senate Energy and Natural Resources Committee, called her disapproval resolution "necessary to avoid the 'economic train wreck' that would result from the EPA regulating greenhouse gases under the Clean Air Act."

"As the EPA moves closer and closer to issuing these regulations, I continue to believe that this command-and-control approach is our worst option for reducing the emissions blamed for climate change," Murkowski said.

Senate rules call for a disapproval resolution to be referred upon introduction to the committee of jurisdiction—in this case Barbara Boxer's Senate Committee on Environment and Public Works. If the committee does not favorably report the resolution, a discharge petition signed by 30 Senators can bring it to the floor. Once a disapproval resolution reaches the Senate calendar it is subject to expedited consideration and exempt from the filibuster rule that calls for 60 votes to end debate and force a vote.

### Bruce's briefs

by CN Lobbyist Bruce Kleven

#### Budget picture continues to worsen

The worldwide economic slowdown, coupled with a recent court ruling and cash flow problems, have resulted in a continuing deterioration of Minnesota's budget picture.

On December 30, Ramsey County Judge Sandra Gearin ruled against portions of Governor Pawlenty's unallotment of \$2.7 billion worth of state spending. Readers may recall that on July 1, 2009, on the first day of the new fiscal year, Governor Pawlenty used a process called unallotment to trim the state budget. The governor acted under a clause that allows the executive branch to reduce spending in times of financial emergency because the state constitution requires a balanced budget. Judge Gearin said the governor "crossed the line" by trodding "upon the constitutional power of the Legislature." She further stated that the authority of the governor is to save the state in times of previously "unforeseen" budget deficits, not "to be used as a weapon by the executive branch to break a stalemate in budget negotiations with the Legislature."

The immediate result of the ruling is very narrow: The administration is prohibited from cutting \$3 million from the nutrition program that was the subject of the case. But

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## Another rail reform proposal advances

Reform of the nation's freight rail policy is on the move in the U.S. Senate. Senator Jay Rockefeller (D-West Virginia) recently unveiled legislation aimed, in his words, at fixing "longstanding competitive imbalances for shippers by increasing rail competition, strengthening federal oversight, and improving shippers' access to regulatory relief."

Rockefeller chairs the Senate Committee on Commerce, Science and Transportation. Four committee members, two Republicans and two Democrats, joined in announcing the proposed reforms, introduced as the Surface Transportation Board Reauthorization Act of 2009 (S. 2889).

The measure has already won unanimous committee approval.

It expands the Surface Transportation Board (STB) and mandates that railroads quote bottleneck rates for captive rail customers, and it spells out an STB process to eliminate agreements between short lines and major railroads that require short-line traffic to use the major railroad even when competitive alternatives exist.

Rockefeller also reportedly said he would work with Wisconsin Senator Herb Kohl on incorporating Kohl's railroad antitrust language—contained in separate legislation—in S. 2889 before it's taken up by the full Senate.

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the ruling could form the basis for additional lawsuits, and the governor has appealed the decision to the Minnesota Supreme Court. Even if successful lawsuits were filed by other constituency groups who suffered budget cuts under the unallotment process—like universities, counties, and cities—those lawsuits would only serve to complicate the budget problem. In response to Judge Gearin's ruling, Governor Pawlenty said he would call a special session to address the \$2.7 billion gap, but it would only be for the purpose of formally ratifying the cuts he made. Democrats refused.

Another piece of bad news that will complicate the budget picture involves the general cash flow account the state uses to pay bills as they come due. Unless the state of Minnesota can arrange a short-term loan from the private sector or cut additional spending immediately, it is estimated the state will be unable to pay bills as they come due sometime this spring. If borrowing money is on the table, there has to be a plan in place to pay it back, with interest, in the face of declining revenues. Until this issue gets resolved by the Legislature, state agencies have been directed to withhold 3–6 percent of their overall budgets in anticipation of the cash flow crunch.

## MREC energy conference set

Registration remains open for the 48<sup>th</sup> annual conference of the Midwest Rural Energy Council (MREC). This year's conference, and the accompanying agricultural electric code workshop, will be held March 10–12 at the Radisson Conference Center on the riverfront in La Crosse, Wisconsin.

A March 10 seminar will provide an introduction to stray voltage with an examination of basic testing methods and an overview of MREC and University of Wisconsin course re-

sources. March 11 and 12 conference activities will include an examination of stray voltage symptoms in the context of dairy management; the Minnesota Science Advisors Earth Current Study after 10 years; federal stimulus "smart-grid" projects; and small wind-energy projects.

Breakout sessions will be offered on numerous aspects of farm wiring, stray voltage, and electrical distribution and of energy efficiency and renewable energy issues.

Inquiries concerning registration should be directed to the University of Wisconsin College of Agriculture and Life Sciences (CALS) Conference Services at (608) 263-1672 or e-mailed to [conference@cals.wisc.edu](mailto:conference@cals.wisc.edu).

## New CN member

Directors of Crow Wing Power voted in January to join Cooperative Network. Forty electric co-ops serving Minnesota—including three generation and transmission cooperatives—are now members of the organization.

A Touchstone Energy affiliate, Brainerd-based Crow Wing serves approximately 36,000 members on 4,700 miles of line in parts of Cass, Crow Wing, and Morrison Counties.

Cooperative  
Network

Capsule

Prepared monthly to provide timely information on matters pertaining to Minnesota's non-profit, consumer-owned rural electric cooperatives.

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## Bye to retire from East Central

Garry Bye, president and CEO of East Central Energy in Braham, has announced plans to retire this fall. The co-op board has initiated a nationwide search for Bye's successor.

Only the third general manager to serve East Central in its 74-year history, Bye began his 25-year career with the cooperative in December 1985 after 10 years managing Tri-County Electric Cooperative at Carrington, ND. He was previously employed with a generation and transmission cooperative and served several years as a North Dakota state legislator.

"I have enjoyed serving this co-op so much it is hard to imagine not being a part of the day-to-day activities here," Bye said. "My deep connection to the co-op and its people made this a difficult decision, but I feel the time has come for me to investigate new adventures."

## Gas demand to grow—maybe

An international energy-market monitoring agency sees factors that could put an end to slack demand and comparatively low prices for natural gas—unless those factors end up prompting temporary overproduction.

The International Energy Agency (IEA) predicted near the end of 2009 that demand will begin growing again this year, but the prediction is based on an assumption that worldwide economic growth will resume. There are signs of that happening but the situation remains fluid.

A second unknown in the forecast is the intensity of climate policy initiatives by worldwide governments, the IEA said.

Climate policies that prompt an accelerated shift away from other fuels and meeting a bigger share of electric generation fuel requirements with natural gas would be expected to drive up demand. However, the IEA said such moves could prompt increased development of unconventional gas resources in North America and contribute to a "glut" over the near term.

Bottom line: Natural gas prices may be going up—unless they don't. The forecast was contained in the IEA's "World Energy Outlook 2009."