



condenser

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Falling prices drive state's shift toward renewables

Decreasing production costs and wholesale power prices are pushing increased market penetration by wind and solar electric generation, cooperative leaders were told by a leading renewable energy advocate during the Wisconsin Electric Cooperative Association's annual meeting in Stevens Point last week.

Tyler Huebner, executive director of RENEW Wisconsin, said wind energy is now 69 percent cheaper than a decade ago, and the output from solar photovoltaic generation is 88 percent cheaper over the same timeline.

He foresees a vast expansion of renewable generation within Wisconsin. The state now has 130 megawatts of solar capacity and 737 megawatts of wind, and if everything on the drawing board is actually built, those numbers would swell to 6,150 megawatts and 1,196 megawatts, respectively, Huebner said.

That expansion, if it occurs, would bring renewables to 34 percent of total generation capacity statewide, he added.

Huebner noted that RENEW supported building the planned Cardinal-

Hickory Creek transmission project for two reasons, saying "If you want more wind and solar in southwest Wisconsin you need a different transmission system," and adding that the enhanced transmission access will increase pressure to retire the coal-fired Columbia power plant near Portage.

Continued operation of the Point Beach nuclear plant near Two Rivers should be a high priority for those concerned about carbon dioxide emissions from power generation, under the scenario laid out by Huebner. If all the projected renewable expansion takes place and Point Beach remains in service, Wisconsin's in-state generation capacity would be roughly 50 percent carbon dioxide-free, he said.

Disruption, in a Good Way

Someone once said, "Do what you've always done, and you'll get what you've always gotten." That was largely the message Zach Mannheimer delivered at the WECA Annual Meeting in Stevens Point last week.

Mannheimer's expertise is "creative placemaking." He and his colleagues at McClure Engineering Company work to help small-town America find new ways to revitalize rural areas. The key, he says, is disruption. That's a bold statement in a room full of electric co-op leaders.

"Today, the biggest publishing company in the world produces no content—Facebook. The biggest hospitality company owns no properties—

"Innovation is for rural."

—Zach Mannheimer

Airbnb. And the biggest transportation company owns no vehicles—Uber. That's disruption," Mannheimer explained. Those who are having the greatest success are doing things differently.

Mannheimer says to grow your economy in rural areas, you need to attract more people, particularly young entrepreneurs, which means you must have high-speed internet and affordable, modern rental options. A good local micro-brewery helps, too.

As for the disruption, he encourages local leaders to see the possibility in the seemingly impossible, such as driverless cars, and 3D-printed homes. He points out that it's much easier to test a new driverless car in a rural area than in a populous city, and people commuting from a rural area may choose this type of transportation so they can be productive during their drive time.

Mannheimer told the crowd that 3D-printed homes and buildings are proving to be cost-effective, quick-built options in other parts of the world, but the innovation is delayed by zoning laws and regulations in many parts of the United States. He believes a few well-informed, forward-thinking leaders in a rural area could spearhead the innovative 3-D construction options much faster than could be done in urban areas.

Those are just a couple of the examples he presented as ways to look to the future in a way that leaves today in the past. "You can lead the charge because you've done it before," he said, reminding the crowd of the rural electrification, fueled by co-ops. "You did this in 1936. Let's do it again."



Claim counts and rates have both been trending downward since 2011, Account Executive J. Keith Johnson of the Federated Rural Electric Insurance Exchange told attendees at last week's Wisconsin Electric Cooperative Association annual meeting in Stevens Point. The past year's claim count of 30 is the lowest in the history of the organization's Group Retention Program which, since 2006, has returned \$3.5 million in premium surpluses to Wisconsin co-ops, with \$900,000 to be paid out this month, Johnson said. This year marks the 60th anniversary of the first worker's compensation policy written by the insurance carrier created by Wisconsin's electric cooperatives in 1959.

New York v. Exxon-Mobil, one of two surviving lawsuits accusing major oil companies of willful climate mayhem, took a surprise turn last Friday when a state assistant attorney general withdrew the core contention that Exxon deliberately misinformed investors about its accounting for the financial risk of potential global warming regulations.

Assistant A-G Jonathan Zweig dropped the claims of fraud *during closing arguments*, saying the state would instead press its case under the Martin Act, a unique New York law that deems it unnecessary to prove fraudulent intent if a “reasonable” investor says he feels deceived.

Equally interesting is Zweig’s statement, reported last Friday by *The Washington Examiner*, that “Every single piece of testimony in this case from people who weren’t Exxon insiders shows that investors were misled.”

What’s interesting about that is its implication concerning risk disclosure and securities fraud.

In 2017 the *City of New York* and, separately, San Francisco and seven nearby municipalities, sued energy companies including Exxon, alleging their business activities would harm local infrastructure by dramatically raising sea levels, sometime this century.

Whatever might be energy providers’ role in global warming, Exxon’s attorneys noticed that if the municipalities were remarkably explicit in predicting distant future woes (“a 93 percent chance that [San Mateo] County experiences a devastating three-foot flood before the year 2050” or “66 inches of sea level rise” at Oakland by 2100; or sea level “inevitably” rising until it swamps [New York] City-owned property,) they were just as certain that these things were unknowable in their risk disclosures to municipal bond investors.

The disclosures feature standard, cookie-cutter language like: “The City [in this instance, San Francisco,] is unable to predict whether sea-level rise or other impacts of climate change or flooding from a major storm will

Analysis: **NY v. NY**

occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City and the local economy.”

All the municipal lawsuits were dismissed last year. Oral arguments in an effort to revive New York City’s are scheduled next Friday. The fate of New York State’s litigation is to be decided by Christmas.

Matters may be complicated by the fact that although energy companies are accused of creating a “public nuisance” and damaging New York City property, at no point does the city request the “nuisance” or alleged damage be halted; it seeks only monetary payments. Moreover, in 2015 the city successfully resisted Federal Emergency Management Agency plans expanding floodplain maps, with the result that—a city press release said—“homeowners are not required to purchase more insurance than their *current* flood risk requires.” [*Emphasis added*]

In a May 2018 memorandum to the court, the defendant companies noted that New York City “has for decades authorized the activities it now claims created the nuisance, encouraged its residents to use fossil fuels, and reaped economic benefits from this reliance, including as an investor in fossil fuel companies.”

The federal judge presiding over the June 2018 dismissal hearing asked the plaintiff’s attorneys whether the city owned any investments in fossil fuel companies, and the lead attorney—who also represented the California plaintiffs—replied that the city intended to divest those holdings, within five years.

Some plaintiffs might welcome revival of the city’s lawsuit but not its potential for a fresh discussion of governments saying whatever suits them, claiming detailed knowledge of events a century from now or denying such knowledge, depending on which eases their access to other people’s money.

CORRECTION

Last week’s edition incorrectly identified Craig Hodowanic, who accepted the Herman C. Potthast Award for job training and safety on behalf of his late father, Jim Hodowanic of Chippewa Valley Electric Cooperative. The photo caption also misstated Jim Hodowanic’s death as occurring last year. He passed away June 23, 2019. *Condenser* apologizes for the errors.

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Prepared weekly and distributed since 1956 to provide timely information on matters pertaining to Wisconsin’s non-profit, consumer-owned rural electric cooperatives.

Wisconsin Electric Cooperative Association

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Job market

Member Services Manager—McLeod Cooperative Power Association, Glencoe, Minnesota, seeks to fill above-named position upon incumbent’s planned early-2020 retirement. Will lead member engagement, customer service, communication, billing/collections, load management programs. Member of senior leadership team developing/implementing vision, strategies, goals, long-range plans. Will direct advertising, marketing, internal/external communications, media relations, public information activities. Requires bachelor’s degree in business administration, public relations, or similar discipline. Rural electric co-op member services experience preferred; minimum seven years in customer relations environment with two or more years’ leadership experience required. Proficiency with Microsoft suite

of software and social media platforms required. See www.mcleodcoop.com. Mail, fax, or e-mail resumé with salary requirements by close of business December 4, 2019 to: Cindy Schue, Great River Energy, 12300 Elm Creek Boulevard, Maple Grove, MN 55369-4718. Fax: 763-445-6531. Cschue@greenergy.com. McLeod Cooperative Power Association is an Equal Employment Opportunity employer. No agencies, please.

Maintenance Mechanic and HVDC Technician/Electrician—Great River Energy (GRE) seeks applicants for above-named positions, both located at Underwood, North Dakota. Application deadlines are November 25 and November 22. For other GRE postings with closer deadlines, see WECA website www.weca.coop.