

ITASCA COUNTY

ENERGY DIALOGUE

MAY 2018



RURAL DIALOGUES

Rural communities play a key role in our energy, climate, and agricultural future. However, they are often overlooked when it comes to policy solutions and civic engagement. The Rural Dialogues, launched by the [Institute for Agriculture and Trade Policy](#) and the [Jefferson Center](#) in 2013, seek to change that.

The Rural Dialogues develop community-specific, citizen-driven policy recommendations at the local level to ensure rural voices are heard at the statehouse and beyond. The events focus on the topics of climate change, extreme weather events, and community resiliency.

Our approach is based on the notion that unleashing the diversity of a community is the best way to solve tough problems. In the Dialogues, we gather a small but representative group of a community to act on behalf of their friends and neighbors over multiple days of learning and discussion, through a process called the Citizens Jury. Participants in the Citizens Jury filter critical information to share with the rest of the community and develop recommendations to address top challenges and realize key opportunities. We also create opportunities for the rest of the community to learn from their peers, weigh in on recommendations, and take action themselves.

The [Itasca County Energy Dialogue](#) is the second of three communities participating in the Rural Energy Dialogues program, which seeks to drive the development of energy policy that works for everyone.

Through in-depth democratic deliberation, this project is intended to offer new opportunities for communities in Greater Minnesota to consider the future of local energy and offer informed input to shape energy policy and action in Minnesota.

The Jefferson Center and the Institute for Agriculture and Trade Policy, along with local partners and leaders, will work to identify resources and other forms of assistance to move the following community energy recommendations forward.

The Rural Dialogues help overcome the misperception that all rural communities feel the same way about action on energy policy. Instead, rural Minnesota communities have the opportunity to tell a different story—one in which rural residents are powerful leaders in an energy future representing their needs and priorities.

The project is a collaboration between the Institute for Agriculture and Trade Policy and the Jefferson Center. The effort is sponsored by the McKnight Foundation, the Bush Foundation, and the Carolyn Foundation.



DIALOGUE PROCESS OVERVIEW

The 2-day Itasca County Climate Dialogue engaged a group of 18 community members selected to represent the demographics of Itasca County. 13 participants were randomly selected from a pool of Itasca County residents to reflect the demographic makeup of the county in terms of age, gender, education, political affiliation, and more. 5 participants were chosen to represent public officials and others involved in Itasca County energy issues.

Over the two days, participants studied the energy system in detail, assessed criteria for evaluating the energy system, identified challenges and opportunities related to the energy system in Itasca County, and created action plans to help address challenges and realize opportunities. The report below is written by participants themselves, outlining the information they studied and the recommendations they made. For more detail, including the information considered and the material generated by participants, please visit:

tiny.cc/6vwrtty and ruraldialogues.org/itasca-county

DAY 1

- » Panelists meet one another and discuss goals and expectations for the 2 days
- » Panelists evaluate criteria of a productive energy system and their reasons why those criteria may be important to Itasca County
- » Presentation by Stacy Miller (MN Department of Commerce) reviewing energy basics and trends in Minnesota
- » Presentation by Zac Ruzycki (Great River Energy) on energy sources
- » Panel discussion including Julie Kennedy (Grand Rapids Public Utilities Commission), Luke Peterson (Minnesota Power), and Derek Howe (Lake Country Power) exploring local utilities and decision-making.

DAY 2

- » Presentation by Tony Ward (Grand Rapids Public Utilities Commission-Retired) on the impacts of the energy system on household energy consumers
- » Presentation by Burl Ives (Itasca County Commissioner and Business Owner) on the impacts of the energy system on business/industry energy consumers
- » Panelists identify and select top challenges
- » Panelists identify and select top opportunities
- » Panelists identify next steps for community actions
- » Panelists write final statement to their neighbors



STATEMENT FOR OUR NEIGHBORS

The Itasca County Energy Dialogue was a positive experience among a diverse slice of Itasca County. There was a good mix of residential, business, and utility perspectives and guest speakers seemed balanced and well-informed. It was worthwhile to hear the diversity of opinions while working toward a common goal.

We learned about trends in our energy system, where energy comes from, the cost of energy in Minnesota, we learned why energy costs what it does, about energy efficiency, managing a complex energy grid, Minnesota's progress in renewable energy, and much more.

As individuals and as a community, we can play an important role in shaping our energy system, especially if everyone is involved. Individuals and businesses can conserve energy and save money by installing LED bulbs and other energy saving devices. Communities can save money for everyone by reducing electricity usage during periods of high demand (peak demand). There are many individuals and groups looking for creative ways to lower energy costs and make our energy system work for our community. It's on us to get educated and be involved. Knowledge is power!

There are lots of good ideas that came from this group. We hope you learn from our report.

KEY ENERGY INFORMATION

- » Minnesota utilities have met the Renewable Energy Standard goal of providing at least 25% of electricity generation from renewable sources 8 years early
- » Residential electricity prices have increased by 85% since 2001
- » 23% of electrical generation in Minnesota is from nuclear power plants
- » Minnesota produces renewable energy, nuclear electric power, and biofuels.
- » Per capita, Minnesota consumes half as much energy as North Dakota
- » According to the Minnesota Department of Commerce, every \$1 spent on Energy Conservation Improvement Programs returns \$4 to Minnesota's Economy



CRITERIA FOR OUR ENERGY SYSTEM



The following are the four criteria of a productive energy system considered by participants, with their reasons why those criteria may be important to Itasca County.

RELIABILITY: THE ENERGY SYSTEM CAN MEET THE ENERGY DEMANDS OF CONSUMERS CONSISTENTLY, INCLUDING DURING EXTREME EVENTS.

Reliability is important because:

- » We need to be able to depend on our power, especially during cold winters, hot summers, and other extreme events.
- » A modern society and a functional economy are not possible without a constant source of energy.
- » The health, well-being, and safety of Itasca County residents depends on access to energy.
- » We do not have adequate backups.

AFFORDABILITY: CONSUMERS CAN AFFORD ENOUGH ENERGY TO MEET THEIR ENERGY NEEDS.

Affordability is important because:

- » People need to be able to afford enough basic electricity to meet basic needs.
- » Disparity of prices of different power companies.
- » Fixed incomes aren't flexible and are more impacted by rising energy costs.
- » We can't choose and are dependent on the power company to control their costs.

MINIMIZING POLLUTION AND/OR CLIMATE CHANGE: THE ENERGY SYSTEM ACCOUNTS FOR THE IMPACTS OF POLLUTION AND/OR CLIMATE CHANGE.

Minimizing pollution and/or climate change is important because:

- » Impact it has on our local environment, health, and quality of life.
- » Impact it has on the sustainability of our global energy systems.

SUPPORTS LOCAL JOBS AND LOCAL INVESTMENT: THE ENERGY SYSTEM SUPPORTS LOCAL ECONOMIC ACTIVITY, INCLUDING THROUGH JOBS OR OTHER ECONOMIC INVESTMENTS LOCALLY.

Supporting local jobs and local investment is important because:

- » Helps the stability of the local economy with good paying jobs.
- » Local ownership increases accountability and pride.
- » To continue to support the local economy.
- » Encourages local control.

TOP CHALLENGES



The following top challenges for Itasca County's energy system are ranked by priority. Participants assigned their highest priority challenge with 3 points, their second-highest priority challenge with 2 points, and their third-highest priority challenge with 1 point.

ENERGY SOURCES

1. Back up energy storage is a challenge because technology is lacking. (29pts)
2. The intermittent nature of renewable resources is a challenge because timing of energy production may not match demand. (25pts)
3. Maintaining a diverse energy portfolio (coal, natural gas, wind, solar, nuclear, hydro) is a challenge because the carbon-constrained environment is changing the balance of available options. (25pts)
4. Balancing production versus load is a challenge to lower the cost for the end user. (13pts)
5. Government regulations are a challenge because they should keep costs down and allow companies to be more flexibility. (9pts)
6. Keeping current assets competitive and responsive is a challenge because non-responsive units may not make it to the market based on price. (1pt)

LOCAL UTILITIES

1. Replacement of aging infrastructure is a challenge because electricity demand is not growing. (29pts)
2. Maintaining a reliable system without excessively burdening customers is a challenge because affordability is important. (25pts)
3. The cost and availability of renewable resources is a challenge because it must be affordable for the end user. (19pts)
4. Maintaining a fair rate structure is a challenge because of different user groups. (9pts)
5. Maintain rate fairness is a challenge because we are locked into a certain utility. (8pts)
6. Balancing the interests and involvement of the general public and the utilities is a challenge because we need to protect the interests of the general public. (8pts)
7. Managing a 2-way power flow is a challenge as more people produce their own electricity. (7pts)

CONSUMER IMPACTS

1. Educating consumers in how energy usage affects peak demand is a challenge because an educated consumer can have a positive effect in reducing costs. (44pts)
2. Creating incentives to motivate the consumer to conserve more or control peak demands is a challenge because people may not act without incentives. (24pts)
3. Reducing peak energy demand is a challenge because people can't afford the high rates. (20pts)
4. Maintaining rate fairness is a challenge because people need to pay for their usage accordingly. (17pts)
5. Big business being billed on a 15-minute peak demand is a challenge because it affects the whole month's bill (3pts).

TOP OPPORTUNITIES



The following top opportunities for Itasca County's energy system are ranked by priority. Participants assigned their highest priority opportunity with 3 points, their second-highest priority opportunity with 2 points, and their third-highest priority opportunity with 1 point.

ENERGY SOURCES

1. Education of the general public and community dialogue are necessary to affect long term improvements. (33pts)
2. Developing biofuel technologies is an opportunity, especially in Itasca County, because we have the resources here and it would enhance the local economy. (21pts)
3. There will be more opportunities for new energy generation resources because storage technologies will be developed. (17pts)
4. Maintaining diversity in resources is a challenge because cost and reliability are important. (14pts)
5. As newer renewable technologies become more common, the relative costs will come down, which is important because we want to maintain affordability. (13pts)
6. Working towards more flexible generation units is an opportunity because that allows energy generation units to run in more flexible periods. (6pts)

LOCAL UTILITIES

1. As smart grid and other new distribution level technologies are developed, implemented, and improved, better educated customers can manage their resources more effectively. (38pts)
2. The decreasing costs of renewables will lead to more investment in them because it will be more cost effective. (21pts)
3. Education is an opportunity because the more we know the better decisions we make. (20pts)
4. End users having more energy efficient devices/advanced technology is an opportunity to decrease consumption. (14pts)
5. The global market of energy provides more options to the consumer and utilities. (7pts)
6. Carbon reduction is best accomplished with large partner collaboration between power generation companies because we need to reduce our reliability on carbon fuels. (6pts)

CONSUMER IMPACTS

1. Incentives for more efficient use of energy are opportunities because they benefit the individual users as well as the utilities. (34pts)
2. Educating consumers about their community's energy usage characteristics is an opportunity because knowledge is power. (26pts)
3. Commercial load management is an opportunity because lowering peak energy demand saves everyone money. (19pts)
4. Residential load management is an opportunity because being aware of your energy usage is important. (14pts)
5. There are new technologies that are becoming available that will help consumers reduce usage and peak demands. (11pts)
6. The increasing cost of energy drives innovations and new technologies which can lead to more cost-efficient options. (4pts)

DRAFT ACTION PLANS

BACK UP ENERGY STORAGE IS A CHALLENGE BECAUSE TECHNOLOGY IS LACKING.

As individuals, Itasca County residents could...

- » Invest in backup generators

As a community, we could...

- » Look at companies like SolarCity for storage
- » Subsidize generator back-ups
- » Emphasize the importance of generator back-ups

If we were to implement this Action Plan, we should think about/be aware of...

- » Initial cost too high to buy
- » Return on investment may take too long

How could we communicate this information to our community?

- » Kootasca¹ → educate and back up

What might we, as participants in the Dialogue, do to help realize this opportunity?

- » We could get involved with various organizations and outreach groups

Who else could be involved in the next steps (individuals, organizations, government agencies, elected officials, etc.)? What might they do?

- » Generac²: support adoption; Community Centers; Solar Garden Group; Kootasca



1. Kootasca is a non-profit community action organization in Itasca County.

2. Generac is a company that makes power generator units for homes and businesses

REPLACEMENT OF AGING INFRASTRUCTURE IS A CHALLENGE BECAUSE ELECTRICITY DEMAND IS NOT GROWING.

As individuals, Itasca County residents could...

- » Take personal responsibility to become more educated on energy/aging infrastructure

As a community, we could...

- » Educate/communicate to customers that the infrastructure is indeed aging
- » Communicate the plan of replacing infrastructure

If we were to implement this Action Plan, we should think about/be aware of...

- » Utility cost of labor and materials to communicate plan
- » Creating a plan for sustained communication
- » Customer cost = time
- » Investment in incentives can have a snowball effect.

How could we communicate this information to our community?

- » Bill stuffers; Social Media; Community forums; Outreach to community groups; Surveys; Incentives; and Billboard/advertising

What might we, as participants in the Dialogue, do to help realize this opportunity?

- » We could become advocates for energy literacy

Who else could be involved in the next steps (individuals, organizations, government agencies, elected officials, etc.,)? What might they do?

- » Customers – ask questions and listen
- » Utility Company – provide data/information
- » Local Governments – help make connections between groups
- » Schools – educating/partnering with utilities
- » State agencies – funding/policies



EDUCATING CONSUMERS IN HOW ENERGY USAGE AFFECTS PEAK DEMAND IS A CHALLENGE BECAUSE AN EDUCATED CONSUMER CAN HAVE A POSITIVE EFFECT IN REDUCING COSTS.

As individuals, Itasca County residents could...

- » Educational inserts in utility bills
- » Incentive for energy audit
- » Energy conservation devices

As a community, we could...

- » Create energy conservation programs and encourage school programs
- » Hold a best ideas contest and get people involved

If we were to implement this Action Plan, we should think about/be aware of...

- » Bill inserts; Community forums; Mayor's proclamation; Broadcast message when we approach a critical peak

How could we communicate this information to our community?

- » Bill stuffers; Social Media; Community forums; Outreach to community groups; Surveys; Incentives; and Billboard/advertising

What might we, as participants in the Dialogue, do to help realize this opportunity?

- » Periodic gatherings to monitor progress
- » Become community advocates

Who else could be involved in the next steps (individuals, organizations, government agencies, elected officials, etc.)? What might they do?

- » Utility incentives
- » Rural Co-op collaboration



EDUCATION OF THE GENERAL PUBLIC AND COMMUNITY DIALOGUE ARE NECESSARY TO AFFECT LONG TERM ENERGY SOURCE DEVELOPMENT.¹

As individuals, Itasca County residents could...

- » Take personal responsibility and get involved

As a community, we could...

- » Forums/Dialogues
- » Research options
- » Communicate information

If we were to implement this Action Plan, we should think about/be aware of...

- » Utility cost
- » Capital investment
- » Differing opinions
- » Customer time/interest
- » Rate of returns

How could we communicate this information to our community?

- » Newspapers; community groups; radio/tv; social media; bill stuffers; schools → K-12 and universities; town hall meetings

What might we, as participants in the Dialogue, do to help realize this opportunity?

- » Advocating for energy literacy

Who else could be involved in the next steps (individuals, organizations, government agencies, elected officials, etc.)? What might they do?

- » Schools – contests/curriculum
- » Community groups – Provide outreach venue/networking
- » Local Governments – recommend resources/publicity
- » Utility – provide information on available options



1. The focus for this action plan was reworded by the Action Planning group, and approved by the large group, to offer more specific action recommendations.

AS SMART GRID AND OTHER NEW DISTRIBUTION LEVEL TECHNOLOGIES ARE DEVELOPED, IMPLEMENTED, AND IMPROVED, BETTER EDUCATED CUSTOMERS CAN MANAGE THEIR RESOURCES MORE EFFECTIVELY.

As individuals, Itasca County residents could...

- » Take steps to lower energy uses
- » Educate our neighbors

As a community, we could...

- » Be aware when we are reaching our peak
- » Come up with more ways to use the 1.5% that utilities use for conservation
- » Local fair booth
- » Create a coalition

If we were to implement this Action Plan, we should think about/be aware of...

- » People don't seem to care
- » Incentives to overcome apathy
- » Funding

How could we communicate this information to our community?

- » Bill stuffers; Social Media; Newspaper (letter to the editor); Library programs; Community forum; School programs; Public television.

What might we, as participants in the Dialogue, do to help realize this opportunity?

- » Edu Café; Word of mouth; Training programs.

Who else could be involved in the next steps (individuals, organizations, government agencies, elected officials, etc.)? What might they do?

- » Public utilities co-op
- » City → talk about their plans
- » Library → forum
- » Schools → educate our future
- » ElderCircle¹ → Conservation program



1. ElderCircle is a nonprofit in Itasca County providing support services to senior residents and their families

INCENTIVES FOR MORE EFFICIENT USE OF ENERGY ARE OPPORTUNITIES BECAUSE THEY BENEFIT THE INDIVIDUAL USERS AS WELL AS THE UTILITIES.

As individuals, Itasca County residents could...

- » Be aware of incentives available to take advantage of savings

As a community, we could...

- » Develop effective incentives
- » Communicate that to consumer

If we were to implement this Action Plan, we should think about/be aware of...

- » Making consumers aware of incentives

How could we communicate this information to our community?

- » Flyers; community forums; bill stuffers; outreach to schools and community groups; social media; radio and local TV

What might we, as participants in the Dialogue, do to help realize this opportunity?

- » Local Government; Contractors; Vendors; State and Federal agencies; Kootasca



PANELIST DEMOGRAPHICS

Invitations to participate in the Itasca County Energy Dialogue were sent to 5,000 randomly selected households in Itasca County. Interested citizens completed a questionnaire with demographic information and were then added to a pool of potential panelists. 13 participants were randomly selected to reflect the demographics of Itasca County. 5 participants were selected for their role in the local energy system.

DEMOGRAPHIC

All statistics compiled from American Community Survey results unless otherwise noted

	ITASCA COUNTY PERCENTAGE	IDEAL # OF PARTICIPANTS	ACTUAL # OF PARTICIPANTS
GENDER			
Female	49.4%	6-7	7
Male	50.6%	6-7	6
RACE/ETHNICITY			
White/European-American	93%	11	11
Persons of Color/Multiracial	7%	2	2
PARTY AFFILIATION			
<i>Extrapolated from recent election results</i>			
Democrat	37%	5	5
No Party, Other	25%	3	2
Republican	38%	5	6
AGE			
15-39	32%	4-5	4
40-64	36%	4-5	4
65 & over	33%	4-5	5
EDUCATION			
Less than High School	6.7%	1	0
High School or GED	31%	3-4	3
Associates/Bachelor's	40%	5	6
Graduate degree	22.1%	3	4
	100%		
TOTAL NUMBER OF PARTICIPANTS	<i>Figures may not add up to 100% due to rounding in population estimates</i>	13	13

The 5 stakeholder participants were:

- » Julie Kennedy, Grand Rapids Public Utilities – General Manager
- » Dale Adams, City of Grand Rapids – Mayor
- » Rick Blake, City of Grand Rapids (Council member) and Grand Rapids Public Utilities Commission (Commissioner)
- » Bill Schnell, Itasca Clean Energy Team – Member
- » Glen Hodgson, Grand Rapids Public Utilities Commission – Commissioner



PANELIST PERSPECTIVES

“It was valuable to be part of a diverse group of Itasca County residents to discuss an issue that affects us all. **I learned something from everyone I interacted with.** My opinions and the way I look at the energy future of Itasca County were both affected and improved by the participants in the Itasca County Energy Dialogue.”



“I’m glad I was able to participate. I learned a lot about energy distribution and makeup, and how our local utilities are structured. I enjoyed working in a group with diverse opinions and coming up with solutions together that we can all agree on.”



“I came away impressed with how diverse of a group we were, that we could come away with a common goal. **That gives me hope for the community at large.**”

INTERESTED IN YOUR OWN DIALOGUE?

The Jefferson Center and the Institute for Agriculture and Trade Policy are in the process of identifying communities across for future Rural Dialogues. If you are interested in hosting a Dialogue in your community, or would like to receive additional information, please contact:

Andrew Rockway at arockway@jefferson-center.org / 651-209-7672

Tara Ritter at tritter@iatp.org / 218-831-0763

Hosting a Dialogue requires significant engagement with community members months prior to the event in order to identify issues of principal concern, engage local and regional experts, work with community institutions to develop information sources, and determine community receptivity among policymakers and the general public to incorporate Dialogue findings into community planning efforts.



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The Jefferson Center is a nonpartisan organization committed to strengthening democracy by advancing informed, citizen-led solutions to challenging public issues through deliberation and community action. We're collaborating with governments, nonprofits, and others to unleash the power of citizens and solve today's toughest challenges. We focus on building powerful coalitions, creating meaningful opportunities for education and public deliberation, and empowering citizen-led action.



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The Institute for Agriculture and Trade Policy is a Minnesota-based nonprofit working locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems and to foster vibrant, prosperous rural communities. We support rural communities through research, market development, and policy advocacy to address local challenges, including issues associated with extreme weather and a changing climate.