

May 26, 2005

Honorable John Norris
Iowa Utilities Board
350 Maple Street
Des Moines, IA 50319-0069

Dear Chairman Norris:

Please plan to attend a special meeting for invited Commissioners and staffs at the MARC Conference in Little Rock, Arkansas. The meeting will take place on Monday, June 20, in the Polk Room, from 1:45 to 3:15 p.m. The purpose of the meeting will be to discuss the development of a Midwest Renewable Energy Tracking System (M-RETS).

Renewable energy development is occurring in all of our states – in some cases in response to legislative or regulatory requirements, in others, as a result of favorable market conditions. As regulators, we often need a way to assure that electric utilities under our jurisdiction are meeting the requirements of state law or our own Commission's policies. We also expect to see a desire on the part of our utilities to trade credits equaling specified amounts of renewable energy to bring down the cost of compliance with state or regulatory requirements. A voluntary credit tracking system provides a policy-neutral way of monitoring compliance while perhaps creating a market-based stimulus to renewable energy development.

For the last year, I have worked with colleagues in a six state region (IA, IL, MN, ND, SD, WI) and the province of Manitoba, to build support for a tool to track renewable energy transactions. The Minnesota and Wisconsin Commissions have hosted a series of three workshops during the year to bring stakeholders together for discussions around the purpose, design, governance, and financing of such a system. I have also worked closely with two NGO's in the region, the Izaak Walton League and Powering the Plains, who have brought a smaller group of stakeholders together to develop more detailed recommendations on the formation of a tracking system.

Please join me on June 20 to discuss these exciting developments. As you can see from the attached agenda, Bill Grant of the Izaak Walton League will present an update on the work of he and his colleagues. We will also discuss what I hope will be your interest in serving on an M-RETS governing committee. I look forward to seeing you all in Little Rock!

Yours truly,

Phyllis Reha, Commissioner
Minnesota Public Utilities Commission