



RE: Leadership Needed. Put Minnesota on a path to 100% carbon free by 2050 and an economy that benefits everyone.

To: Members of the HF 2208 Jobs and Energy Conference Committee

May 6, 2019

Dear Legislators:

Thank you for serving on this important committee. Of the many critical issues facing policymakers, setting the trajectory for Minnesota's energy future is among the most important. All endeavors to improve the health and quality of life for our state's citizens – across every category of state government – will be impacted by increasing changes to our state's climate. The results of the actions we choose to take or not take will echo for generations.

We need to act strategically.

Minnesota needs to put in place the policies and resources that will

- 1) Create ever more clean electricity by capturing power from the wind and the sun.
- 2) Transition our systems (like transportation and heating) off of fossil fuels and onto clean electricity.

We need to act quickly.

The world's scientists tell us that in order to avoid catastrophic consequences, we need to eliminate greenhouse gas emissions by 2050. That goal assumes a 50% reduction by 2030.

Minnesota is ready to tackle this challenge. Our technology, our industry and our people are all poised to lead this transition, reap its rewards, and forge a new trajectory for Minnesota's health, economy, and future.

We need to act equitably.

Our transition must take care of workers whose jobs may be impacted by the change in technology. It must ensure that Minnesota families gain economically and enjoy the benefits of efficiency and cleaner air without having to bear excessive costs during the transition. It must provide a safe and healthy future for Minnesotans of every race, gender, income, and age in every part of the state.

The bill that emerges from this conference committee can put Minnesota on an important trajectory to achieving these goals. Thank you for your consideration.

We support the following priorities found in the House proposal:

Carbon free electricity generation by 2050 standard.

3rd Engrossment, Article 29, Section 12

In 2007, nobody really knew what was possible.

Today, Minnesota has reached the renewable energy goals set in the 2007 Next Generation Energy Act seven years early. Reaching 25% renewable energy has shown not only that achieving our clean energy future is possible, but that it is preferable:

- renewable energy is cheaper than fossil fuels,
- it is reliable now,
- and it is local – our investments to power Minnesota will stay in Minnesota and create jobs.

This is why Xcel Energy already announced in December of 2018 that its electricity production would be 100% carbon free by 2050.

We agree that Minnesota can't run entirely on renewable energy tomorrow. But the development that will happen in this field over the next two decades will bring us farther, faster than we might imagine – if we encourage this transition with state policy. The state will have 30 years to meet this provision requiring that 100% of a utility's generating resources, owned or purchased, be carbon-free by 2050.

Greenhouse gas emissions reduction strategy report.

3rd Engrossment, Article 29, Section 59

We can't meet our goals if we don't develop a plan.

This section requires the commissioner of commerce to develop strategies to significantly accelerate the reduction of state greenhouse gas emissions by 2030, and to issue a report to the legislature on those strategies by November 30, 2019.

"All problems become smaller when we confront them." We can do this. Let's start with a plan.

We support the following priorities shared by the House and Senate:

Investments in Electric Vehicle Infrastructure and Transition.

In order to transition our transportation sector to electricity on a pace estimated to meet our carbon emission reduction needs, Minnesota needs make an electric vehicle infrastructure investment of \$40 million over the next 4-8 years to construct nearly 3,000 chargers across the state, particularly in Greater Minnesota. This level of investment will facilitate an electric vehicle uptake of 8-10% by 2025. With this goal in mind, we urge the committee to include all of the following provisions from the House and Senate in their final bill and to put more into these programs if at all possible.

Senate Provision:

First Unofficial Engrossment, Article 10, Section 8:

Electric Vehicle Charging Station Revolving Loan Program.

The program would create access to low-interest loans of up to \$30,000 to build EV charging stations, advancing \$1.5 million dollars that will be repaid to the Renewable Development Account over time.

House Provisions:

3rd Engrossment, Article 28, Section 3 and Article 29, Section 47:

Electric Vehicle Public Charging Grant Programs:

This creates two EV charging programs, one for infrastructure within Xcel service territory funded through the Renewable Development Account (Article 29, Section 47), the other for infrastructure outside of Xcel territory funded through the state's general fund (Article 28, Section 3). Infrastructure location could include state and regional parks, trailheads, and park-and-ride facilities.

Electric Bus Purchases for the Met Council:

3rd Engrossment, Article 29, Section 57

This provision requires the Metropolitan Council to purchase only electric buses, using the associated appropriation to pay the incremental cost of electric buses over diesel buses, until the appropriation is exhausted.

We oppose these provisions in the Senate Proposal and ask you to remove them:

Weakening Minnesota's Renewable Energy Standard.

First Unofficial Engrossment, Article 8, Section 5

This provision allows large scale hydropower (with a capacity of 100 megawatts or more) to be counted toward meeting renewable requirements without also raising the Renewable Energy Standard. As such it weakens our progress forward with wind and solar.

Ending Minnesota's nuclear facility moratorium.

First Unofficial Engrossment, Article 8, Section 6

This provision lifts our twenty-five year old moratorium on building new nuclear-powered electric generating plants. Nuclear continues to pose grave risks, is expensive for ratepayers, impacts communities already disproportionately affected by environmental problems, and leaves a burden of toxic pollution for future generations.

Creating Barriers to Community Solar Gardens.

First Unofficial Engrossment, Article 8, Section 3

This provision terminates the existing Community Solar Gardens program and replaces it with a new process that complicates certification and subscription. It allows utilities to set the rates they will pay for the energy the solar gardens generate and unnecessarily caps the growth of Community Solar Gardens to 25 megawatts per year.

Interfering with agency independence and ability to protect Minnesotans.

First Unofficial Engrossment, Article 8, Section 15

The bill would prohibit the Commissioner of the Department of Commerce from using money appropriated to the Department to fund any activities related to an appeal concerning the certificate of need issued to Enbridge Energy for the Line 3 pipeline replacement project. The authorities and independence of the Department of Commerce to protect the long-term well-being of Minnesotans should be maintained.

Rolling back energy efficiency progress.

First Unofficial Engrossment, Article 9, Section 1

Despite the fact that energy efficiency is key to a clean energy future, saving rate payers money and meeting carbon reduction goals, this bill allows cooperative and municipal utilities to substitute and replace a significant portion of their traditional energy efficiency programs with activities such as electrification. While increasing the electrification of our economy is good, it is not good to do this at the expense of progress on energy efficiency. Utilities prefer this provision because it increases electricity demand, rather than lowering it. In truth, the twin needs of our coming clean energy economy require that we both 1) increase efficiency everywhere, and 2) move our energy needs to electricity – ultimately growing the amount of clean electricity that will be used.

This provision also removes Minnesota Department of Commerce oversight and allows cooperative and municipal utilities the ability to opt out of paying for statewide shared-benefits programs including applied research and development grants, Clean Energy Resource Teams funding, state agency technical and coordination assistance funding, and funding for energy efficiency benchmarking and tracking systems. This provision also includes unrelated efficiency provisions such as solar energy incentives that would conflict and compete with efficiency investments.

Lowering Xcel’s payments to the Renewable Development Account for storage of nuclear waste.

First Unofficial Engrossment, Article 10, Section 1

Currently, Xcel pays \$500,000 annually for each dry cask of nuclear waste it stores outside its facilities, with the total amount increasing as more waste accumulates. SF 1692 switches to a flat fee system where Xcel would pay \$33,000,000 in 2020; \$31,000,000 in 2021; and \$20,000,000 every year thereafter until the nuclear plants are retired. After this, Xcel would pay \$12,750,000 per year. This will reduce support for renewable energy projects in Xcel service territory while unjustifiably reducing the fee for “temporary” storage of nuclear waste that Xcel agreed to 25 years ago in order to gain state approval of this practice.

Creating two new felony crimes targeting protesters that will chill free speech.

First Unofficial Engrossment, Article 8, Section 11

This provision would target Minnesotans engaging in free speech near any “critical infrastructure,” making it easier to charge them with a felony. The first change makes it easier for Minnesotans to be charged with a felony by changing “significantly disrupt” to simply “disrupt,” which lowers the bar for a felony charge to include insignificant disruptions. This would raise the legal risks for Minnesotans engaging in free speech near any “critical infrastructure.”

The provision also creates a new felony trespass crime, with potential fines of up to \$10,000, five years imprisonment and restitution. This would apply to any person (except union employees or their representative) who enters or is simply found on “property containing or upon which is being constructed” a refinery or a pipeline, if there is an “intent to disrupt.”

Minnesotans are now recognizing the impacts of climate change in their daily lives. A vote for a clean and equitable energy future is a vote for every person in Minnesota – for their health, for their job prospects, for the Minnesota they love and the future they look forward to.

Please recognize the changes that are happening before our eyes and support HF 2208 and its potential to put Minnesota on the energy trajectory we need. Once again, let’s make history for Minnesota.

Sincerely,



Steve Morse
Minnesota Environmental Partnership

Alliance for Sustainability
Austin Coalition for Environmental Sustainability
Clean Water Action - Minnesota
CURE (Clean Up the River Environment)
Environment Minnesota
Friends of Minnesota Scientific & Natural Areas
Friends of the Mississippi River
Izaak Walton League – Minnesota Division
Land Stewardship Project
League of Women Voters – Minnesota
Mankato Area Environmentalists
Minnesota Native Plant Society
Minnesota Ornithologists Union
MN350 Action
Save Our Sky Blue Waters
Sierra Club – North Star Chapter
St. Croix River Association
Wilderness in the City