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Honorable Members of the House Climate and Energy Finance and Policy Committee,

Thank you for the opportunity to testify on House File 10, Clean Energy First. Minnkota Power Cooperative is a not-for-profit generation & transmission cooperative that provides power to 11 member-owned distribution cooperatives in northwest Minnesota and northeast North Dakota. We also serve as the operating agent for the Northern Municipal Power Agency and its 12 associated municipal utilities. Minnkota currently gets about one-third of its energy capacity from wind energy and another ten percent from hydroelectricity.

We agree that we will live in a carbon managed future, and that we all must find ways to reduce carbon dioxide intensity in electric generation resources. However, Minnkota is concerned this legislation further complicates a regulatory process that is already complicated. Minnesota utilities have already exceeded renewable energy targets, and they have done it in ways that make sense for their service territories, customer bases and financial circumstances. Narrowing a utility's options with an overly proscriptive regulatory scheme is only going to make the transition to lower carbon dioxide emissions more costly.

We continue to produce affordable and environmentally responsible electricity for our membership, while providing important and critical baseload power to our region. This is especially true during the challenging weather of this last week. Critical infrastructure is dependent on reliable electricity and cannot afford any lesser standard of reliability. Many electric utilities are proactively working on, and succeeding with, reductions in greenhouse gas emissions. Oftentimes they are surpassing state goals through flexible and innovative methods.

As the world focuses more and more on reducing the amount of carbon dioxide (CO2), storage technologies have become increasingly important. That is why Minnkota is pursuing carbon capture, utilization and sequestration (CCUS) technology for its Milton R. Young lignite plant in Center, North Dakota. Project Tundra is expected to be able to capture between 90-95% of the carbon from its flue gas at its plant. If constructed, Project Tundra would be the largest carbon capture project on a power plant in the world, and could serve as a blueprint to advance next-generation technologies that help to continue to produce reliable, affordable and increasingly clean energy.

Unfortunately, this bill does not include carbon capture technology or acknowledge the role that carbon capture technology must play in the future of decarbonizing. The imperative and economic impact for building out carbon management technologies is clear. The United Nations Intergovernmental Panel on Climate Change (IPCC) has run several models for stabilizing emissions by 2050. Many models cannot limit warming to below 2°C above preindustrial levels if bioenergy, CCUS and their combination are limited.

Thank you for your time and the opportunity to provide comment on this legislation. We also hope we can share with you more information on Project Tundra's progress and the importance of carbon capture to reducing carbon emissions globally and its contribution to the energy transition.

Sincerely,

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