



Sherburne County Administration

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February 21st, 2023

Representative Hodan Hassan, Chair
House Economic Development Finance
& Policy Committee
597 State Office Building
St. Paul, MN 55155

Dear Representative Hassan,

Sherburne County is pleased to convey its support for the proposed Community Energy Transition Grant Program (HF1398).

Xcel Energy is proceeding with the closure of the Sherco Generating Station by 2030, starting with the decommissioning of Unit #2 (of a total of 3 units) in 2023. This action will result in a substantial number of job cuts and an extraordinary loss of the tax base for the City of Becker, Sherburne County, and the Becker Scholl District. Currently the Sherco Coal Plant located accounts for about 70% of the City of Becker's Tax base and 12% of the County's tax base. In addition, the closing will result in a loss of approximately 300 jobs.

To prepare for the eventual closing, the City and County have been working closely with Xcel to create a state-of-the-art business park that will draw new businesses and capital investment into the area. While we will not be able to replace the economic value of the Sherco jobs and tax base immediately, our collective goal has been to develop sites that will facilitate our transition away from a coal-based economy (relying on Sherco as our major employer and tax base) to a more diversified economy utilizing alternative energy sources. The key components of this planning effort have been to take advantage of the power infrastructure immediately available, to bring necessary road, water, wastewater, and telecommunications services to the area to encourage future growth, and to recruit businesses that are interested in developing facilities that will serve as catalysts for future growth.

Replacing the economic impact Sherco offers will require a massive effort as we continue to re-shape our future without this legacy coal energy facility. We simply cannot undertake these efforts alone - additional help from the State of Minnesota is critically needed. The Community Energy Transition Grant Program will be a most welcome tool as we diversify our economy and pursue opportunities for appropriate and sustainable economic growth. We therefore support HF 1398 as, together as partners, we embrace this new energy landscape.

Respectfully submitted,

Bruce Messelt
Sherburne County Administrator