



April 13, 2021

The Honorable Rena Moran, Chair
House Ways and Means Committee
449 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

VIA E-Mail

Dear Chair Moran and Committee Members,

I write to express the Commerce Department's thoughts on the current version of the Climate and Energy Committee's omnibus budget bill.

At the outset, I appreciate the work of Representative Long and the Energy Committee staff in developing this budget proposal. This omnibus bill takes a big step toward moving Minnesota to a clean energy future that is both reliable and affordable.

I support the inclusion of the Governor's Budget recommendations that are included in this proposal. These items include the ability for the Department to continue vital programs on behalf of Minnesotans.

Repealing the sunset of the Energy Planning and Systems assessment, which is set to sunset on June 30, 2021, is vital to the Department's work on grid reliability. This assessment amount is up to \$500,000 per year and is split between the electric utilities for the actual costs of providing regional and national grid reliability. The work is ongoing in order to maintain reliable energy service for Minnesotans. Maintaining these existing positions through this funding is critical to maintaining an affordable and reliable energy system. Without this assessment the Department will not have the resources to complete the technical analysis needed to ensure Minnesotans' access to a reliable energy grid.

The bill also includes the Department's operating adjustment. The operating adjustment is important because it allows us to continue to manage normal, customary, and expected cost increases, fundamental to most other businesses, such as compensation, rent and IT increases.

In addition to the inclusion of these budget items, I would like to thank Chair Long and the Committee for inclusion of the Governor's energy-related policy priorities. These include the Governor's Clean Energy package of policy proposals, the extension of the Cold Weather Rule so that homes who make payments on payment plans with their utilities are not cut off from heat in Minnesota's cold winter months, and a tribally-created Tribal Advocacy Council on Energy.

The Commerce Department provides essential services to Minnesota businesses while protecting Minnesota consumers. The Governor's budget requests do not unduly increase the size of government or make it more difficult to do business in the state. Rather, they provide operational stability to the Department after a difficult year and allow the agency to continue meet Minnesota consumers' and businesses' expectations of the Department. We appreciate their inclusion in this omnibus bill. I hope this information is helpful and ask that you take these considerations into account as the bill moves forward.

Sincerely,



Grace Arnold

Commissioner (Temporary)