



April 6, 2022

Dear Members of the House Energy and Climate Finance & Policy Committee:

We appreciate the opportunity to provide comments regarding our opposition to HF 3337 (Rep. Long), the Energy Omnibus Bill, as amended by the DE2 amendment.

The Minnesota Chamber, which represents over 6,300 businesses with over 500,000 employees, believes in the triple goal of affordable, reliable, and cleaner energy. We support our members' interests and efforts to advance sustainability, and we work hard to help them reduce energy consumption, divert waste, and minimize environmental impact.

In particular, we oppose the following provisions contained within the bill due to their impact on ratepayers during this time of rising energy costs:

- The bill would spend \$80,625,000 from the Renewable Development Account. The RDA is funded by a tax on Xcel Energy electric customers, and we support its reform or elimination to provide relief to ratepayers, as opposed to funding ongoing or new programs.
- Energy benchmarking is an unnecessary mandate on Minnesota businesses. Opportunities for a customer to release its utility data already exist and additional pathways to this data raise concerns about trade secrets, international competitiveness, anti-trust violations and security of the data after release.
- The changes to the bill for Community Solar Gardens will increase costs for energy customers in Minnesota. Community Solar is an inefficient and expensive route for renewable power, especially compared to utility-scale solar. Allowing gardens to triple in size while removing geographical restrictions on their location will only exacerbate that issue.
- The bill's provisions regarding transportation electrification plans contain rate recovery mechanisms that would likely negatively impact energy customers, and the PUC is not an appropriate venue for state planning regarding transportation infrastructure.

In the state's February Budget and Economic Forecast, Minnesota's Council of Economic Advisors describe higher energy prices as a "new threat to growth." We are concerned that taken all together,

this bill does nothing to address the crisis Minnesota faces regarding energy affordability and the threats it presents.

Energy is a major cost for many businesses in our state. According to the most recent data from the Energy Information Administration, Minnesota's electricity costs in January for commercial energy customers were up 13.8% and up 15.3% for the industrial energy customers compared to last January. Minnesota's energy costs used to be a competitive advantage, however in the past year, we have fallen even farther behind. Continuing higher energy costs are due to numerous and complex public and private forces, but result in increased operating costs, job loss and investment in our state.

Category	January 2021	January 2022
<i>Commercial cents/kwh cost</i>	9.69	11.03
<i>Industrial cents/kwh cost</i>	7.32	8.44
<i>Commercial cost ranking</i>	27 th	21 st
<i>Industrial cost ranking</i>	16 th	13 th

Being an outlier on energy affordability harms our state's ability to develop, grow, and retain businesses. With this information in mind, we request you vote against HF 3337, as amended by the DE2 amendment.

Sincerely,

Brian Cook
Director, Energy and Elections Policy