

Missouri River Energy Services, Deb Birgen
Testimony on HF3337 before the House Climate and Energy Finance and Policy Committee
April 6, 2022

Good afternoon Chair Long and members of the committee, my name is Deb Birgen and I represent Missouri River Energy Services (MRES). We are a municipal power agency that provides wholesale power to 61 municipal electric utilities in four states, 25 of which are located in Western Minnesota. Thank you for the time and effort that you have put into addressing energy issues that impact our state this legislative session. We also appreciate the willingness the committee has shown to discuss and address concerns we have had with sections of this bill. In that spirit, we want to comment on a few remaining concerns we have in the hope we can continue to work on resolving them as this bill moves towards its final form.

Article 4, Section 3 of the bill would add analysis regarding transmission to the Integrated Resource Plan (IRP) requirements under section 216B.2422 that is largely duplicative of work already required by the Regional Transmission Organizations (RTO). For example, in MISO, owners of required units must go through a process outlined in Attachment Y. This obligates them to do transmission studies to determine what, if any, transmission modifications may be required prior to retirement of a generator—any generator. The point being that this transmission process is done at a point closer in time to a plant's retirement and involves the RTO. Second, doing what is proposed in this language would prove to be nothing more than an academic exercise, especially 15 years prior. For example, if MRES were to file an IRP in 2023 that identifies the retirement of its natural gas plant in Iowa in 2039, this language would require MRES to undertake an effort to report on an initial transmission plan. However, in Iowa, MRES is largely transmission dependent. The transmission around the natural gas plant that may be impacted is not owned or operated by MRES—MRES would be required to do transmission planning for lines they do not own. Additionally, it is likely that in just a few short years, the analysis would be largely obsolete, due to the impacts of regional changes such as the addition of resources by other utilities.

Article 8, section 7 requires an analysis of local job impacts in the IRP. MRES appreciates the goal behind this paragraph and in its recent construction project, as it worked with its lead contractor to employ as many local workers as possible. MRES is concerned the current language adds a layer of analysis that may be speculative to the IRP process that MRES, a not-for-profit municipal power agency, will need to pay for. We have been working with the proponents to address those concerns and believe they can be resolved as the bill moves forward.

In Article 8, section 12, the bill creates a “Minnesota Innovative Finance Authority” to oversee the further development and advancement of clean energy. Although the goal may be laudable, it appears to duplicate the efforts of other existing non-governmental organizations as well as utility Conservation Improvement Programs. It may also lack needed customer protection provisions. We believe this proposal needs further stakeholder input before it can move forward.

Thank you for your time and consideration. We look forward to continuing to work with you on these efforts.