



Minnesota Rural Electric Association

11640 73rd Avenue N | Maple Grove, MN 55369 | p: 763-424-1020 f: 763-424-5820 | www.mrea.org

March 27, 2023

Dear Chair Acomb and Members of the Climate and Energy Finance and Policy Committee,

The Minnesota Rural Electric Association (MREA) represents the interests of the state's 50 rural electric cooperatives. Our member cooperatives are not-for-profit electric utility businesses that are locally owned and governed by the member-consumers they serve. We submit this letter to express our support for HF 3003 and thank Representative Stephenson for working to improve the definition of those Minnesota households eligible for low-income programs under the Energy Conservation and Optimization (ECO) Act.

This effort would expand the pool of eligible candidates for assistance under ECO by updating MN Statute 216B.241. It provides better alignment with other federal, state, and utility programs for assisting low-income households, and provides additional flexibility to ensure more meaningful programs can be carried out successfully. It will reduce administrative burden and duplicative paperwork for households that demonstrate eligibility for other programs and allow for better synergy in carrying out these programs in ways that will have a meaningful positive impact for Minnesotans.

We thank Representative Stephenson for his work on this effort. We appreciate the Committee including this bill in the overall energy omnibus bill.

Sincerely,

Darrick Moe
President & CEO
Minnesota Rural Electric Association



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

Minnesota House of Representatives Climate and Energy Finance and Policy Committee
Room 200 State Office Building
St. Paul, MN

Dear Chair Acomb and committee members,

The BlueGreen Alliance thanks you for the committee's hard work this session forming a robust omnibus bill.

We are excited to see that [HF 2170 \(Berg\)](#), the Buy Clean Buy Fair Minnesota Act, is included. The appropriation would establish an Environmental Standards & Procurement Task Force to ensure that stakeholders—such as state agencies, industry, labor unions, and environmental advocates—are at the table as Environmental Product Declarations (EPDs) come into play for evaluating state procurement contracts.

There is widespread buy-in from proposed task force members. The Minnesota Department of Transportation is already tracking and studying the creation of EPDs as they move towards being the industry norm and the Minnesota Department of Administration works closely with the University of Minnesota Center for Sustainable Building Research on building materials decarbonization.

Under the bill, the following things will be under the purview of the task force:

- Determining which materials will be subject to program requirements;
- Considering financial incentives to vendors for creating EPDs;
- Administering grants to vendors for the costs of creating EPDs;
- Determining which factors shall be evaluated in setting maximum greenhouse gas emissions standards; and
- Setting a schedule for standards implementation.

Additionally, a pilot program will be developed by 2024 to gather data from vendors and understand current supply levels and emissions.

We thank the committee for including \$1.4 million for the biennium in appropriations for the Buy Clean Buy Fair Minnesota Act in the House Climate and Energy omnibus bill.

Sincerely,
Abby Hornberger
Minnesota Policy Organizer
BlueGreen Alliance



March 24, 2023

Representative Zack Stephenson
Climate and Energy Committee
449 State Office Building
St. Paul, MN 55155

Dear Representative Stephenson,

CenterPoint Energy, Minnesota Power, and Otter Tail Power Company support HF 3003 to amend the definition of “low-income household” for the purpose of receiving energy conservation assistance through the Energy Conservation and Optimization Act (“ECO”).

This bill will allow utilities to:

- Serve more of our low-income customers with high-impact energy efficiency services;
- Continue and expand upon our existing low-income conservation programs;
- Utilize additional federal funding opportunities through the Inflation Reduction Act toward energy improvements for our low-income customers;
- Reduce the administrative burden on our low-income customers and duplicative verification and documentation processes for our implementers;
- Continue our long-standing and impactful partnerships with Weatherization Assistance Program providers; and
- Meet or exceed the new, higher low-income spending requirements in ECO.

We thank you for authoring this important policy change.

Sincerely,

Mike Bull, Senior Policy Advisor, ALLETE/MN Power

Jamie Fitzke, Director of Government Affairs, CenterPoint Energy

Jason Grenier, Manager of Retail Energy Solutions, Otter Tail Power Company



March 22, 2023

Representative Zack Stephenson
449 State Office Building
St. Paul, MN 55155
651-296-5513

Re: Support for HF 3003 – Amending the definition of “low-income household” for purposes of receiving energy conservation assistance

Dear Representative Stephenson,

I am writing on behalf of the Citizens Utility Board of Minnesota (CUB) to express support for HF 3003. This bill is a needed fix to the definition of “low-income household” with respect to the utility low-income conservation programs (Minn. Stat. 216B.2402-241).

In 2021, the ECO Act updated this statute to include a definition of “low-income household” that limited eligibility for low-income utility energy efficiency programs to households with incomes at or below 60% of state median income (SMI). This new definition is a lower income threshold than some existing, long-standing low-income efficiency programs. It would result in fewer eligible households, even as the ECO statute increased the amount of funding required in these programs.

Efficiency programs are very important for households that face challenges with energy affordability. Many households above 60% SMI (approximately \$46,600 in 2021) still struggle to afford household energy, more so given recent inflation and the rise in fuel prices. Energy efficiency improvements provide long-term bill savings.

This bill provides an important revision to the definition of “low-income.” Further, it will reduce administrative burden and duplicative paperwork by allowing households to qualify by demonstrating that they have already proven eligibility for another income-qualified program.

Thank you for carrying this important bill.

Sincerely,

Annie Levenson-Falk
Executive Director

cc: Chair Patty Acomb
Mike Molzahn, Committee Administrator



408 Saint Peter Street, Suite 350
Saint Paul, MN 55102

PHONE 651 225 0878

EMAIL info@fresh-energy.org

WEBSITE fresh-energy.org

March 28, 2023

Minnesota House Climate and Energy Finance and Policy Committee
593 State Office Building
100 Rev. Martin Luther King Jr Blvd
Saint Paul, MN 55155

Dear Chair Acomb and Committee Members,

Fresh Energy is a 30-year-old, Minnesota-based nonpartisan, not-for-profit organization. We work to shape and drive bold policy solutions to achieve equitable carbon-neutral economies. Fresh Energy is pleased to support Senator Stephenson's House File 3003 to amend the Energy Conservation and Optimization (ECO) Act definition of "low-income household" under Minnesota Statute section 216B.2402, subdivision 16.

The current definition of low-income in the ECO Act excludes participation of some households that have historically been eligible under long-standing, low-income energy conservation programs (formerly known as the Conservation Improvement Program, or CIP). Before this definition was adopted, the Department of Commerce would determine eligibility on a case-by-case basis, which provided flexibility and encouraged ongoing collaboration and conversation between the agency and utilities. This also allowed each utility to develop low-income programs based on the unique needs and challenges of their customer base.

The Energy Access and Equity team at Fresh Energy works to ensure Minnesota's transition to a clean energy economy is just and equitable, and that all Minnesotans—especially those who are underserved—can reasonably access and leverage energy efficiency and electrification programs. We must ensure the investment in low-income energy programs is expanded upon and not restricted.

We support the flexibility this bill provides in allowing the Department of Commerce some discretion for identifying eligible households that align with existing federal, state, municipal or utility programs. This will streamline the administrative and implementation processes and allow for greater participation in low-income ECO programs, leading to lower monthly utility costs across the state. Reducing energy burden is not only a priority of Fresh Energy's, but also that of Minnesota's Climate Action Framework.

We thank Representative Stephenson for his leadership and encourage members of the committee to support House File 3003.

Sincerely,

Mari Ojeda
Senior Policy Associate, Energy Access and Equity
Fresh Energy
ojeda@fresh-energy.org



March 28, 2023

Dear Chair Lillie and Members of the House Legacy Finance Committee:

Metro Cities, representing the shared interests of cities across the metropolitan area, appreciates the opportunity to comment on HF 1999 (Lillie), as amended by the DE 1 Amendment. Metro Cities supports several key provisions.

Clean Water Fund: Article 2 – Metro Cities supports the \$8.5 million in each year for the Board of Water and Soil Resources to make grants to local governments to protect, restore, and enhance surface water, ground water, and drinking water. Metro Cities also supports the \$1.125 million each year directed to the Metropolitan Council to implement projects that address emerging threats to the drinking water supply especially those that leverage interjurisdictional coordination and support local implementation of water supply reliability projects. Finally, Metro Cities supports the \$1.5 million for water demand reduction grants to assist municipalities in the metropolitan area with implementing water demand reduction measures to ensure the reliability and projection of drinking water.

Parks and Trails Fund: Article 3 – In the seven-county metropolitan area, regional parks essentially serve as state parks, and the state should continue to provide capital funding for the acquisition, development, and improvement of these parks in a manner that is equitable with funding for state parks. Metro Cities supports state funding for regional parks and trails that is fair, creates a balance of investment across the state, and meets the needs of the region. Metro Cities appreciates and supports the \$28.5 million in FY 2024 and \$25.5 million in FY 2025 for the metropolitan regional parks system.

Thank you for your consideration of this letter. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Mike Lund". The signature is written in a cursive, flowing style.

Mike Lund
Government Relations Specialist
Metro Cities

100%

100% Campaign
705 Raymond Ave. - Suite 100
Saint Paul, MN 55114
www.100percentmn.org

March 28, 2023

Chair Acomb and Members of the Committee,

We are writing to express our support for provisions in Representative Patty Acomb's House File 2754, as amended by in DE1.

Our transition to a cleaner, more equitable economy means real opportunities to improve the lives of Minnesotans. House File 2754, as amended by in DE1, makes the most of these opportunities delivering better homes, new technologies, cleaner electricity, more transportation options, and stronger communities for Minnesotans.

First, we strongly support the bill's commitment to building stronger communities through climate action and resilience planning. In particular, we support:

- University of MN Weather Resiliency Program: \$1m (GF) per year in FY 24, 25, 26, & 27
- Climate Action Planning Grants: \$2m (GF) in FY and \$2m (RDA) in FY 24

We request that the committee also include at least \$5m in funding for the Energy Transition Grant Program at the Department of Employment and Economic Development.

Second, we strongly support the bill's commitment to vehicle electrification. In particular, we support:

- EV School Bus Grant Program: \$7m (GF) in FY 24 and \$7m (RDA) in FY 25

We also support the bill's appropriations for EV Rebates, EV Dealer Training and Certification, and Utilities' Transportation Electrification Planning.

Third, we strongly support the bill's commitment to improving our homes and buildings. In particular, we support:

- Pre-Weatherization and Workforce Training: \$45,343,000 (GF) in FY 24-25 and \$3,720,000 in FY 26-27 and \$10m (RDA) in FY 24-25.
- Creating a State Energy Policy Goal for existing commercial and residential buildings of a 50% reduction in energy use by 2035 (Lines 47.17-47.30)
- Updating the Sustainable Building Guidelines to include climate resilience (Lines 39.3-43.22)
- Updating the Commercial Energy Codes (Lines 69.12-71.19)
- Weather Trend Study for State Buildings: \$690,000 (RDA) in FY 2024.

We also support the bill's proposals to invest in the Strengthen Minnesota Homes program, Electric Panel Upgrades, Energy Storage Planning and Rebates, Building Energy Benchmarking, Residential Air Source Heat Pump Rebates, Energy Guidelines for State Buildings, Energy Code for New Commercial Buildings, and Air Ventilation Program.

Fourth, we strongly support the bill's commitment to innovative financing and federal matching. In particular, we support:

- MN Climate Innovation Finance Authority: \$20m (GF) in FY 24.
- State Competitiveness Fund (Lines 140.14-145.4): \$115m in FY 224 in HF 1656.

Fifth, we strongly support the inclusion of several key policy items. In particular, we support:

- Next Generation Climate Act Goals (Lines 98.2-98.26)
- Buy Clean, Buy Fair (Lines 79.11-85.15)
- Intervenor Compensation (Lines 74.5-79.8)
- Utility Diversity Reporting (Lines 145.5-146.26)
- Homeowners Association Solar Access (Lines 122.11-128.2)
- Tribal Advocacy Council on Energy (Lines 147.20-148.21)

Fifth, we strongly support the bill's commitment to investing in solar energy. This includes the bill's proposals on Solar*Rewards, Solar on Community Colleges, Solar on Schools, Public Building Solar Grant Program, and Distributed Energy Resource System Upgrades.

Thank you for including these provisions in the DE1 version of the House Climate omnibus bill.

Please include them in the final version of House File 2754.

Thank you for your time and consideration,

Aurora Vautrin

Aurora Vautrin
Legislative Director
100% Campaign
705 Raymond Ave. - Suite 100
Saint Paul, MN 55114



DATE: March 28th, 2023

TO: House Climate and Energy Finance and Policy Committee

FROM: Andrea Lovoll, Legislative Director, Minnesota Center for Environmental Advocacy

RE: HF 2754 DE1 (Acomb) House Climate and Energy Finance and Policy Omnibus Bill

Chair Acomb and Members of the Committee:

HF2754 (DE1) contains transformative projects and legislative changes. It rises to this moment by advancing needed policy changes and significant investments in climate action and critical renewable energy, energy efficiency, energy storage and transportation electrification. We applaud the strong considerations and allocations for environmental justice communities and Tribal governments in this bill. HF2754 DE1 does a good job of making targeted investments of \$255 million over the biennium.

We fully support the following provisions:

Commercial Building Codes (lines 12.25–12.31; 70.20–70.28): This bill provides a much-needed update to commercial energy codes that move toward achieving the 80 percent reduction in annual net energy consumption by 2036.

Heat pump rebates (lines 60.4–62.3): Air-source heat pumps will reduce demand for natural gas heating and are more efficient cooling systems than traditional air conditioners.

Preweatherization (lines 3.6–3.16) and Weatherization support (lines 48.18–49.25): Energy use reduction in existing residential and commercial buildings, especially for low-income people.

Solar on Schools (lines 111.9–115.32); Solar on Public Buildings (116.1–119.12): These programs will expand public benefit from solar photovoltaic power generation and reduce costs.

Distribution Energy Resources System Upgrades (119.13–122.10): Will address interconnection issues and ensure that the grid is ready to support further deployment of renewable energy and storage technologies.

EV Rebates and Grants for EV infrastructure: We support these provisions, which appear throughout the omnibus bill, but particularly EV infrastructure as introduced in HF 1346 (Kraft).

Greenhouse Gas Reductions (Lines 98.2–98.26): We are glad to see that this bill aligns the state's economy-wide greenhouse gas emission reduction goals with IPCC targets. **We urge you to fight for its inclusion as negotiations with the Senate and the Governor's Office continue.**

We recommend consideration to increase funding for the following provisions:

Minnesota Climate Innovation Finance Authority (Lines 85.16–98.1): Originally traveling as HF 2336 (Greenman), this bill addresses existing inequities in financing access, promotes local jobs, and leverages historic federal and state funding to bolster climate solutions that benefit everybody. We would like to see an allocation of **\$45,000,000** instead of \$20,000,000 allocated under this bill.

Minnesota State Competitiveness Fund (Lines 140.14–145.4): This fund capitalizes upon the IIJA and IRA money made available through the federal government. We strongly urge the House and the Senate to come together on the Governor's \$113,750,000 budget line to fully fund this once in a generation climate program.

Electric panel upgrade grants (lines 35.12–38.20): Upgrading electrical panels, as first introduced in HF 849 (Hollins), is a critical first step to electrifying the economy by adding capacity for electric vehicle charging and on-site solar and storage. We advocate for the Senate allocation of \$3,500,000.

Andrea Lovoll
Legislative Director
Minnesota Center for Environmental Advocacy
alovoll@mncenter.org



March 28, 2023

Dear Chair Acomb and Members of the Climate and Energy Finance and Policy Committee:

Metro Cities, representing the collective interests of cities in the metropolitan area, appreciates the opportunity to comment on HF 2754 (Acomb), as amended by the DE 1 Amendment, which is being heard in the Climate and Energy Committee on Tuesday. Metro Cities supports several key provisions.

Metro Cities supports the Local Climate Action Grant Program in Article 6, Section 4. Cities play an important role in environmental protection, particularly in the construction and operation of wastewater and stormwater treatment systems. There is increasing interest in the role that cities can play in reducing our carbon footprint and in promoting green development. Grant funding will help support cities as they work to increase their adaptability and resiliency in the face of extreme weather and climate change.

Metro Cities supports Article 4, Section 27, which would have the state adopt an advanced energy building standard for new commercial buildings within the State Building Code. Metro Cities supports legislation that will increase the efficiency of buildings with the goal of reaching net zero energy consumption.

Metro Cities supports the establishment of the Minnesota State Competitiveness Fund so that the state, local governments, and other eligible entities can maximize their ability to be awarded federal funds made available via the Infrastructure Investment and Act and/or the Inflation Reduction Act.

Thank you for your consideration of this letter. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Michael Lund'.

Mike Lund
Government Relations Specialist
Metro Cities

March 28, 2023

RE: HF 2310, DE1 amendment

Representative Rick Hansen, Chair
House Environment and Natural Resources Finance and Policy Committee
St. Paul, MN

Dear Representative Hansen:

On behalf of Missouri River Energy Services (MRES) and our 25 municipal electric utility members in Minnesota, we wish to express our concerns with HF 2310, as amended with the DE1 amendment, dated March 27. MRES is a municipal power agency serving 61-member municipal electric utilities in four states; 25 of our member utilities are located in Minnesota. They range in size from Westbrook (pop. 712) to Moorhead (pop. 44,500). MRES and its municipal utility members are not-for-profit and all rates are cost-based. While MRES and its members continue to work towards a greener portfolio, we do so with a weathered eye on resource adequacy, reliability, and affordability. It is with this in mind that MRES expresses its concerns to some of the sections of the bill.

Cumulative Impacts Analysis: Article 3, Sections 20-23, 26-28

This language, taken from HF 637, creates a broad definition of environmental justice (EJ) areas. Although the EJ areas have not yet been mapped, the definition of EJ areas would cut a wide swath in Minnesota. They are defined as tracts with 40 percent or more non-white population, 35 percent or more of households have an income level below 200 percent federal poverty level (roughly \$39,440 annually for 2-person households, \$60,000 annually for 4-person households), or 40 percent or more population over the age of five have limited English proficiency. This broad definition of EJ areas will likely include much of Greater Minnesota, including the municipal electric utilities that work to operate a reliable grid.

For air permit applications and renewals that could impact EJ areas, additional and costly analysis must be undertaken. If the analysis shows that a permit or permit renewal could have a public health impact, then the permit applicant or holder is required to enter into an agreement with community-based organizations to approve the permit, must demonstrate there is a compelling public interest in granting the permit, and must undertake any additional conditions imposed by the MPCA.

MRES is concerned that this could impact existing and future diesel-powered generators that utilities rely on to operate during grid instability, emergency, and other extraordinary events. In late-December 2023, the effects of Winter Storm Elliott were felt by the two Regional Transmission Organizations (RTOs) which coordinate the reliability of electricity across Minnesota and several other states. These two RTOs each issued emergency alerts, which resulted in municipal utilities being required to run these generators to support the grid. MRES member utilities in Minnesota who were called upon to run were Adrian, Alexandria, Benson, Lakefield, Melrose, St. James, Westbrook, Willmar and Worthington. These units play

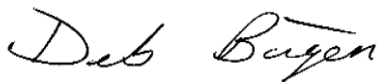
a vital role in grid reliability, which benefits all Minnesotans, especially those without access to their own generators or other alternate generation resources.

Air Toxics Emissions Reporting: Article 3, Section 24

This language requires additional reporting of air toxics emissions—even if it is not required in an entity’s existing permits. This could place an administrative burden on the MPCA to amend this additional requirement into permits. It would also increase the burden of ensuring compliance with emissions reporting that already exists. This could create additional and duplicative reporting.

MRES would like to thank Chair Hansen for allowing us to comment on this important bill.

Sincerely,

A handwritten signature in cursive script that reads "Deb Birgen".

Deb Birgen
Vice-President, Government Relations



12300 Elm Creek Boulevard
Maple Grove, Minnesota 55369-4718
763-445-5000
greatriverenergy.com

To: Members of the House Climate and Energy Finance and Policy Committee
From: Stacey Fujii, Director, Governmental Affairs, Great River Energy
Date: March 28 , 2023
RE: HF2754 – Delete all – omnibus finance and policy bill

Thank you for the opportunity to provide some comments on the delete-all amendment to HF2754. As members are aware, Great River Energy (GRE) is a not-for-profit wholesale electric power cooperative which provides electricity to approximately 1.7 million people through its 27 member-owner cooperatives and customers. Through its member-owners and customers, Great River Energy serves two-thirds of Minnesota geographically and parts of Wisconsin.

There are a number of provisions within HF2754 that GRE is supportive of. We appreciate the chair including appropriations for the air source heat pump grant program, funding for weatherization, funding for the clean energy resource teams and electric vehicle rebates.

However, Great River Energy and our members still have concerns with several of the provisions contained within the bill.

Energy storage systems; deployment targets: We are opposed to the proposed storage mandate because it would result in approximately \$540 million dollars of unnecessary cost that would increase rates for our member-consumers who live and work across two-thirds of Minnesota.

Great River Energy has been planning the transition of its power supply portfolio for more than a decade. And that transition includes a large amount of renewable energy, designed to provide our member-owners with low-cost, fixed prices resources for decades. This balanced and cost-effective mix of reliability resources and renewable energy has been approved by our member-owners and board of directors.

To the extent that storage is needed we will pursue it strategically, economically, and voluntarily. Storage may well be an investment in the future for Great River Energy's power supply portfolio, but at today's costs it does not represent a prudent power supply investment for our member-owners. Even if storage was an affordable resource, we would not procure the quantity that would be required in this mandate.

The ability of our board and member-owners to approve each resource that they pay for, and benefit from, is one of the defining features of cooperative utilities. We ask that cooperatives be able to continue this democratic resource planning process for future storage projects

Greenhouse gas emissions-reduction goals: Electric utilities have been leaders in reducing carbon emissions in Minnesota with significant investments in renewable generation and retirement of legacy fossil fuel generation assets. And earlier this year



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the Minnesota legislature passed new legislation for electric utilities to meet a 100 percent carbon free standard by 2040. We ask the committee to align the proposed amendment for broad greenhouse gas emissions reductions across all sectors with the specific electric utility carbon free standards recently signed into Minnesota law. We support adding language to HF2754, at line 98.11 to clarify that “net zero means, for the electric utility sector, compliance with Minnesota Statutes Section 216b.1691 Subd. 2g.”

Minnesota Climate Innovation Finance Authority: The creation of a new statewide financing authority is a clear demonstration of Minnesota’s commitment to clean energy projects and greenhouse gas emission reductions. And we support the goal of having a diverse board of directors to provide a broad range of expertise and perspectives. Cooperative electric utilities serve a membership that spans the majority of Greater Minnesota’s geographic area and the electric cooperative business model is fundamentally different from other utility structures.

We are concerned that HF2754 would have only one board member to represent either municipal utilities or cooperative electric utilities. We believe the Finance Authority would benefit from cooperative electric utilities and municipal utility groups each having an individual representative on the board and increasing the total board size to 14 members.



414 Nicollet Mall
Minneapolis, MN 55401

XCEL ENERGY TESTIMONY ON HOUSE FILE 2754
March 28, 2023

Our testimony today addresses an important, and very recent, public policy development. Xcel Energy and the PIIC have worked together extensively over many months to re-negotiate our agreement as part of our efforts to extend the operating life of our carbon free Prairie Island Nuclear Generating Station.

This agreement dates to 1994 when the PIIC was designated in statute as “an intended third-party beneficiary” of the contract between the State of Minnesota and Xcel Energy’s predecessor (Northern States Power Company) during the original nuclear fuel storage discussion. The agreement was updated in 2003. The update is codified in statute at section 216B.1645, Subd. 4. That updated agreement required payment to the PIIC of \$2.5 million per year. The amount of payment has been unchanged since then.

Under the new agreement between Xcel Energy and the PIIC, the payments to PIIC would increase from \$2.5 million per year to \$10 million per year. In addition, the PIIC will receive a payment of \$50,000 per cask for fuel stored on the site – a number that will increase as the plant continues to operate.

Host communities and host counties receive personal property tax from power plants in recognition of the extra burdens that plants may place on those communities. The PIIC carries those same burdens but has not received comparable recognition. The PIIC payments have not increased in 20 years. Meanwhile, local governments have seen their property tax revenue more than double. The 1994 contract and statute recognized the PIIC’s stake in the continued operation of the plant. This new agreement provides appropriate financial benefits in recognition of that stake.

In addition to updating the payments, we are asking that the money paid to the PIIC be deducted from money paid by our customers into the Renewable Development Account (RDA). The use of the RDA would allow carbon-emission reductions while keeping customers’ energy costs low. The RDA was created in 1994 when renewable energy was only beginning to be commercialized. Today, renewable energy is the most frequently added generation to our system. In fact, our recent Resource Plan approved by the Commission will add substantial solar, continue with our nation-leading use of wind energy, and authorize the construction of the state’s largest solar plant at our coal plant site in Becker. While innovation and investment in otherwise non-cost-effective resources can benefit from additional RDA funds, the RDA is at approximately \$40 million per year and growing, which will provide sell over \$25 million per year for other innovative projects.

As HF 2754 moves forward, we urge the legislature to include this important provision.



Health Professionals for a Healthy Climate

March 27, 2023

RE: Support for HF 2754 House Omnibus Climate & Energy Bill

Dear Chair Acomb and Members of the House Climate & Energy Finance & Policy Committee,

Health Professionals for a Healthy Climate (HPHC), a multidisciplinary network of over 500 health professionals across the state, acknowledges that we are facing a climate emergency that increasingly puts our health at risk. HPHC is pleased to support HF 2754, which represents a comprehensive set of policies and meaningful financial investments in climate action to put Minnesota on our carbon-free path and build resilient and equitable communities and economies. We appreciate that the bill incorporates the Next Generation Climate Act to update our statewide climate goals to align with the IPCC and the Minnesota Climate Action Framework to set our vision for net zero carbon emissions by 2050.

The policies and investments in the bill will help us reach our 2050 goal. We especially appreciate those provisions in the bill which will most protect human health by reducing air pollution and greenhouse gases, including:

- Solar on schools and public buildings
- Electric school buses
- Weatherization and pre-weatherization, prioritizing disadvantaged communities
- EV rebates and training for auto dealers
- State vehicle preference for EVs
- Rebates to install home heat pumps and funding for upgrades to electrical panels
- Establishment of a Climate Innovation Finance Authority
- Sustainable building guidelines
- Global warming potential for building materials
- Drought and flood planning to support agriculture

In addition, the MN state competitiveness fund is critical to securing federal funding through the IIJA and the IRA to help support Minnesota's healthy climate future. HPHC is especially thrilled that the bill allocates \$7 million for electric school buses and designates the Department of Commerce to coordinate their deployment. This investment will help improve air quality in and around schools and in BIPOC and low-income communities that are most impacted by high levels of air pollution.

Thank you for this unprecedented investment in climate action to help Minnesota achieve our carbon emission goals and create a healthy and equitable climate and economy that will support healthy lives for all Minnesotans.

Kathleen Schuler, MPH
Policy Director, Health Professionals for a Healthy Climate
Keschuler47@gmail.com



March 28, 2023

Representative Patty Acomb
Climate and Energy Finance and Policy Committee
Minnesota State Office Building
451 State Office Building
St. Paul, MN 55155

Dear Chair Acomb and Members of the House Climate and Energy Finance and Policy Committee,

Center for Energy and Environment (“CEE”) respectfully submits this letter to express our support for HF 2754, the House of Representatives Energy, Utilities, Environment and Climate Committee omnibus bill.

CEE appreciates the Committee’s inclusion and support of the following bills:

- Air Source Heat Pump Rebate Program
- Expanding Eligibility to Low-income Programs in the Energy Conservation and Optimization Act
- Pre-weatherization and Workforce Training
- Strengthen Minnesota Homes – Home Improvement Grants
- Commercial Building Codes
- Building Energy Benchmarking
- Local Climate Action Grant Program

We believe these investments in our electric grid, buildings, energy efficiency, and workforce will propel Minnesota into a resilient, reliable clean energy future, with economic and environmental benefits for all. Furthermore, CEE appreciates the recognition of the additional responsibilities being asked of both the Department of Commerce, Division of Energy Resources and the Minnesota Public Utilities Commission by granting them their requested operating budget increases. These two entities will develop and implement more programming than ever before with the passage of 100% Clean Energy by 2040, as well as the federal Infrastructure Investment and Jobs Act, and the Inflation Reduction Act.

Thank you to the Committee for its thoughtful consideration of this budget proposal that we believe will lead to a better future for all Minnesotans.

Sincerely,

/s/ Audrey Partridge
Director of Policy
Center for Energy and Environment



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

Minnesota House of Representatives Climate and Energy Finance and Policy Committee
Room 200 State Office Building
St. Paul, MN

Dear Chair Acomb and committee members,

The BlueGreen Alliance thanks you for the committee's hard work this session forming a robust omnibus bill.

We are excited to see that [HF 2170 \(Berg\)](#), the Buy Clean Buy Fair Minnesota Act, is included. The appropriation would establish an Environmental Standards & Procurement Task Force to ensure that stakeholders—such as state agencies, industry, labor unions, and environmental advocates—are at the table as Environmental Product Declarations (EPDs) come into play for evaluating state procurement contracts.

There is widespread buy-in from proposed task force members. The Minnesota Department of Transportation is already tracking and studying the creation of EPDs as they move towards being the industry norm and the Minnesota Department of Administration works closely with the University of Minnesota Center for Sustainable Building Research on building materials decarbonization.

Under the bill, the following things will be under the purview of the task force:

- Determining which materials will be subject to program requirements;
- Considering financial incentives to vendors for creating EPDs;
- Administering grants to vendors for the costs of creating EPDs;
- Determining which factors shall be evaluated in setting maximum greenhouse gas emissions standards; and
- Setting a schedule for standards implementation.

Additionally, a pilot program will be developed by 2024 to gather data from vendors and understand current supply levels and emissions.

We thank the committee for including \$1.4 million for the biennium in appropriations for the Buy Clean Buy Fair Minnesota Act in the House Climate and Energy omnibus bill.

Sincerely,
Abby Hornberger
Minnesota Policy Organizer
BlueGreen Alliance



March 27, 2023

Chair Patty Acomb
593 State Office Building
Saint Paul, MN 55155

Representative Zack Stephenson
449 State Office Building
St. Paul, MN 55155

Dear Chair Acomb and Representative Zack Stephenson,

Center for Energy and Environment (“CEE”) and Energy CENTS Coalition (“ECC”) strongly support HF 3003 to amend the definition of “low-income household” for the purpose of receiving energy conservation assistance through the Energy Conservation and Optimization Act (“ECO”).

HF 3003 will define “low-income household” as a household with an annual income of 80% or less of the area median household income and allow for determination of eligibility across other means-tested programs. This will both expand the number of Minnesota households eligible for low-income energy efficiency services through ECO and make those services more accessible.

The new income eligibility level also aligns with the eligibility requirements for the high efficiency electric home rebates (HEEHR) in the Inflation Reduction Act (IRA), opening up a new opportunity to leverage federal funding with ECO utility funding for low-income efficiency and electrification projects. Additionally, the new income threshold aligns with the income requirements for affordable housing programs.

We thank Representative Stephenson for authoring this important bill.

Sincerely,

/s/ Audrey Partridge
Director of Regulatory Policy
Center for Energy and Environment

/s/ Catherine Fair
Executive Director
Energy CENTS Coalition



March 27, 2023

State Office Building
Climate and Energy Finance and Policy Committee
Room 200
Saint Paul, MN 55155

RE: House File 2754 DE1, Climate and Energy Omnibus

Dear Chair Acomb and members of the committee,

CenterPoint Energy thanks committee members and staff for their extensive work in composing this omnibus bill. We appreciate the opportunity to provide these brief comments:

Art. 4, Sec. 5. Low-income definition. This provision provides a technical update and a needed correction that enables utilities to continue assisting those who most need energy efficiency. We thank members for this inclusion.

Art. 4, Sec. 7. Energy policy goals. There are concerns with this language as drafted.

Art. 4, Sec. 8 – 11. Weatherization. We appreciate the allocation of funding that supports pre-weatherization, weatherization, and training to further these efforts.

Art. 4, Sec. 12. Energy benchmarking. CenterPoint Energy would like to thank the bill author for the stakeholder work and incorporation of feedback into the bill, which is reflected in this omnibus bill.

Art. 4, Sec. 27. Energy codes. This standalone bill involved ongoing stakeholder conversations, leading to additional amended language, both in the house and the senate companion bill, which is not reflected in this omnibus.

Art. 6, Sec. 3. Greenhouse gas emissions-reduction goal. Page 98, line 24 specifies “terrestrial sequestration” which could limit the ability to utilize chemical, technological, or biological sequestration methods. CenterPoint Energy is launching a pilot project partnering with CarbinX using technology that captures carbon dioxide and converts it into potassium carbonate which is a commercially usable ingredient in soaps and detergents. The term “terrestrial sequestration” is not defined and depending on interpretation, could limit opportunities to sequester GHG emissions now and constrain new technologies.

We would like to note that securitization (HF 2255) is omitted from the house energy omnibus but included in the senate energy omnibus. CenterPoint Energy hopes the house will consider including this language.

Sincerely,

Jamie Fitzke
Director of Government Affairs
CenterPoint Energy



March 28, 2023

Dear Chair Acomb, Vice Chair Kraft, Republican Lead Swedzinski, and members of the House Climate and Energy Finance and Policy Committee,

Drive Electric Minnesota appreciates the opportunity to provide written testimony on House File 2754. We applaud this committee's consideration of several important provisions related to advancing electric vehicle (EV) deployment in Minnesota through its omnibus bill.

Drive Electric Minnesota is a partnership of EV champions—including automakers and auto dealers, electric utilities and cooperatives, local and state government, corporations, and nongovernmental organizations—who are working to accelerate EV adoption in Minnesota. Drive Electric Minnesota believes EVs are an important component of energy efficiency and cleaner transportation in Minnesota that is both financially and environmentally sustainable. Advancing EV deployment will have many benefits to Minnesotans, including reduced transportation costs, cleaner air, and energy independence.

Drive Electric Minnesota supports the following provisions in H.F. 2754:

- **Rebates for the purchase of new and used electric vehicles.** One barrier preventing EV adoption is the higher upfront cost of EVs, despite much lower lifetime fuel and maintenance costs. Rebate programs and other financial incentives make EVs more accessible to all Minnesotans, particularly with the inclusion of used vehicle rebates and additional rebate amounts for lower-income households. EV incentives will also put Minnesota on the map for automakers, bringing more inventory into our state.
- **Grants to support school bus electrification.** Electric school buses can benefit school districts and communities across the state by reducing greenhouse gas emissions, reducing fuel and maintenance costs, and improving air quality. Diesel school buses expose students to toxic air pollution that can impact their lung function and their performance in school.¹ Electric school buses are more expensive than diesel buses today, making financial assistance important for school districts looking to electrify.
- **Increased EV adoption by state fleets.** In addition to helping meet state greenhouse gas reduction goals and improving air pollution, EVs generate economic benefits for state fleets through reduced fuel and maintenance costs. According to Consumer Reports, owning an EV saves a typical driver between \$6,000 and \$10,000 over the lifetime of the vehicle compared to a gas-powered car.² Updating the purchase

¹ American Lung Association, "Investing in Zero-Emission School Buses", n.d., available at <https://www.lung.org/getmedia/35942c5c-27d0-4e48-9802-ceadb25768c/esb-one-pager-website.pdf>

² Chris Halso, *Electric Vehicle Ownership Costs: Today's Electric Vehicles Offer Big Savings for Consumers*, Consumer Reports, October 2020.

preference for state vehicles will also help the state move the needle toward achieving its goal to electrify 20 percent of the state fleet by 2027.³

- **Investments by Minnesota’s electric utilities in EV programs to improve access to electricity as a transportation fuel.** Drive Electric Minnesota believes that investments by investor-owned utilities, alongside continued private investment, will benefit EV owners and utility customers. For example, utilities can implement rate design to shift new EV load into hours of lower grid utilization, resulting in reduced electric bills for all ratepayers.⁴

Moving forward, it will be critical to ensure that any Minnesota EV rebate program is adequately funded to prevent uncertainty or exhausted funds from having the adverse effect of slowing EV adoption. While the funding level included in this bill is a step in the right direction, additional funding will be needed to support a successful rebate program and keep pace with the anticipated growth of EV sales.

Drive Electric Minnesota appreciates the significant investments in vehicle electrification included in this bill. Thank you for the opportunity to comment.

Sincerely,

Carolyn Berninger
Public Policy Manager, Transportation & Fuels
Great Plains Institute (Drive Electric Minnesota facilitator)

³ Minnesota Department of Transportation, Minnesota Pollution Control Agency, and Great Plains Institute, “Accelerating Electric Vehicle Adoption: A Vision for Minnesota,” 2019.

⁴ MJ Bradley & Associates, *Plug-In Electric Vehicle Cost-Benefit Analysis*, July 2018.



401 Nicollet Mall
Minneapolis, MN 55401

March 24, 2023

Rep. Zack Stephenson
449 State Office Building
Saint Paul, MN 55155

Rep. Patty Acomb
593 State Office Building
Saint Paul, MN 55155

Re: House File 3003 - Amending the definition of low-income household for purposes of receiving energy conservation assistance

Dear Representatives Stephenson and Acomb,

Xcel Energy supports passage of House File 3003. This legislation would make two small but critical changes to the definition of “low-income household” as it applies to Minnesota utilities’ Conservation Improvement Programs (CIP). Utilities have long had a requirement to offer dedicated programs designed to give their most disadvantaged customers additional support to overcome the unique barriers that many of them face. Whether as “standalone” programming or in combination with other support such as the federal Weatherization Assistance Program, low-income CIP programs help customers increase their homes’ efficiency and gain control over their energy costs that would otherwise be out of their reach.

Currently, the statutory definition of “low-income household” is set at 60 percent of state median income (SMI), currently about \$70,000 per year for a family of four. However, there is a substantial group of customers whose household income exceeds this level but who still are not able to afford the upfront investment required to make their homes more energy efficient. By increasing the qualifying income level to 80 percent of area median income (AMI), HF3003 will expand access to energy efficiency for these families. Further, adopting a standard of 80 percent of AMI would make CIP’s income requirements consistent with the income thresholds used by affordable housing programs and the Inflation Reduction Act.

In addition, the bill would simplify the process for these already burdened households of demonstrating their eligibility for CIP programs. Rather than having

to complete lengthy paperwork to verify their income, households could simply demonstrate they meet the income eligibility standards to receive financial assistance in another federal, state, municipal or utility program that is administered by the Department of Commerce or on an approved list promulgated by the Department. Importantly, the bill would preserve the ability for CIP to leverage federal programs as it has done successfully for years.

Since fall 2022, Xcel Energy has been meeting monthly with an Equity Stakeholder Advisory Group (ESAG), convened under the auspices of our integrated resource plan docket, to broaden community participation and advise us on integrating energy equity considerations in a broad range of energy programs, including our low-income CIP programs. One consistent theme we have heard from ESAG is the need to broaden eligibility and simplify the process for families to enroll in the energy payment assistance and low-income energy efficiency programs available to them. Nationally, the use of one benefit program to demonstrate eligibility for another with similar requirements (sometimes referred to as “categorical eligibility”) is increasingly regarded as a best practice for programs seeking to remove participation barriers. It can streamline the application process, reducing administrative overhead by avoiding unnecessary income re-verification.

HF3003 is a critical step that will both increase the number of households eligible, and simplify the process of enrollment, at a time when Xcel Energy and other utilities are increasing their low-income CIP spending and working to ensure our customers have access to programs to reduce their energy burden. We urge the committee to support it.

Sincerely,

Nick Mark
Manager, DSM Strategy & Policy



12300 Elm Creek Boulevard
Maple Grove, Minnesota 55369-4718
763-445-5000
greatriverenergy.com

RE: Support for HF3003 (Stephenson, DFL-Coon Rapids)

Honorable members of the House Climate and Energy Committee,

Great River Energy is a not-for-profit wholesale electric power cooperative which provides electricity to approximately 1.7 million people through its 27 member-owner cooperatives and customers. Through its member-owners and customers, Great River Energy serves two-thirds of Minnesota geographically and parts of Wisconsin. Every day, Great River Energy and our member-owners work together to provide reliable, affordable, and sustainable energy.

Great River Energy and our member-owners have long partnered with the Center for Energy and Environment (CEE). We are currently engaged in efforts related to Energy Conservation and Optimization (ECO) Act analysis and technical assistance, the Air Source Heat Pump Collaborative, along with collaborating on programmatic offerings.

Great River Energy and our member-owners are currently working with the CEE and other partners to prepare for the influx of federal dollars through the Inflation Reduction Act (IRA). This bill will bolster Minnesota's income eligible utility programming and benefit our member-owners and the communities they serve. The bill will streamline low-income utility programming and ensure coordination with new IRA funding while maintaining access to existing resources.

As a member-driven cooperative owned by the 27 member-owner cooperatives we serve, Great River Energy is motivated to meet the expectations of our member-owners. The communities that will benefit from this bill language are diverse, wide, and deep. This language will help many partners we work with address these needs.

We support this bill language and look forward to maximizing the benefits associated with these program offerings and developing efficient approaches that result in positive outcomes for the communities served by our member-owners.

Sincerely,

/s/ Jeffrey T. Haase
Director, Member Services, DER and End Use Strategy