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February 15, 2023

The Honorable Dave Lislegard  
Chair, Minnesota House Property Tax Division  
451 State Office Building  
100 Rev. Dr. Martin Luther King, Jr. Boulevard  
St. Paul, MN 55155

Chair Lislegard 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. We appreciate the opportunity to offer our perspective on House File 1427 (Hill).

Fresh Energy supports House File 1427. As Minnesota continues to transition its electric supply from legacy generation to new, carbon-free generation, it is critical that the communities and regional economies hosting our legacy plants, and those that will retire in the coming years, are not forgotten or left behind. House File 1427 addresses one of the most immediate challenges facing our host communities: The loss of existing tax base upon closure of a power plant.

For many current host communities the taxes paid by the utility that owns and operates the local power plant are a critical source of revenue and frequently are the single largest tax source of local tax dollars. When these plants close, the tax dollars are lost, forcing affected local units of government into unreasonably difficult decisions and jeopardizing core local services. By providing a framework for transitioning the local tax base, communities have a longer runway to plan for transitioning their tax revenue streams and maintaining their services to the public at an acceptable level.

Minnesota's existing power plants provide family-supporting jobs, local tax revenue and an economic core for the communities that host them. House File 1427 does not solve all of the challenges facing Minnesota's existing power plant host communities, but it does directly address one of the most significant ones. Fresh Energy is firmly committed to supporting the needs of our existing utility host communities and workers during this time of unprecedented transition for Minnesota's energy system.

Sincerely,

Allen Gleckner  
Executive Lead, Policy and Programs  
Fresh Energy