

Date: March 9, 2026

Submitted by: Kya Concepcion
Policy Development Manager, Black Visions
Minneapolis, Minnesota

Chair and Members of the Committee,

Good afternoon. My name is **Kya Concepcion**, and I serve as the **Policy Development Manager for Black Visions**, an organization whose mission is to empower and unite communities to dismantle systems of violence and discrimination.

One of our core priorities is working alongside community organizations, state officials, and the Minnesota Legislature to address the **energy burden experienced by low-income households and communities of color across the state**.

Energy affordability is not an abstract policy question for the communities we work with—it is a daily economic reality.

Across Minnesota, the **average household spends approximately 2 percent of its income on energy costs**. However, the burden is significantly higher for many communities. **Low-income households of color often spend 8 percent or more of their income on energy**, and in some cases families face energy burdens as high as **30 percent of household income**.

The disparities are particularly stark when we look at race. **Black households in Minnesota experience a median energy burden approximately 64 percent higher than white households**.

Communities of color also experience the physical consequences of an inequitable energy system. **Neighborhoods with higher concentrations of people of color are 47 percent more likely to experience power outages lasting longer than 12 hours**, and they experience higher rates of utility shutoffs.

Housing conditions compound the problem. Many low-income households of color live in **older, poorly insulated housing with inefficient appliances**, and they often have limited access to energy efficiency upgrades or renewable energy programs. These structural barriers create a cycle in which families are forced to pay more for less reliable and less efficient energy.

The result is a persistent and unequal energy burden that reflects Minnesota's broader racial and economic disparities. Black and Brown households are more likely to live in older, inefficient housing, face higher shutoff risks, and spend a larger share of their income simply to keep their homes heated, cooled, and safe. In other words, the communities with the fewest resources are too often paying the highest price for an essential public service.

For these reasons, Black Visions supports the effort by **Representative Mohamoud** to address affordability within Minnesota's utility regulation framework.

The responsibility of the **Minnesota Public Utilities Commission (PUC)** is not to balance corporate profit expectations against the financial realities of households. The Commission exists to regulate monopoly utilities **in the public interest of Minnesotans**, and that public interest necessarily includes affordability.

Utilities operate as state-sanctioned monopolies. Customers cannot simply choose another provider if rates rise beyond what they can afford. Because the state grants utilities this market privilege, the regulatory framework must ensure that rates remain **just, reasonable, and affordable for the people who depend on these services every day**.

Affordability and equity must therefore be treated as **central principles of rate regulation**, not secondary considerations.

Electric and gas utilities operate as **state-sanctioned monopolies**. Customers cannot simply choose another provider if prices rise. Because the state grants utilities this extraordinary market privilege, it also carries the obligation to ensure that rates are set first and foremost in the interest of the public.

Affordability must therefore be treated as a governing principle of rate regulation—not as a secondary consideration.

This is why one specific phrase in the proposed statutory language deserves careful scrutiny.

The bill currently states:

“To the maximum reasonable extent, the commission shall set rates to promote affordable service for all Minnesotans...”

While the phrase **“to the maximum reasonable extent”** may appear minor, it substantially weakens the effectiveness of the bill.

This type of qualifier introduces a broad discretionary loophole that allows affordability to be treated as conditional rather than binding. Utilities may argue that affordability cannot be prioritized in a given rate case because other considerations—such as investor returns, infrastructure expansion, or capital recovery—are deemed “reasonable constraints.”

But if affordability is always limited by what utilities consider “reasonable,” then the statute provides little meaningful protection for ratepayers.

If the Legislature intends to address the affordability challenges facing Minnesotans, the directive must be clear and enforceable. **Removing the phrase “to the maximum reasonable extent” would restore the force of the law and make clear that promoting affordable service is a core obligation of rate regulation.**

That clarity is particularly important for households already experiencing disproportionate energy burdens. Without a firm affordability standard, the communities already paying the largest share of their income on energy will continue to shoulder the greatest impact of rate increases.

If the legislature intends to restore real balance between utilities and ratepayers, the statute should clearly direct the Commission to promote affordable service **without weakening qualifiers**.

Removing the phrase “**to the maximum reasonable extent**” would strengthen the bill by ensuring that affordability is not merely aspirational language but a meaningful legal standard guiding rate-setting.

This issue becomes even more important as Minnesota’s energy system evolves.

The state is increasingly attractive to **large-scale computing infrastructure and data centers**, industries that require enormous quantities of electricity and water. Companies backed by some of the wealthiest technology investors in the world are actively seeking states with strong grid infrastructure and abundant freshwater resources.

Minnesota has both.

Without clear regulatory guardrails, the rapid expansion of energy-intensive industries could place new demands on the electrical system and shift infrastructure costs onto residential ratepayers. Establishing strong affordability standards now helps ensure that economic development does not come at the expense of Minnesota households.

Finally, Minnesota must remain committed to the long-term promise of its clean energy transition.

Renewable energy systems such as wind and solar require upfront capital investment, but their operating costs are extremely low because they do not rely on continuously purchased fuel. Over time, this cost structure allows renewable energy systems to deliver **more stable and predictable electricity prices** than fossil fuel systems tied to volatile extraction markets.

That long-term stability was part of the promise embedded in Minnesota’s commitment to a **carbon-free electricity system**.

Ensuring that promise is realized requires regulatory structures that place **ratepayer protection and affordability at the center of decision-making**.

For these reasons, Black Visions supports **HF3777** and urges the committee to strengthen its language by removing limiting qualifiers that weaken the affordability standard.

Minnesotans deserve an energy system that protects households, centers equity, and ensures that monopoly utilities operate first and foremost in the public interest.

Thank you for the opportunity to submit this testimony for the record.

Respectfully submitted,

Kya Concepcion

Policy Development Manager

Black Visions

Minneapolis, Minnesota