



*To unify, support, and serve
as a common voice for municipal utilities*

January 17, 2023

Minnesota House of Representatives
Committee on Climate and Energy Finance and Policy

Re: HF 49 – Renewable development account grantees and utilities required to submit an annual diversity report

Dear Chair Acomb and members of the committee:

MMUA submits this letter as testimony for the January 17 hearing of your committee on HF 49. Thank you for the opportunity to give our perspective.

MMUA exists to unify, support, and serve Minnesota's municipal electric, gas and water utilities so they can in turn improve service to their customers and communities. There are 124 municipally-owned electric utilities in Minnesota serving approximately 391,000 customers. The median-sized municipal electric utility has about 1,267 customers. Cities with municipal electrics of that size include Mountain Lake, Ortonville, Barnesville, Roseau, Springfield, and Staples. Madelia has a municipal utility; it has only seven employees. The largest is Rochester whose utility serves more than 57,000 customers. The smallest is Nielsville with 57; that is, 57 customers, not employees.

These are publicly owned, not-for-profit utilities subject to pay equity laws, public employee salary caps, government data requirements, and open meeting laws. Most have total personnel numbering in the single digits. All have difficulty filling open positions because they cannot pay wages comparable to their neighboring investor-owned or cooperative utilities. Some are desperate for help. All are affected by the global supply chain breakdown that is tripling or quadrupling the time it takes to get transformers and other equipment needed to maintain the electric system.

MMUA supports the goals of HF 49 to diversify the workforce of utilities and their supply chains. The Association has a strategic objective to help municipals do just that in the coming years. However, as set out in this bill, the requirements for utilities to thoughtfully establish goals, report on those goals and on how they intend to increase them, report on efforts to increase diversity and on the effectiveness of those efforts are far too difficult for municipal utilities to meet. They simply lack the systems, tools, and often the scope to make compliance possible or the data meaningful. Given the challenges they face to hire any qualified workers and acquire needed equipment from any vendor, it would make sense to exclude municipal utilities from those requirements.

Again, thank you for the opportunity to offer this testimony.

Sincerely,
Kent Sulem
Director of Government Relations and Senior Counsel