



February 15, 2022

Dear Members of the House Climate and Energy Finance and Policy Committee:

We appreciate the opportunity to provide comments on HF 1668 (Rep. Stephenson), which provides for EV Preference, Rebates, Promotion, Grants, and other provisions. The Minnesota Chamber believes in the triple goal of affordable, reliable, and cleaner energy. We support our members' interests and efforts to advance sustainability, and we work hard to help them reduce energy consumption, divert waste, and minimize environmental impact.

We raise the following concerns about HF 1668's structure and its potential impact on ratepayers:

- 1) As currently drafted, the bill places the Public Utilities Commission (PUC) in a new role regarding electric vehicle infrastructure which is better suited for the Department of Transportation or the Department of Employment and Economic Development.

The PUC has technical expertise in assessing the cost, feasibility, and value of plans to provide utility service. It does not have clear demonstrated expertise in economic development or the acceleration of transportation technology adoption. Its purview is specific to rate-regulated investor-owned electric utilities, natural gas, and telecommunications providers.

With newly available electric vehicle infrastructure funding becoming available to Minnesota through the federal Infrastructure Investment and Jobs Act, the consideration and implementation of the state's public policy goals regarding electric vehicles and electric vehicle infrastructure are better suited to legislative debate and consideration in cooperation with executive branch agencies that have the appropriate expertise.

- 2) The cost recovery mechanisms contained within the bill raise concerns about impacts on electric utility customers and rate payers.

According to the latest information from the U.S Energy Information Administration, Minnesota's commercial electricity prices increased 14.2% from November 2020 to November 2021 and industrial electricity prices rose 19.8% over the same time span. During the same period, the other six states in the EIA's West North Central Region, on average, saw their commercial electricity prices increase 3.1% and industrial electricity prices rise by 3.7%.

Minnesota's electricity prices were historically a competitive advantage. Now, our commercial prices are nearly identical to the national average, and industrial prices are 18.2% above the national average. This harms our economic competitiveness nationally.

With this data in mind, we urge policymakers to be cautious in adding new costs to Minnesotans' electric bills.

Sincerely,

Brian Cook
Director, Energy and Elections Policy