



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

February 20, 2023

To: Rep. Patty Acomb, Chair
House Climate and Energy Policy and Finance Committee

CC: Members of the committee

From: Kent Sulem, Director of Government Relations and Senior Counsel
Minnesota Municipal Utilities Association (MMUA)

Re: Testimony in opposition to HF 1386

Dear Chair Acomb and members of the committee:

MMUA, a voluntary membership association representing the 124 municipal electric utilities across the State, respectfully submits this memo to document our opposition to HF 1386 even as proposed to be amended by the DE-3 amendment. Our specific concerns are outlined below and are drafted to the bill as proposed to be amended by the DE-3

Section 1 – If a customer decides to increase the capacity of their distributed generation system, it is imperative that the current PUC-developed DER interconnection process be followed with regard to the proposed expansion. HF 1386 as amended by the DE-3 would bypass this process and require a utility to approve an expansion of any size unless within 90 days it can determine the expansion would reduce the safety or reliability of the electric system. The current DER process was developed at the request of DER advocates and contains the details and cost responsibility provisions necessary to determine the true impact of a proposed expansion, with the rights and duties of all parties being clearly set forth in law.

Sections 4-5 – The municipal power agencies that are required to file integrated resource plans with the MPUC face tremendous uncertainty with transitioning to a carbon-free system. Their resource planning processes are their tools for not only meeting Minnesotans' energy needs but for doing so in a way that achieves that transition. The power agencies have to submit resource plans to the MPUC that also fit the commission's requirements.

Energy planning is a very technical science conducted by experts. Mandating certain results chosen by the Legislature is the very opposite of planning and should not be done. This is true for any of the state's electric utilities, but it is particularly true for those already responsible to local regulating bodies made up of their ultimate customers. The utilities should not be subjected to further micromanaging via state regulation, especially if it relies on technology still under development like energy storage.

While MMUA appreciates municipal utilities being removed from the scope of Section 2, for the reasons outlined above, we must remain in opposition to HF 1386.

3131 Fernbrook Lane N., Suite 200 | Plymouth, MN 55447-5337

Phone 763.551.1230 Toll-Free 800.422.0119 Fax 763.551.0459

mmua.org