

Jim Newberger
State Representative

District 15B
Benton, Morrison, Sherburne and
Wright Counties



Minnesota
House of
Representatives

October 12, 2016

The Honorable Mark B. Dayton
116 Veterans Service Building
20 W 12th Street
St. Paul, MN 55155

Via electronic delivery

Governor Dayton,

We are writing to express our concerns regarding your administration's lack of support for the Xcel Energy Sherco power plant plan. As you are aware, the state's largest electric utility, Xcel, has proposed to retire two of the Sherco plant's three coal-fired units, years ahead of schedule. To replace one of the coal units, Xcel has proposed to construct a new natural gas-fired unit at the plant located in Becker, Minnesota.

Your Department of Commerce is recommending that the two units at Sherco be retired early, but not replaced (DOC Supplemental Comments, September 12, 2016, page 12). Closure of these units will result in the loss of hundreds of good-paying jobs at the plant, in supporting industries, and in the surrounding community. Replacing these lost jobs with nothing, as your administration recommends, will devastate the City of Becker and Central Minnesota.

Furthermore, failure to replace these two units at Sherco will create electrical grid system reliability problems. The Midwest region's reliability watchdog—MISO—wrote to Xcel September 1, 2015 (page 1), regarding the plant,

MISO has determined that retirement of Sherco Unit 1 and Unit 2 would result in violations of applicable planning criteria that require transmission upgrades and the need for the units to be designated as SSR [System Support Resource] units.

Finally, according to the most recent data available (July 2016), only 16 states pay higher prices for residential electricity than Minnesota. In the not too distant past, Minnesotans enjoyed some of the lowest electricity prices in the nation. Prices are increasing here even as prices are falling in the rest of the nation, overall. Shutting down these units, without a plan to replace their output, will raise costs to consumers in Minnesota and surrounding states.

Although not perfect, Xcel's plan would maintain system reliability, minimize cost increases, and keep jobs and tax revenues in Becker and Central Minnesota. As your administration opposes this plan, we have the following questions,

In the event of power blackouts caused by unit shutdowns, who will be held financially responsible for the resulting consequences?



What plan does the Dayton Administration have to replace the local tax revenue to be lost?

What plan does the Dayton Administration have to assist the hundreds of workers in Central Minnesota to be made unemployed as the result of your recommendations?

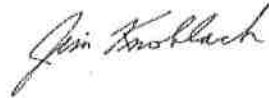
We would appreciate the courtesy of a reply.

Sincerely,



Representative Jim Newberger

District 15B



Representative Jim Knoblach

District 14B



Rep. Kurt Daudt

Speaker of the House



Representative Sondra Erickson

District 15A



Rep. Pat Garofalo

Chair, Jobs Growth and Energy Affordability
Policy and Finance



Representative Marion O'Neill

District 29B



Representative Jeff Howe

District 13A



Representative Nick Zerwas

District 30A



Representative Tama Theis

District 14A



Representative Eric Lucero

District 30B