



Minnesota Conservative Energy Forum
235 E 6th St, Suite 500
St. Paul, MN 55101

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Dear Committee Members,

The Minnesota Conservative Energy Forum (MnCEF) writes to you today to share our position on HF10 and the DE2 Amendment. MnCEF is a non-profit education and advocacy organization that promotes an All-of-the-Above energy strategy for Minnesota. We encourage policymakers to embrace innovations in clean and affordable energy based on our conservative principles such as economic growth, property rights, personal stewardship, job growth, and national security.

HF10, a version of the Clean Energy First Act, is the result of prolonged discussion between a large group of stakeholders, advocates, and legislators since the 2019 legislative session. While HF10 has no direct Senate companion in the 2021 session, other versions of the bill have been discussed in both the House and the Senate and been introduced. MnCEF is grateful to Representative Stephenson, Senator Senjem, and the other authors who have sponsored and worked on Clean Energy First.

Minnesotans have made it clear they demand market options for clean and affordable energy. Advancements in clean energy technology and grid engineering are saving customers' money while preserving and harnessing our God-given natural gifts. We see this borne out in recent actions by several of Minnesota's major cooperative networks and utilities as well as in the power acquisition actions of large and small customers alike. In Minnesota's heavily regulated monopoly utility environment, customers are required to accept the offerings of their local utility, so we must ensure utilities are planning to meet their customers' choices and demands. Clean Energy First ensures these options are available for consumers in an affordable way. Language in HF10 shares these priorities with other iterations of the bill, including versions introduced and advanced in the Minnesota Senate, and MnCEF applauds this action.

MnCEF believes an All-of-the-Above energy strategy provides the most affordable and effective approach to advance a clean energy future in Minnesota. As such, MnCEF is pleased to see the DE2 amendment includes nuclear power and large hydro power in Minnesota's clean energy inventory. Both represent longstanding methods of clean power production as well as presenting potential for further advancement through promising modern research. The addition of these technologies in the DE2 represents a significant strengthening of the bill.

Clean Energy First also provides a jobs win. Clean energy has been one of Minnesota's most powerful job engines over the last decade, growing as much as ten times faster than jobs across the rest of the economy. Clean Energy First contains provisions that encourage the Public Utilities Commission to prioritize Minnesota workers and projects rather than letting the economic benefits be captured by another state. Development of clean energy is a huge boost to family farms and rural economic development, and Minnesota farmers across the state are already receiving large streams of diversified revenues from clean energy developments that utilize a fraction of their land and coexist alongside other agricultural activities. In the case of wind alone, local taxpayers have been big winners as the Wind Production Tax has provided over \$100 million to county property

tax rolls. Last, it is worth mentioning that many renewable technologies contain large quantities of steel, copper, nickel, and other minerals. The Minnesota mining industry is uniquely positioned to benefit from clean energy demand by providing the raw materials for developments across our state.

However, MnCEF opposes provisions within the HF10 DE2 as presented. It is MnCEF's position that the committee should amend or remove the provisions as indicated before final action on the bill.

- Section 7 amends state definitions of clean and "Carbon-free" resources. MnCEF is concerned the DE2's definition of "Carbon-free resource" may exclude emerging carbon capture technologies. Other iterations of Clean Energy First have also supplemented the definition of renewable landfill gas with similar and emerging technologies including anaerobic digestion and other refuse derived fuels. To pursue an All-of-the-Above energy strategy, Minnesota should provide the broadest possible framework to encourage and accept emerging clean energy technologies and other future innovations. MnCEF recommends the language be broadened to ensure these and other emerging technologies are included within a clean energy future. Additionally, the bill does not amend Minnesota's current prohibition on permitting new nuclear facilities in 216B.243 subdivision 3b. Retaining this prohibition will choke inclusion of carbon free nuclear energy as part of a clean energy solution. MnCEF recommends the prohibition be eliminated in the bill.
- Sections 15 and 16 of the DE2 amendment include provisions that entail a significant expansion of proscriptive labor and wage requirements on energy projects, most notably including implementing a new requirement to follow prevailing wage rules. Prevailing wage rules have been a longstanding regulation placed exclusively on government projects. Expanding prevailing wage into privately funded projects represents a significant expansion of the intent and scope of prevailing wage into private energy activities. MnCEF opposes the language in these sections and recommends they be removed from the bill.

MnCEF is confident that bipartisan compromise is capable to reconcile HF10 with other iterations of the bill, including those under consideration in the Minnesota Senate. We look forward to continuing to work toward this end to provide Minnesotans greater energy choices and a cleaner and more affordable energy future.

Sincerely,



Adam Seidel
Executive Director