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February 25, 2023

Senate File 1759 (Mohamed)/House File 1983 (Rehm)

Dear Senator Mohamed and Representative Rehm,

The National Federation of Independent Business (NFIB) represents over 10,000 small business members in every industry and corner of Minnesota. Over 75% of our members have fewer than 10 employees and our mission is to advocate for Main Street.

NFIB appreciates the opportunity to outline our members' concerns with Senate File 1759/House File 1983, which establishes a state goal to (i) reduce energy use in existing commercial and residential buildings by 50% by 2035 and (ii) develop of new programs to achieve the goal.

Energy affordability and reliability are top concerns for small businesses in Minnesota: 84% of our members believe they should be the top concerns of policymakers and regulators.

Energy conservation is already at the forefront of energy policy in the state, with utility customers funding well over \$100 million per year in energy reduction efforts through the Conservation Improvement Program (CIP) and its successor. In addition, lawmakers recently approved two new customer-funded programs aimed at reducing energy consumption and emissions: the Natural Gas Innovation Act (NGIA) and the Minnesota Efficient Technology Accelerator (META). The latter two programs could add over \$100 million to utility customer bills once fully implemented.

Minnesota electric rates have grown rapidly over the past 15 years, far more than the national average increase for all customer classes. Given current conservation and emissions reduction spending – as well as the need for significant new customer-funded investments to meet the 100% by 2040 requirement – we are concerned that the creation of new utility customer-funded programs without clear direction, cost controls, or guardrails will add to ratepayer pain.

Additionally, we encourage lawmakers to address energy conservation and emissions reductions efforts holistically rather than in a piecemeal fashion so as not to create dueling or conflicting goals and programs that stack costs for similar projects into utility bills.

We appreciate the opportunity to comment on House File 1983,

Sincerely,

A handwritten signature in black ink, appearing to read "John L. Reynolds".

John L. Reynolds
Minnesota State Director
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