



January 17, 2023

Majority Leader Jamie Long
459 State Office Building
100 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155

Senator Nick Frentz
95 University Avenue W.
Minnesota Senate Bldg., Room 3109
St. Paul, MN 55155

RE: Support for HF 7 / SF 4

Dear Majority Leader Long and Senator Frentz:

I write to express the Citizens Utility Board of Minnesota's support for your bill to require Minnesota's electric utilities to be 100% carbon free by 2040 (HF 7/SF4).

The Citizens Utility Board (CUB) is a nonprofit advocate for Minnesota utility consumers. CUB advises hundreds of Minnesotans each on how to avoid utility shutoffs or get service reconnected. CUB consultations help people reduce home energy expenses, figure out their best renewable energy options, and answer whatever home energy-related questions they may have. CUB also represents the consumer interest at the Minnesota Public Utilities Commission and the Legislature.

The electricity system can and must decarbonize quickly to address the climate crisis, and we must increasingly use clean electricity for heating, transportation and other things that are today powered by fossil fuels. This bill sets a carbon-free standard in a flexible manner. It allows utilities and the Public Utilities Commission to determine the best path to 100% clean electricity, and it does so while protecting utility consumers.

CUB urges you not to allow concerns about energy costs to be a reason to delay this bill. CUB is very concerned about the increase in energy costs over the last couple of years – the costs of fuels, in particular – and the effects that high energy costs are having on many Minnesota households. However, renewable energy is typically the least expensive electricity option. On a per-kilowatt hour basis, renewable energy is cheaper than gas or coal generation. Of course, the grid needs different types of flexibility to operate with high levels of intermittent wind and solar, but generally, customers benefit from the more renewable energy that can be used, because of its relatively low cost.

Thus, the question is: how much intermittent power can the grid reliably handle, and on what timeframe? The benchmarks in this bill are aggressive. CUB is confident that the utilities can reach upwards of 90% clean electricity without risking reliability or increasing costs. In fact, ratepayers are

likely to pay too much if we don't transition quickly to cost-effective clean energy sources. We do not know with certainty that Minnesota can reach 100% carbon-free electricity by 2040 without issues. Technology and grid management solutions are advancing quickly, and we believe that it will be possible, but the final 10% requires some faith. The 2007 passage of the Renewable Energy Standard required similar faith, at a time when many were concerned about the grid's ability to manage 25% intermittent resources. Minnesota's electricity mix is now 30% renewable, and studies show it can go much higher without issue. However, it is important that the bill preserves the offramp in current statute (Minn. Stat. § 216B.1691, subd. 2b). If it becomes too expensive or if it would compromise reliability to meet the milestones in the bill, then the standards would not be enforced.

This bill makes sure that Minnesota's electricity system decarbonizes at the pace that's required. It builds on the knowledge and the plans of our utilities. And it does so with crucial protections for Minnesota consumers.

Thank you for carrying this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Annie Levenson-Falk". The signature is fluid and cursive, with the first name "Annie" being the most prominent.

Annie Levenson-Falk
Executive Director

cc: Chair Patty Acomb, House Climate and Energy Finance and Policy Committee
Beth Binczik