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February 14, 2023

Representative Pat McQuillan
428 State Office Building
100 Rev. Dr. Martin Luther King Jr., Blvd
St. Paul, MN 55155

Dear Representative McQuillan,

Please accept this written testimony in support of HF 1427 on behalf of the City of Monticello. Monticello is home to Xcel Energy's Monticello Nuclear Generating Plant, making us a host community to a public utility of significant size and impact. The legislative creation of transition aid to cities, counties, and school districts to blunt the impact of energy plant retirements is a vital component of a responsible energy transition in Minnesota.

It's impossible to understate the importance of the nuclear plant to our city. Monticello has steady residential growth and thriving commercial and industrial economic sectors. Yet, due to its scale, Xcel Energy is responsible for more than half of our tax levy each year.

The City is proactively striving to diversify our revenue sources to strengthen our long-term economic sustainability. However, the options available are not robust enough to significantly reduce our reliance on property taxes – and Xcel Energy by extension. The scale and impacts of a full decommissioning are beyond our ability to confront without state support.

Creating a structure to provide aid and assist cities, counties, and school districts through the most destabilizing period of transition will be essential not only for these organizations, but also for the residents and businesses that rely on these jurisdictions. The people invested in our communities cannot withstand the overwhelming impact of such a significant tax base shift, and they deserve confidence in our ongoing ability to provide the essential services they rely on.

Monticello is committed to supporting Minnesota's efforts to ensure a sustainable energy future for our state, nation, and global community. We request the transition aid legislation be passed to support the host jurisdictions through this important shift to ensure their long-term health and vitality as well.

Respectfully,

Rachel Leonard
City Administrator, City of Monticello