



**H.F. 4502 (Rep. Stephenson)**

Dear Members of the House Energy and Climate Committee:

Minnesota businesses are leading the way on reducing environmental impact from their operations, as well as helping customers, suppliers and others do the same. Many companies are committed to sustainability and emissions reduction plans that go farther than any state mandate, incentive or goal.

We appreciate the opportunity to comment on House File 4502, which we oppose in its current form for the following reasons.

First, now more than ever, our members rely on affordable and reliable power. This bill will raise costs for utility customers at a time when many can least afford it. All over the country, extraordinary efforts are underway to help employers continue meeting payroll, pay their rent and pay utility bills that they no longer have the resources to cover due to the ongoing pandemic. Much uncertainty remains about when commerce can return to normal, and now is not the time to add new spending into customers' utility bills.

Second, the bill fundamentally transforms the Conservation Improvement Program (CIP) from an energy conservation program to a mix of programming that is at odds with CIP's historic purpose. The expansion relies on CIP's existing funding mechanism – ratepayers – but offers insufficient guardrails to ensure the spending is cost-effective. This is also apparent in the "Innovative Clean Technologies" section, which permits millions in new spending with minimal guidance to protect ratepayers.

Third, the bill uses the weight of government to tip the scale in favor of certain technologies at the expense of others. Picking winners and losers in this way is inconsistent with CIP's historic purpose. It will cause real pain to those who have built careers and businesses from technologies that are suddenly out of favor. This tilting of the playing field affects both energy technologies and environmental solutions.

Again, thank you for the opportunity to provide comment on this legislation. We hope the committee will address these concerns before taking final action.

Sincerely,

John Reynolds  
Director, Energy and Elections Policy  
Minnesota Chamber of Commerce