



**March 3, 2022**

Dear Members of the House Climate and Energy Finance and Policy Committee:

We appreciate the opportunity to provide comments on HF 1651 (Rep. Hollins), as amended by the DE1 amendment.

The Minnesota Chamber, which represents over 6,300 businesses with over 500,000 employees, believes in the triple goal of affordable, reliable, and cleaner energy. We support our members' interests and efforts to advance sustainability, and we work hard to help them reduce energy consumption, divert waste, and minimize environmental impact.

We raise the following concerns about HF 1651, as amended, and its potential impact on ratepayers:

- The Renewable Development Account (RDA) is funded by a tax on Xcel Energy electric customers, and we support its reform or elimination as a means to provide relief to ratepayers, as opposed to funding ongoing or new programs.
- The bill would also likely increase costs for ratepayers at a time when rising energy prices are having a substantial impact on residential, commercial, and industrial customers. In the state's February Budget and Economic Forecast, Minnesota's Council of Economic Advisors describe higher energy prices as a "new threat to growth."
- According to data released by the U.S Energy Information Administration this week, nationwide residential retail prices of electricity in 2021 rose at the fastest rate since 2008, with projections that prices will continue increasing even more in 2022.

Minnesota's electricity prices were historically a competitive advantage for our business community. In year-end data for 2021, our commercial prices were only 1% below the national average, and industrial prices were 16% above the national average.

Compared to 2020, commercial electricity costs in Minnesota increased by 7% and industrial costs rose by 9.9%. That outpaced the national increases for commercial and industrial customers of 6.4% and 8.8% respectively.

Being an outlier on energy prices harms our state's ability to develop, grow, and retain businesses. With this data in mind, we urge policymakers to avoid adding new costs to Minnesotans' electric bills.

Sincerely,

Brian Cook  
Director, Energy and Elections Policy