



May 12, 2022

To: Senator Gary Dahms
Senator Nick Frentz
Senator Eric Pratt
Senator Jason Rarick
Senator David Senjem

Representative Rob Ecklund
Representative Jamie Long
Representative Mohamud Noor
Representative Zack Stephenson
Representative Chris Swedzinski

Dear Conferees for Senate File (SF) 4091,

On behalf of Missouri River Energy Services (MRES), I want to thank you for the work both bodies have put into both Jobs, Energy, and Commerce omnibus bills and to share a few comments on the Energy portion of the bill. We are a municipal power agency that provides wholesale power to 61 municipal electric utilities in four states, 25 of which are located in Western Minnesota. We appreciate the time and effort both bodies have put into addressing energy issues that impact our state this legislative session, as well as the willingness the committee has shown to discuss and address concerns we have had. In that spirit, we want to comment on our few remaining concerns.

In the House bill, Article 20, Section 3, line 213.9, R26 would add analysis regarding transmission to the Integrated Resource Plan (IRP) requirements under section 216B.2422 that is largely duplicative of work already required by the Regional Transmission Organizations (RTO). For example, in the Midcontinent Independent System Operator (MISO), owners of required units must go through a process outlined in a MISO-directive titled "Attachment Y." This obligates them to do transmission studies to determine what, if any, transmission modifications may be required prior to retirement of a generator—any generator. The point being that this transmission process is done at a point closer in time to a plant's retirement and involves the RTO. Secondly, doing what is proposed in this language would prove to be nothing more than an academic exercise. For example, if MRES were to file an IRP in 2023 that identifies the retirement of its natural gas plant in Iowa in 2039, this language would require MRES to undertake an effort to report on an initial transmission plan. However, in Iowa, MRES is largely transmission dependent. The transmission around the natural gas plant that may be impacted is not owned or operated by MRES, but they would be required to do transmission planning for lines they do not own. Additionally, it is likely that in just a few short years, the analysis would be largely obsolete due to the impacts of regional changes, such as the addition of resources by other utilities. We believe this section should not be included in the final conference report.

We also urge the language of another House provision, Article 24, Section 7, line 275.24, R84, be amended. This section requires an analysis of local job impacts in the IRP. MRES appreciates the goal behind this paragraph. However, we are concerned the current language adds a layer of analysis that may be speculative to the IRP process that MRES, a not-for-profit municipal power agency, will need to pay for. We have spoken to proponents of the provision and believe that adding the phrase "to the extent possible" after the word "report" on line 275.24 would address our concerns and be acceptable to them.

Finally, the House version of the bill also creates a "Minnesota Innovation Finance Authority" to oversee the further development and advancement of clean energy at Article 24, Section 12, line 278.24, R86. Although the goal may be laudable, it appears to duplicate the efforts of other existing non-governmental organizations as well as utility Conservation Improvement Programs. It may also lack needed customer protection provisions.

We believe this proposal needs further stakeholder input before it can move forward and urge that it not be included in the final conference committee report.

Thank you for your time and consideration. We look forward to continuing to work with you on these efforts. If you have any questions as you work through these bills, please contact me at deb.birgen@mrenergy.com or 605-338-4042 or our contract lobbyist, Elizabeth Wefel at eawefel@flaherty-hood.com or 651-492-3998.

Thank you.

Best regards,

A handwritten signature in black ink, appearing to read "Deborah A. Birgen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Deborah Birgen
Vice-President, Government Relations