



Becker ♦ Cohasset ♦ Granite Falls ♦ Hoyt Lakes ♦ Monticello ♦ Oak Park Heights ♦ Red Wing

Senator Eric Pratt
95 University Ave. W.
Minnesota Senate Bldg., Room 3219
St. Paul, MN 55155

Representative Mohamud Noor
379 State Office Building
St. Paul, MN 5155

Chair Pratt, Chair Noor, and Jobs and Energy Omnibus Bill Conferees:

The Coalition of Utility Cities (CUC) submits this letter to thank both Chair Long and Chair Senjem for the inclusion of portions of SF 3715/HF 3985 to fund and update the Community Energy Transition (CET) Grants program for host communities. This letter provides CUC's input on the differences between the two bills.

If you have any questions as you work through the differences between the bills, please contact CUC's government relations representative Shane Zahrt at (651) 295-1123 or SAZahrt@flaherty-hood.com.

Funding for CET Grants – Adopt both the House and Senate provisions (side-by-side p. R6 & R12)

We are grateful to Senate for including \$3.5 million in RDA funding and the House for including \$2 million in general funds for the program. CUC's request is that the conference committee adopt the funding in both bills. CUC's original request this session was for \$5 million in grant funds. We feel that a number close to this amount is still necessary to have a positive impact on the maximum number of communities.

Moreover, as you will recall, the \$2M appropriated for grants in 2020 came from the Renewable Development Account. This limited the grants to communities within Xcel Energy's service territory. For communities like Cohasset, Fergus Falls, or Hoyt Lakes to take advantage of these grants who would otherwise be ineligible, general fund—or a mix of general funds and RDA—would be greatly appreciated.

Additional eligible community language – Adopt Senate position (p. R81)

The Senate bill includes language that would make a community eligible for grants if the operating license on the plant they host is set to end within the next 15 years. This language would greatly benefit the communities impacted by the Prairie Island Nuclear Generating Plant (PINGP), by clarifying their eligibility for grants. Currently, they are not able to access grants because the future of the PINGP has not been addressed in an Integrated Resource Plan before the Public Utilities Commission. CUC believes that communities in this situation should nonetheless have access to grant dollars to encourage long-range planning for eventual plant retirement. We urge you to adopt the Senate provision.

Language to offer grants on a rolling basis – Adopt identical language in House/Senate bill (p. R81)

This language was offered after consultation between DEED and the communities through the experience of the program's first grant round. CUC's member cities feel that this change will better improve the program and enable greater collaboration between local governments and DEED.

Extension of sunset for 2020 appropriation – no longer necessary (p. R14)

The Senate version of the bill includes language that would lengthen the availability of the appropriation made to the grant program in 2020. This was done in response to concern on the part of some communities that they may need additional time to complete the important work the grants are enabling them to do. We sincerely appreciate the Senate carrying this language in the bill while impacted communities continued to work on this issue. However, after additional analysis and discussion with DEED, these concerns can be addressed administratively without the need for this legislative provision.

Thank you

Thank you for your consideration and service to our state.

Sincerely,

A handwritten signature in black ink, appearing to read 'MP', with a long horizontal line extending to the right.

Max Peters
Director of City Operations, City of Cohasset
President, Coalition of Utility Cities