



117 South First Street • Montevideo, MN 56265

April 25, 2024

Chair Olson
House Ways and Means Committee
Minnesota State Capitol
75 Rev Dr Martin Luther King Jr Boulevard.
St Paul, MN 55155

Re: H.F. 4177 – Climate and Energy Finance and Policy Omnibus Bill

Dear Chair Olson and Committee members:

Thank you for your continued support for legislation that moves Minnesota towards an equitable clean energy future. We appreciate the opportunity to provide comments on H.F. 4177, the House Climate and Energy Finance and Policy omnibus bill.

CURE is a rurally based, non-profit organization dedicated to protecting and restoring resilient towns and landscapes by harnessing the power of the people who care about them. We are especially excited to see the following provisions in the omnibus bill that will truly accelerate and bolster Minnesota's necessary energy transition:

- SolarAPP+ financial incentives and technical assistance
- Grid-enhancing technologies report
- Geothermal planning grants
- Improvements to the interconnection of distributed generation facilities

We want to thank the bill authors who brought these provisions forward this year and would urge support for their inclusion in the omnibus bill moving forward.

As you know, the bill also includes language in Article 4 that establishes the Minnesota Energy Infrastructure Permitting Act. At CURE, we know that the energy transition is a rural transition. The new energy infrastructure that we need to rapidly build out to address the climate crisis will be sited in rural places, changing our landscapes and communities. Because of this, we are vocal and active advocates for the development of renewable energy, both to meet the urgent need to transition away from fossil energy and because of the opportunities it may offer to our rural communities. We would have liked to see the discussion around permitting reform put more emphasis on the latter as other states have done and look forward to working with legislators and allies to make sure that rural communities see the direct benefits of the clean energy transition.

But as an organization that devotes much of our efforts towards helping Minnesotans navigate our permitting process, we also know firsthand that our current process does contain inefficiencies and complexities. We support efforts to address these issues and ensure that impacted and concerned citizens aren't forced to waste time and energy trying to have their voices heard in these processes.

As such, we are not opposed to this bill, but remain concerned that as currently written, the bill misses opportunities to improve democratic community-led development, while simplifying the permitting process for clean and renewable energy.

Below is a list of specific concerns we have with the current language of the bill. If not remedied, we believe that the bill will cede significant authority to powerful utilities and industry and will slow the transition to a truly clean and just energy system.

1. Requiring applicants to prepare their own Environmental Assessment.

While we understand that this provision is intended to save time, we believe allowing an applicant to write its own Environmental Assessment (EA) creates obvious conflicts of interest and counter-productive inefficiencies for several reasons:

- The public perception of having the applicant complete its own environmental review will be understandably very negative. The public is more likely to see this as corrupting the environmental review process given the interest an applicant would have in minimizing the perceived environmental harm from its project.
- A legal challenge to the PUC's permitting decision could force the Department of Commerce and its attorneys to defend an inadequate EA that it did not prepare, since there appears to be no requirement for the Department to review or confirm the correctness of the EA. This would waste considerable resources and encourage litigation that the government is more likely to lose.

2. Creating loopholes that allow fossil fuel and other polluting energy facilities to conduct minimal environmental review and showings of need.

Given the intent of last year's 100% Carbon-Free Energy Law, and the stated intent of this bill to help speed up permitting of qualifying renewable and carbon-free projects, we believe the bill should remove all carbon-generating facilities and facilities that burn fuel to generate electricity (i.e., coal, oil, natural gas, garbage incineration, and biomass) from the new "Standard" review (previously called "Alternate Review"). Currently the bill excludes new gas plants, which is an important change to current law, but it should be amended to similarly treat all power plants, including those under 80MW, that burn fuels and emit carbon.

3. Changing definition of "energy storage" to allow broader interpretation.

The current language in Article 4 states that the definition of "energy storage" is the same as that found in Minn. Stat. § 216E.01, subdivision 3a, or: "equipment and associated facilities designed

with a nameplate capacity of 10,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.”

The version of H.F. 4700 that was adopted and laid over for possible inclusion, however, references a different statute, Minn. Stat. § 216B.2422, subdivision 1(f). This definition is much more detailed and asks whether the energy storage in question receives energy from a renewable source, is being used for grid benefits, reduces peak or electrical demand, improves the reliable operation of the transmission and distribution system, or lowers customer costs.

Changing the definition of “energy storage” to that found in Section 216E.01, subdivision 3 is a change for the worse because it could allow for storage of energy generated by polluting resources like oil, coal, natural gas, or biomass. It also allows for any type of storage, whether lithium-ion batteries, pumped hydro, or other technologies. Our concern is that under this definition and in conjunction with the other changes proposed in Article 4, an energy storage system would be subject to limited review, even if it was receiving energy from a fossil fuel source. It also fails to acknowledge that some energy storage systems (i.e. pumped hydro) are excellent at storage but are entirely inappropriate in some places (i.e. the north shore of Lake Superior where Ojibwe tribes have active treaty rights). Despite this, under the existing language, all storage systems would receive the same limited review. We would encourage the author and supporters to consider changing the definition to clarify which types of energy storage might receive limited review and which should receive full environmental review.

Again, we thank you for the opportunity to provide testimony on H.F. 4177 and for your consideration of the concerns above.

Sincerely,

/s/ Sarah Mooradian

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