



April 5, 2022

Representative Jamie Long, Chair
Representative Chris Swedzinski, Ranking Minority Lead
Members of the Hoanuse Climate and Energy Policy and Finance Committee

RE: House Climate and Energy Omnibus, HF 3337, the DE3 Amendment

Dear Chair Long, Rep. Swedzinski and members of the committee,

The Minnesota Rural Electric Association (MREA) is the statewide association representing the interests of all 50 of Minnesota's non-profit rural electric cooperatives – which are owned by their members, governed by their members, and operate solely for the benefit of their 1.7 million members around the state and the communities in which they live.

As non-profit and community owned entities, we are committed to managing the clean energy transition while maintaining affordability and reliability of service for co-op members. We appreciate the opportunity to offer these comments on the House Climate and Energy Omnibus Policy and Finance legislation, HF 3337.

| Provision | Page/Line | Question or Concern |
|---------------------------|------------------------------|--|
| Solar on Public Buildings | 1.21 to 2.1 64.1 to 66.28 | <ul style="list-style-type: none">Provision seems drafted to preclude electric cooperatives from this opportunity – why is that? |

| Provision | Page/Line | Question or Concern |
|---|--------------------------------|--|
| Supplementation Weatherization Assistance | 2.26 to 2.34 15.3 to 17.2 | <ul style="list-style-type: none"> <li data-bbox="894 237 1377 636">• We may be able to support pre-weatherization assistance and worker training, as long as a significant majority of this funding is directed to Greater MN, where energy burden is 3 times higher than the average. <li data-bbox="894 688 1377 993">• We're not sure what the cross reference to ECO means on lines 2.31 to 2.34. We would have concerns if that cross-reference would mean an increase what co-ops need to do under ECO. |
| Grants for Residential Electric Panels | 4.3 to 4.9 121.23 to 124.29 | <ul style="list-style-type: none"> <li data-bbox="894 1045 1352 1266">• We think this might be a good idea, but the program seems to have become too complicated and complex. |
| Commercial Energy Code | 7.3 to 7.8 23.6 to 24.17 | <ul style="list-style-type: none"> <li data-bbox="894 1318 1377 1581">• Giving local communities an option to adopt a commercial energy code a bit earlier than the state may unlock federal funding to cities. |

| Provision | Page/Line | Question or Concern |
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| EV Certification for MN Auto Dealers | 7.23 to 7.28 76.1 to 78.18 82.1 to 82.24 | <ul style="list-style-type: none"> As we testified to the committee, we think that auto-dealers are a critical partner as we increase EV penetration in the state, and we strongly support these provisions. |
| State Competitiveness Fund | 8.1 to 8.8 120.1 to 121.22 | <ul style="list-style-type: none"> We support appropriating state funds for the nonfederal match for IJA funds, and appreciate its inclusion. |
| EV Charging for Government Centers, Rest Stops, Parks | 8.16 to 9.4 75.12 to 75.27 84.23 to 85.26 | <ul style="list-style-type: none"> We support these provisions. We would seek to add language requiring EV charging installations must be coordinated with an electric cooperative if the charger is to be located in or around co-op service territory. It will also be critical to make sure that a cooperative utility's "make ready" costs are covered, in addition to the EV charger itself. Lines 84.18 to 84.21 seem to limit EV chargers in regional parks to Xcel Energy service territory – why is that? |

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| Building Energy Benchmarking | 9.13 to 9.19 17.13 to 23.5 | <ul style="list-style-type: none"> • We support voluntary building benchmarking and oppose mandatory energy disclosure. • We are especially concerned about exposing Minnesota building owners to civil fines for non-compliance. |
| MN Innovative Finance Authority | 10.1 to 10.10 96.15 to 102.17 | <ul style="list-style-type: none"> • Minnesota already has a vibrant, robust and nation-leading network of non-profit and community lenders all over the state. • This initiative would unnecessarily compete with and potentially displace those lenders, undermining MN's network of lenders. |
| Energy Storage Mandates | 50.15 to 57.15 | <ul style="list-style-type: none"> • We reiterate our opposition to these energy storage mandates. • MN electric cooperatives are already deploying, and planning to deploy, energy storage systems. • Mandates in this area are unnecessary and counterproductive. |

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| CON Exemption for Wind and Solar Projects | 61.24 to 63.15 | <ul style="list-style-type: none"> <li data-bbox="894 237 1357 457">• We support this exemption as long as the intent is to include projects in an electric co-op G&T IRP in the exemption. <li data-bbox="894 506 1365 856">• Electric co-op G&Ts file IRPs with the commission for review and advice, not approval. So, projects included in an electric co-op G&T may not be “ordered” by the PUC as specified in the provision. |
| Local Workers | 90.24 to 94.16 | <ul style="list-style-type: none"> <li data-bbox="894 909 1373 1041">• We support these provisions to promote the use of local workers. |
| Utility Diversity Reporting | 127.7 to 128.16 | <ul style="list-style-type: none"> <li data-bbox="894 1094 1360 1402">• While we support the underlying goals of this provision, this extensive reporting requirement would be a significant administrative burden on rural electric cooperatives. |

Thank you for the opportunity to comment, and for all your work on behalf of Minnesotans.

Sincerely,

/s/ Mike Bull
 Mike Bull, Director
 Policy and Regulatory Affairs