



H.F. XX (Rep. Hollins, PV Demand Credit)

H.F. 1226 (Rep. Acomb)

February 23, 2021

Dear Members of the House Climate and Energy Committee,

The Minnesota Chamber of Commerce appreciates the opportunity to comment on House File XX (Rep. Hollins, PV Demand Credit) and House File 1226 (Rep. Acomb). The Minnesota Chamber believes in the triple goal of affordable, reliable and cleaner energy. We work hard to help companies reduce energy consumption, divert waste, and minimize environmental impact.

In addition, Minnesota Chamber members have sustainability and energy goals that go beyond any state mandate or goal. Whether it's reducing carbon emissions in their own operations or making more sustainable products ambitious plans to reduce environmental impact are real and ongoing.

Over the past two decades, the Minnesota Legislature has explored various options for expediting the transition to renewable or carbon-free electricity. Policy choices have contributed to a significant acceleration of Minnesota's commercial and industrial electric rates compared to the national average. Between 2008 and 2018, Minnesota's rates climbed 33% while U.S. average rates grew by only 1.5%.

We believe the Legislature should pursue policy options that meet all components of our triple goal: affordable, reliable, cleaner. Finding the lowest cost path to reliable and cleaner energy - including protecting nonparticipating customers from increased costs of certain programs - is important because utility bills should not serve as an unlimited funding mechanism for legislative policy preferences.

H.F. XX (Hollins) orders utilities to create a new rider to accommodate customers with solar photovoltaic systems above a certain size. Creating yet another rider for consideration the Public Utilities Commission (PUC) runs counter to a frustration expressed during an earlier hearing on increasing ratepayer-funded intervenor compensation: the proliferation of PUC dockets in recent years has made it more difficult to participate and achieve a full accounting of utility costs and expenses. Opportunities exist within current dockets to make a request for such a demand credit.

H.F. 1226 (Acomb) will likely raise costs for ratepayers by eliminating the definition of "avoided capacity and energy costs" owed to small generation facilities in Minnesota Statutes Section 216B.164. We urge the committee to ensure this bill does not result in higher costs for nonparticipating customers.

While we appreciate efforts to increase deployment of cleaner energy, small generation and storage facilities are often the most expensive forms of electricity on a utility's system. At a time when many customers are struggling with rising electric costs, we urge the committee to guard against any cost increases for nonparticipating customers that could result from these bills.

Thank you for the opportunity to provide feedback. We welcome the opportunity to work on solutions with you.

Sincerely,

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