



April 26, 2017

The Honorable Jeremy R. Miller
Deputy Majority Leader
Co-Chair, Omnibus Jobs and Energy Conference Committee
Minnesota Senate
3107 Minnesota Senate Building
95 University Avenue West
St. Paul, MN 55155

The Honorable Pat Garofalo
Co-Chair, Omnibus Jobs and Energy Conference Committee
Minnesota House of Representatives
485 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

Dear Senator Miller and Representative Garofalo:

We, the undersigned organizations and the citizens we represent, respectfully ask you to reject the following policy provisions from the **final version of the Omnibus Jobs Growth and Energy Affordability Finance Bill**. This bill will roll back energy efficiency and solar standards, stifle Minnesota's developing solar industry, discriminate against small electrical utility customers, greenlight a new tar sands crude oil pipeline, and take away citizens' rights to know, receive notice and participate in processes that affect their land, water and lives.

The budget does not meet agency recommendations for either the Department of Commerce (DOC) or the Public Utilities Commission (PUC), both of which are doing critical work. The cuts to the DOC budget total over a million dollars; the largest is a \$678,000 per year cut to the Energy Division, which would have a devastating effect on Energy Regulation and Planning. When coupled with the President's proposed budget cuts, this proposal cripples State Energy Office functions, directly affecting our state's renewable energy efforts. The bill does not fund several programs within the Department of Commerce, including the Guaranteed Savings Program for increased building efficiency, or the increase in the state's Energy Efficiency Resource Standard. The cuts to the Public Utilities Commission budget are \$223,000, which would hamper their ability to provide oversight of Minnesota's energy future. At a time when our state is facing a surplus, these cuts are simply irresponsible.

Energy efficiency standards set in 2013 legislation are weakened in this bill, and customers of small and medium sized utilities would lose access to important programs for energy efficiency, energy improvements for low income residents, and on-bill repayment.

The bill also contains many provisions that would send market signals that Minnesota is no longer actively welcoming to solar businesses. Currently 3,800 hardworking Minnesotans are employed in the solar industry. Any legislation that impedes the growth of installation of solar hurts our state. Our solar businesses need to be able to compete with larger out-of-state and international companies.

This bill is out of sync with Minnesota voters. Earlier this year, our extensive statewide issue poll, with an over-sampling of rural residents, found that more than seven in ten Minnesotans favor a 50% clean energy goal. More three out of five independents oppose increasing the flow of tar sands oil in Minnesota. Yet this bill goes in the opposite direction.

Though what follows is not a comprehensive list, we are deeply concerned that this bill:

Attempts to reinsert language previously vetoed by the Governor proposing to eliminate consumer dispute resolution safeguards in rural electrical cooperatives and municipalities.

| | | |
|------------------------|----------------|--------------------|
| House: | None | |
| Senate, Art. 2: | Pages: R13-R14 | Lines: 34.23- 36.3 |

Proposes to eliminate second tier dispute resolution over rates charged for solar installations in rural electrical coops, and municipalities, authorizes a process for rural electric cooperatives to set net metering rates, and sunsets co-op rate disputes currently before the Commission. **We ask that you adopt the House position.**

Removes pipelines from the Public Utilities Commission (PUC) Certificate-of-Need Process.

| | | |
|------------------------|-----------|--------------------------|
| House, Art. 10: | Page: R29 | Lines: 182.32-183.2, and |
| | Page: R30 | Lines: 183.11-13 |
| Senate: | None | |

Allows oil and gas companies to build petroleum, oil or natural gas pipelines without justifying a public need and eliminates the authority of the PUC to determine whether the state's energy demands could be better addressed by an alternative proposal. This will allow pipeline companies to seek route approval—and ultimately use the power of eminent domain—without considering the accuracy of energy demand forecasts. **We ask that you adopt the Senate position.**

Prohibits consideration, in any environmental review, of alternate routing of pipelines that does not include the applicant's preferred start and end points.

| | | |
|------------------------|-----------|---------------------|
| House, Art. 10: | Page: R35 | Lines: 188.6-188.10 |
| Senate: | None | |

Takes away citizens' right to suggest reasonable alternative routes for an impending project. It unreasonably ties Minnesota's hands at a particularly pertinent time—when aging infrastructure is being replaced and new corridors are being proposed. Both the Minnesota Environmental Policy Act and the National Environmental Policy Act require consideration of reasonable alternatives, and this provision truncates those options without justification. This provision was never heard in a committee. **We ask that you adopt the Senate position.**

Bypasses all oversight of, and allows immediate construction of Enbridge’s Line 3 tar sands oil pipeline after July 1, 2017.

House, Art. 10: Pages: R41-R42 Lines: 194.1-194.8
Senate: None

At a time of worldwide oversupply of petroleum, increasing concern over climate change and the onset of electric transportation options, this provision bypasses all scrutiny of the need for additional pipeline capacity and the siting of a pipeline, over half of which is proposed to be in an ecologically sensitive new corridor. A new Line 3 would also enable transport of tar sands oil, at twice the capacity of the current line. This provision was never heard in a committee. **We urge you to adopt the Senate position.**

Weakens local control by changing interim ordinance rules.

House Bill: UES 1937-2, Article 11, Section 2 (not included in side-by-side)
Senate: None

Weakens local control for cities by requiring a 2/3 supermajority to enact an interim ordinance in some cases. Currently, an interim ordinance may be enacted by a simple majority – that is how a democratic system should work. The simple majority requirement for an interim ordinance allows a city to quickly enact a moratorium when unanticipated development is proposed that is of concern to the community. **We ask you to adopt the Senate position, should this policy provision be proposed for this bill.**

Dramatically alters the Xcel Energy users’ Renewable Development Fund.

House, Art. 10: Pages: R3- R10 Lines: 158.8- 165.6, and
Pages: R31- R32 Lines: 184.17-184.24, and
Pages: R40-R41 Lines: 193.1-193.32
Senate: None

Changes the primary focus of the fund from expansion, research and development of emerging renewable electric technology in Minnesota to projects that reduce air emissions and cost. The provision caps payments into the fund at specific dollar amounts per dry storage nuclear waste cask, disregarding the original agreement with Prairie Island Indian Community. It also removes independent oversight by the PUC, ratepayer advisory group, and independent third party expert oversight of grants with primarily politically appointed advisors on a new council. **We urge you to adopt the Senate position.**

Weakens 1.5% Solar Energy Standard for medium sized utilities.

House, Art. 10: Pages: R14-R16 Lines: 168.10-169.18
Senate, Art. 2: Pages: R14-R16 Lines: 36.4-37.12

Allows some utilities to meet the standard with a smaller number of large projects instead of marketing solar to a broader number of customers. It also allows Minnesota Power and Ottertail Power to meet the standard by counting only utility-owned “community” solar gardens, overturning a clear and unambiguous decision by the PUC. And it raises the cap on the size of solar projects that would count toward the standard, from 20 to 40 kilowatts – a disincentive for investing in smaller projects. **We ask that this provision be dropped from further consideration.**

Exempts small utilities from participating in energy savings and efficiency programs.

House, Art. 10: Pages: R16-R26 Lines: 170.1-179.32
Senate: None

This provision denies ratepayers receiving energy from small utilities (often rural customers) the ability to participate in programs including the Conservation Improvement Program (CIP), on-bill repayment for efficiency investments, and low income programs. **We urge you to adopt the Senate position.**

Eliminates the popular Roof-top/ Made in Minnesota Solar rebate program.

House, Art 10: Page: R1-R3 Lines: 156:23-157.30
Page: R32-R33 Lines: 184.25-185.23
Page: R40 Lines: 192.22-192.30
Page: R42 Lines: 194.10, 194.15-.16
Senate: None

This program has created more than 495 jobs since its inception in 2013. The number of Minnesota-made manufacturers has increased from two in 2013 to five in 2017 and supported the growth of an estimated 500 supply - chain companies across the state. The energy generated each year from Minnesota-made solar is equivalent to that used by 1,856 homes. This language sunsets incentive payments to any owners whose Minnesota-made panels begin generating electricity in 2018 and beyond. This language also repeals solar thermal rebates. **We urge you to adopt the Senate position, or delete the phrase “and 216C.29” in the House version of line 194.13.**

Repeals the subpoena power of the Department of Commerce for information and witnesses in energy rate, planning and conservation functions.

House, Art. 10: Page: R42 Line: 194.13 delete words “and 216C.29”
Senate: None

Hampers the State’s ability to access energy information quickly during emergencies, during the adequacy determination of need for energy facilities, and on rate cases. **We urge you to adopt the Senate position.**

Politicizes the appointment of the Public Utilities Commissioners.

House, Art. 10: Pages: R10-11 Lines: 165.7-166.12
Senate: None

This provision moves authority to fill the majority of seats on the PUC from the Governor to legislative leaders. Advice and consent of the senate for these appointments is eliminated. This provision also requires the replacement of the two newest Commissioners in July 2017, in disregard of the current statute citing six-year terms. **We urge you to adopt the Senate position.**

Prohibits local governments from banning plastic bags.

House: Art. 8
Senate:

Page R8
None

Lines: 150.16-.26

Banning or charging a fee for plastic bags is a proven effective method of reducing air and water pollution, protecting wildlife and protecting human health. Reducing use of plastic bags can provide significant economic savings to communities. Local communities have already democratically voted to implement a bag ban, and this pre-emption bill erodes local control and overrides the political will of the residents. **We urge you to adopt the Senate position.**

Clean Air Act (VW) Settlement Money.

House: Art. 10
Senate:

Page R3
None

Lines 158.1- 158.7

Minnesota is poised to gain \$47 million from the VW settlement, but this provision could result in Minnesota missing out on those funds. First proposals for use of the funds are due in September 2017, outside of the legislative session. The funds should be used under the guidance of the Trustee, to redress the public health effects of pollution from VW's vehicles. **We urge you to adopt the Senate position.**

Minnesota has seen great progress and growth as it transitions to a clean energy economy; creating jobs and cleaning our air simultaneously. We are concerned that the provisions of this bill both undermine the public processes that we have in current law and slow our progress toward a clean energy future. **Please do not include these policy provisions in the final version of the Omnibus bill.**

Thank you for your consideration.



Steve Morse

Minnesota Environmental Partnership

Alliance for Sustainability
Audubon Chapter of Minneapolis
Center for Biological Diversity
Clean Water Action
CURE (Clean Up the River Environment)
Friends of Minnesota Scientific & Natural Areas
Friends of the Boundary Waters Wilderness
Friends of the Cloquet Valley State Forest
Friends of the Mississippi River
Institute for Local Self Reliance
Izaak Walton League – Minnesota Division
Land Stewardship Project
League of Women Voters Minnesota
Lower Phalen Creek Project

Lower Phalen Creek Project
Lutheran Advocacy - Minnesota
Minnesota Center for Environmental Advocacy
Minnesota Conservation Federation
Minnesota Native Plant Society
Minnesota Ornithologists Union
Minnesota River Valley Audubon Chapter
MN350
Pesticide Action Network
Pollinate Minnesota
Renewing the Countryside
Save Our Sky Blue Waters
Sierra Club – North Star Chapter
Take Action Minnesota *
Transit for Livable Communities

* denotes not a member of MEP

