



Minnesota Center for
Environmental Advocacy

February 11, 2021

Testimony on Clean Energy First by Ellen Anderson, Climate Program Director, MCEA

Dear Chair Long and Members of the House Climate and Energy Finance and Policy Committee,

Thank you for the opportunity to provide written testimony on HF 10, Clean Energy First. Minnesota Center for Environmental Advocacy (MCEA) is a nonprofit organization with almost 50 years of experience using law and science to protect Minnesota's environment and the health of its people. We support Representative Stephenson and Chair Long's goal of making clean energy come first in Minnesota, and are grateful for their willingness to discuss our concerns and to work to improve the bill.

Now is the time to take strong action to maximize renewable energy and reduce carbon emissions. We know from the world's top scientists we need to dramatically cut carbon emissions by approximately half by the end of this decade. The electricity sector plays such an important role in cutting carbon and integrating renewable energy and battery storage, so we need to make sure it decarbonizes as soon as possible. Wind, solar and battery prices are at a historic low and expected to keep dropping, and it is often lower cost than fossil fuel generation. Additionally, the electricity sector could power the transportation sector and buildings in the coming years, so all the more reason it needs to be powered by clean energy. All new generation resources need to be clean energy resources from now on. We strongly support the statement that "the favored method to meet electricity demand in Minnesota is a combination of clean energy resources."

Minnesota statutes have had a strong preference for renewable energy resources over new fossil fuel resources -- for certificates of need and resource planning in particular -- for decades. For example, the legislature amended Minn. Stat. 216B.2422 in 1993 to say the Public Utilities Commission **shall not** approve a new fossil fuel resource unless the utility proposing it demonstrates that a renewable energy facility is not in the public interest. This is current law and we at MCEA cite this law frequently and have used it to defeat new coal plants at the PUC in Integrated Resource Plans ("IRPs") and Certificate of Need proceedings.

However, it's obvious that notwithstanding this and other related laws, new fossil fuel infrastructure is frequently approved and built in Minnesota. For this reason, we support the Clean Energy First bill to add clarity to the statutes and make them even stronger. We especially applaud the bill author for adding the language of "clear and convincing evidence." That is a strong legal standard that will ensure decision makers make renewable energy the favored

method of electricity generation. We are also glad to see environmental costs emphasized in the bill, and our position is that all proceedings in the PUC should incorporate these values, to make sure there is an accurate accounting of the health and climate impacts of fossil fuels.

We suggested a number of changes to the bill to meet the goal of maximizing clean renewable energy sources, and we enthusiastically welcome the DE amendment which makes the bill much better.

- We strongly support the Sec. 4 Subd. 1 changes that reinforce that we need additional clean energy sources beyond the standards and mandates, which were never intended to be ceilings but rather floors. We need to maximize renewable and clean energy resources to meet our greenhouse gas goals and to decarbonize the electricity system.
- We are pleased to see the provision for local jobs for workers to construct and maintain power generation, which should include opportunities for good paying jobs in wind, solar, and battery storage, and support local benefits for local workers. We agree that ownership of clean energy resources can be shared among local communities, utilities, and independent power producers. As a state that imports all of our fossil fuels, we should maximize the benefits of our excellent renewable energy resources.
- We are glad that the legacy definition of renewable energy that included polluting resources such as municipal solid waste generation was removed from the bill.
- The DE amendment better defines energy storage and clean energy resources. Energy storage has a wide variety of capabilities providing a range of grid benefits and only in limited cases are the grid services “stackable.” As the amendment provides, the definition of clean energy resources should include renewable energy resources, energy efficiency, load management and related storage.
- We support the amendment’s approach to keep intact existing language that requires the PUC to consider in their public interest determination whether the proposed resources would help the state meet its greenhouse gas reduction goals and renewable energy standard and solar standard; and strengthens the law by requiring a written finding justifying the decision. This is important to ensure that resource plans look at the big picture impact of each individual decision. Combining these two sections strengthens the existing law by making sure the PUC has a well-thought-out justification for their decision, in the context of our statewide goals to reduce carbon emissions and increase renewable energy.

The DE amendment cures several problems with the bill that would otherwise cause us concern:

- Without the DE amendment, Section 11, Subd. 4 makes a very negative, significant change to the renewable preference statute in current law by striking integrated resource plans. It’s crucial that IRPs be included in this section, because many decisions about building new fossil fuel resources are made in IRPs. On the positive side, we applaud the bill author for adding the language of “clear and convincing evidence.” That is a strong legal standard that will ensure decision makers make renewable energy the favored method of electricity generation.

- Finally, the amendment has addressed some of our concerns about the interpretation of whether a renewable energy facility is in the public interest based on whether it is “affordable or reliable.” Affordability and reliability are essential to our electricity system and it is important to evaluate those factors in decision-making about energy resources, but as drafted it seemed that only renewable energy facilities would be required to show they are affordable and reliable but fossil fuel plants have no such requirement. This makes sense only *in comparison* with other resources. This bill is focused on our legal processes for determining the best energy resources. For example, if we are considering the choice between a solar and battery hybrid project compared to a new gas plant, we should consider which option is *more* affordable or lower-cost, which option is *better* able to provide reliable power, and which option emits the *least* carbon emissions, to make the right choice. We think the DE amendment improves this section greatly by adding “when compared with” a nonrenewable or non-clean energy resource on line 7.23-7.24.

Thank you Representative Stephenson, Chair Long, and Committee Members for your work on this bill, and for the opportunity to testify in support.

Sincerely,

Ellen Anderson
Climate Program Director
Minnesota Center for Environmental Advocacy