



LEGISLATIVE MEMORANDUM – HF 9

Minnesota Center for Environmental Advocacy (MCEA) is a St. Paul and Duluth based nonprofit advocacy organization with a 50-year history of using science and the law to defend Minnesota's environment and the health of its people. We write to express concerns with several sections of HF 9.

HF 9 unnecessarily extends the timeline for compliance with Minnesota's carbon-free law.

Section 2 mandates that if a utility does not have retail electricity rates for each customer class at least five percent below the national average then the utility is automatically granted three additional years to comply with Minnesota's 100% carbon-free law. As drafted, three extra years could continue to be added repeatedly unless a utility's rates decrease to 5% below the national average. There are already "off ramps" in the 100% law that protect Minnesota's electricity consumers. Minn. Stat. 216B.1691 Subd. 2b allows the Public Utilities Commission (PUC) to delay implementation for a variety of reasons, including "utility costs, including the economic and competitive pressure on the utility's customers." The language of HF 9 creates misaligned incentives for electric utilities, whereby high rates exempt them from complying with Minnesota's 100% carbon-free standard.

HF 9 unnecessarily lifts the nuclear moratorium. Section 3 lifts the nuclear moratorium in Minnesota. While MCEA is not opposed to nuclear energy, there is no current plan or existing proposal to build new nuclear plants in Minnesota. There is still no permanent solution to the waste created by nuclear energy after decades of effort, and nuclear power remains one of the most expensive forms of new electric energy. Minnesota would be better served by focusing on deploying existing and less expensive sources of carbon-free electricity, including wind, solar, and storage.

HF 9 stops municipalities from allowing defunct electric plants (typically coal plants) to be demolished. Section 4 prohibits municipalities from issuing permits to demolish fossil-fuel power plants under certain conditions. This decision should be up to the utility and municipality, not the state. The PUC and grid operator already consider the impact on rates and reliability when deciding whether to close existing power plants. This prohibition would prevent redevelopment of sites and potentially require defunct and noneconomic facilities to remain mothballed for years.

HF 9 prioritizes carbon capture and sequestration above other forms of carbon-free electricity as the policy of the state. Section 5 makes support for carbon capture and sequestration the "policy of the state." This is both unnecessary and counterproductive. Minnesota statute already allows any technology that produces entirely or partially carbon-free electricity to qualify under Minn. Stat. 216H.02, subd. 1. That subdivision already includes a definition of "net zero" emissions that include "removals" of greenhouse gases. One of the strengths of Minnesota's approach to greenhouse gas reduction is that it is technology neutral. If the Legislature amends Chapter 216H or other chapters to prefer specific technologies, it should include all technologies that can be employed to help Minnesota reach carbon-reduction goals, not just one.