



A Touchstone Energy® Cooperative 

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**Minnkota Power Cooperative Testimony**  
**Senate Energy, Utilities, Environment, and Climate Committee – SF 4**  
**January 23, 2023**

Chair Frenz and Honorable Members of the Senate Energy, Utilities, Environment, and Climate Committee:

My name is Stacey Dahl and I am here on behalf of Minnkota Power Cooperative, which is a small not-for-profit generation and transmission cooperative that provides wholesale power to 11 member-owned distribution cooperatives, eight of which are located in northwest Minnesota. Minnkota also serves as the operating agent for the Northern Municipal Power Agency and its 12 associated municipal utilities located within our service territory. All totaled, there are approximately 162,000 member accounts in our entire cooperative footprint.

Minnkota appreciates the opportunity to comment on Senate File 4. It is our mission at Minnkota to keep electricity sold to our member owners as the best energy value in the region, and we continue to invest in ways to keep that energy affordable, reliable, and environmentally responsible. We continue to pursue carbon reduction of our generating assets, while providing important and critical baseload power to our region, especially during winter polar vortex events and summer heat waves when the regional grid is under increasing strain from baseload retirements. Minnkota is among the many electric utilities that are proactively working on, and succeeding with, reductions in greenhouse gas emissions, using flexible and innovative methods.

We have many concerns with this bill, and chiefly among them are serious concerns with what this means for maintaining reliable and affordable resources in the power generation mix. Concern over the regional grid's reliability and stability is not Minnkota's alone. Reliability concerns are well-documented by NERC (North American Electric Reliability Corporation) and MISO (Midcontinent Independent System Operator) – the entities charged with operating the system and maintaining grid reliability. Both have expressed apprehension surrounding the ability of the grid to maintain stability in light of baseload generation being retired at a faster pace than can be replaced with new sources and adequate transmission.

Know that Minnkota Power Cooperative recognizes the need to decarbonize the electric sector, but decarbonization must be approached with the utmost care and consideration. To proceed otherwise carries irreversible consequences. For nearly 15 years, Minnkota has led with one of the most aggressive wind portfolios in the country, leadership for which we have received national recognition from the Department of Energy. We are also undertaking one of the most ambitious carbon capture projects in the world, called Project Tundra. One can learn more at [www.projecttundrand.com](http://www.projecttundrand.com), but in summary the project seeks to capture and sequester 4 million tons of carbon dioxide (CO<sub>2</sub>) annually from our Milton R. Young Station, which is the equivalent of taking nearly 800,000 gas-powered vehicles off the road. That is significant CO<sub>2</sub> reduction, which is why the Intergovernmental Panel on Climate Change has noted several times over that carbon capture projects are key to reaching global climate goals.

From our roots in rural electrification to the present, policymakers have understood that rural areas have unique needs that are simply different and have trusted these member-owned institutions to make self-governance a hallmark of moving their communities forward. To quote President Franklin D. Roosevelt, “The forward march of electric cooperatives has an even more profound significance in terms of our fight to preserve democracy.”

Two of the seven cooperative principles are Democratic Member Control and Autonomy and Independence. However, this bill directs top-down, one-size-fits-all policies that substantially erode cooperative governance. We ask the committee to work with cooperatives to preserve this tenet of cooperative governance, which is foundational to who cooperatives are.

We ask that this committee take additional steps to improve this bill and offer our willingness to work together. Specifically, we respectfully request:

1) Exempt Out-of-State Generation

There are substantial legal questions posed regarding electric generating units located outside of the state of Minnesota and this bill’s impact on them. As was the subject of historical litigation between the states of Minnesota and North Dakota, this bill again raises of jurisdiction via the Federal Power Act and the limitations of reaching beyond a state’s borders provided by the Dormant Commerce Clause in the U.S. Constitution. We ask that out-of-state resources be exempted from the carbon standard in this bill.

2) Technology

We appreciate the A7 amendment’s inclusion of additional technologies that qualify under the carbon standard. This will help expand the types of resources available to utilities.

3) Respect Cooperative Governance

Provide cooperative boards the off-ramp authority for this new carbon standard, rather than the bill’s current delegation of that role to the Public Utility Commission.

4) Delay Interim Targets

The interim targets don’t reflect the ability to build out the necessary infrastructure in a cost-effective way.

Thank you Chairman and members of the committee for your time. I would be happy to answer any questions.