



Becker ♦ Cohasset ♦ Granite Falls ♦ Hoyt Lakes ♦ Monticello ♦ Oak Park Heights ♦ Red Wing

March 28, 2023

Re: Support for Community Energy Transition funding in Senate File 2847 DE Amendment

Chair Frentz:

On behalf of the Coalition of Utility Cities (CUC), I write to thank you for the inclusion of funding in your omnibus bill, SF 2847, that is designed to support local governments and workers that will be deeply impacted by the retirement of the state's largest power plants in the coming years.

As you know, CUC is made up of seven cities that host the state's largest remaining investor-owned power plants. Each of these plants makes up 30 to 70 percent of the local tax base for each of our member communities. As the state moves toward more carbon free resources, a majority of these plants will be retired over the course of the next decade. The state has made a commitment to support communities and workers who will be deeply impacted by this transition. The funding your bill upholds that commitment.

Community Energy Transition Grants

Specifically, thank you for the inclusion of \$5 million in Renewable Development Account funding for DEED's Community Energy Transition Grants program for the coming biennium. We also thank you and your staff for your collaboration across committees to ensure that an additional \$5 million in general fund resources are put toward the program through the Jobs and Economic Development Omnibus as well.

As you know, both Governor Walz and the CUC both recommended \$10 million for this program, with some funds coming from the general fund so that communities outside of the Xcel Energy service territory are eligible to participate. Our understanding is that the combination of funding through the two separate bills will equal the full \$10 million ask, and are thrilled to see these investments move forward.

As this legislation moves forward, we look forward to working with you on these vital programs. With any questions, please feel free to contact the CUC's legislative representation, Shane Zahrt of Flaherty & Hood, at SAZahrt@flaherty-hood.com or (651) 295-1123.

Sincerely,

Max Peters
City Administrator, City of Cohasset
President, Coalition of Utility Cities