



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

March 29, 2023

Re: Support for Community Energy Transition provisions in SF 3035, Jobs and Economic Development DE

Chair Champion:

On behalf of the Coalition of Utility Cities (CUC), I write to thank you for the inclusion of funding and policy provisions in the Jobs and Economic Development bill that are 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.

The 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, and provisions in your bill will uphold that commitment.

Community Energy Transition Grants

Thank you for the inclusion of \$5 million in funding for DEED's Community Energy Transition Grants program. Combined with the \$5 million in funding for the same program in the Omnibus Energy and Climate bill, this funding fulfills the full \$10 million recommendation for this program made by both Governor Walz and the CUC. This program is a vital tool to support development in our communities to help us shape the future of our local economy beyond the life of the plants. We also thank the Committee for the inclusion of the policy language in Article 5, sections 2-4 of this bill that is designed to enhance this program's ability to support transitioning communities.

Extension of the Energy Transition Advisory Committee

The Coalition of Utility Cities also supports the inclusion of language on lines 61.14-61.22 of the DE amendment, which would extend the existence of the Energy Transition Advisory Committee. This stakeholder group was first assembled for the purpose of creating an Energy Transition Plan with recommendations to support communities and workers impacted by plant retirements. This advisory committee brought together local governments, labor organizations, utilities, and other experts to collaborate and build consensus.

However, the 2021 legislation that created the Advisory Committee called for it to sunset as soon as that plan was issued. It is clear to CUC that ongoing engagement between these stakeholders will have widespread benefits, so we thank DEED and Governor Walz for recommending the extension of this effort and thank the committee for including it in this omnibus bill.

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