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March 23, 2023

Minnesota Senate Taxes Committee
Capitol, Room 328
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Chair Rest and committee members,

Fresh Energy is a 30-year-old, Minnesota-based nonpartisan, not-for-profit organization. We work to shape and drive bold policy solutions to achieve equitable carbon-neutral economies. We appreciate the opportunity to offer our perspective on Senate File 1172

Fresh Energy supports Senate File 1172. As Minnesota continues to transition its electric supply from legacy generation to new, carbon-free generation, it is critical that the communities and regional economies hosting our legacy plants, and those that will retire in the coming years, are not forgotten or left behind. Senate File 1172 addresses one of the most immediate challenges facing our host communities: The loss of existing tax base upon closure of a power plant.

For many current host communities the taxes paid by the utility that owns and operates the local power plant are a critical source of revenue and frequently are the single largest tax source of local tax dollars. When these plants close, the tax dollars are lost, forcing affected local units of government into unreasonably difficult decisions and jeopardizing core local services. By providing a framework for transitioning the local tax base, communities have a longer runway to plan for transitioning their tax revenue streams and maintaining their services to the public at an acceptable level.

Minnesota's existing power plants provide family-supporting jobs, local tax revenue and an economic core for the communities that host them. Senate File 1172 does not solve all of the challenges facing Minnesota's existing power plant host communities, but it does directly address one of the most significant ones. Fresh Energy is firmly committed to supporting the needs of our existing utility host communities and workers during this time of unprecedented transition for Minnesota's energy system.

Sincerely,

Allen Gleckner
Executive Lead, Policy and Programs
Fresh Energy