

March 4, 2024

Dear Senator Frentz and members of the Senate Energy Committee:

On behalf of Missouri River Energy Services (MRES) and our 25 municipal electric utility members in Minnesota, we offer the following comments and support for SCS3949A-1 amendment to SF 3949. We had concerns about the bill as introduced, but support the new version as a measured approach to the issue of co-locating transmission in highway right-of-ways.

As Minnesota and other states move towards a more geographically and technologically diverse, intermittent, and distributed energy portfolio, more transmission will need to be built. Our existing grid must expand to move renewables to population centers; support electrification; and to provide reliability, resiliency and redundancy. In 2023, the U.S. Department of Energy released its [Transmission Needs Study](#), which quantified the transmission buildout required for the nation. While the study examined several scenarios, the median of the results showed that the country would need 47,000 gigawatt-miles of high voltage lines (over 69 kilovolts) by 2035. This is a 57 percent increase from today's systems. In scenarios that look at high demand and high clean energy assumptions, it is even more pronounced—33,200 gigawatt-miles by 2030 (a 40 percent increase) and 125,000 gigawatt-miles by 2040, an increase of one and a half times over today's transmission system.

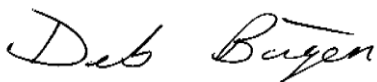
Utilities are not building transmission for superfluous purposes—these transmission projects are mandated by the policies that push for additional inverter-based generation on the grid, more electric vehicles, and increased electrification of homes and businesses. In short, utilities' decisions to build transmission is being dictated by state policies and consumer demands—not by the utilities themselves.

MRES is a not-for-profit municipal power agency. As such, our rates are entirely cost-based. Likewise, the 25 Minnesota municipal electric utilities we serve are also not-for-profit and serve their communities with reliable, cost-based power. The initial version of this bill would have required main street, small-town Minnesota to foot the bill when the Department of Transportation changes its mind regarding the location of a transmission line and the initial bill would have increased rates and decreased the funds available to reinvest in the community.

MRES appreciates the bill author's willingness to rethink the impacts of this bill. We appreciate the efforts to address the underlying issue of co-locating transmission lines with highways in a way that does not hurt ratepayers and our communities. We offer our support for the approach laid out in the amendment.

MRES would like to thank Chair Frentz and the committee for allowing us to comment on this bill.

Sincerely,



Deb Birgen
Vice-President, Government Relations