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March 13, 2024

Senate Files 1457 and 1458

Dear Chair Frentz and Members of the Senate Energy and Utilities Committee,

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses across Minnesota. Our mission is to promote and protect the right of our members to own, operate, and grow their businesses.

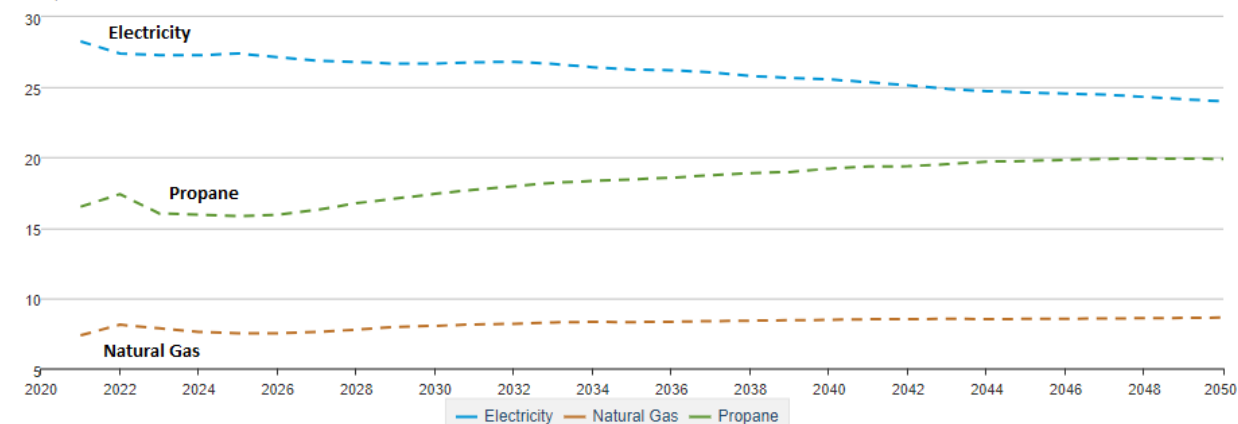
NFIB Minnesota strongly supports SF 1457 and SF 1458, which preserve affordable, reliable energy options for small businesses. When NFIB asked whether state or local governments should have the power to ban energy sources, **95% of small business owners said NO**. Energy affordability and reliability are critical to small business owners – **84% say affordability and reliability should be the state's top energy priorities**.

According to U.S. Energy Information Administration data, propane is roughly half the price of electricity and natural gas is nearly four times less for commercial and residential customers on a fuel neutral cost basis.¹ The affordability gap will remain for decades.

Energy Prices: Commercial

Case: AEO2022 Reference case | Region: West North Central

2021 \$/MMBtu



Source: U.S. Energy Information Administration

¹ "Annual Energy Outlook 2022, Table: Table 3. Energy Prices by Sector and Source, Case: AEO2022 Reference, Region: West North Central" U.S. Energy Information Administration, accessed March 31, 2022.

Importantly, the bills also ensure innovation to reduce or eliminate emissions from pipeline-based fuels can continue in the future. In Minnesota and around the country, utilities and other energy providers are testing lower- or zero-emission blends and alternatives to existing pipeline-based fuels. If a unit of government attempted to ban pipeline-based fuel infrastructure, it could nip important innovation in the bud and leave Minnesotans in the cold.

Lastly, in addition to protecting affordable and reliable energy, these bills also help prevent needless litigation in the event that a unit of government foolishly decides to impose a ban. As the U.S. Court of Appeals for the 9th Circuit has repeatedly ruled, energy source bans are prohibited under the federal Energy Policy and Conservation Act (EPCA). These bills provide a much-needed belt-and-suspenders approach in light of increasingly aggressive, irrational, and expensive policy choices that are intended to force people to rely on an increasingly unreliable and expensive electric grid as the sole source of energy.

Small employers need flexibility to make the most cost-effective and reliable decisions for themselves and employees. We urge the committee to support these proposals.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John L. Reynolds', with a stylized, flowing script.

John L. Reynolds
Minnesota State Director
National Federal of Independent Business
john.reynolds@nfib.org