

March 19, 2024

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

As utilities, clean energy advocates, labor unions, industry groups, and ratepayer advocates we write to express our support for SF 4687 a bill to create a Public Utilities Commission (PUC) working group to examine the deployment of thermal energy networks in the regulated utility context.

As Minnesota seeks to meet its greenhouse gas emissions goals, thermal energy networks have the potential to play a significant role in decarbonizing the heating and cooling of residential and commercial buildings as well as a potential to reduce energy costs. Through the use of geothermal technology or by capturing waste heat from sources like wastewater treatment systems, thermal energy networks use a shared network of pipes to move that heat in and out of buildings as needed. This creates an efficient and decarbonized source of heating and cooling. In addition to decarbonization benefits, thermal energy networks would create good paying job opportunities for skilled construction trades workers helping support Minnesotan work opportunities during the clean energy transition.

Because regulated gas utilities have significant experience building, maintaining and operating energy distribution systems, they are well positioned to deploy thermal energy networks. Both Centerpoint and Xcel Energy have proposed thermal energy network pilots in their initial innovation plans under the Natural Gas Innovation Act. However, there are a number of outstanding regulatory questions as it pertains to the deployment of thermal energy networks by regulated utilities. This working group will provide an opportunity for a wide array of stakeholders to discuss how these networks can be deployed in a way that best serves the public interest and advances state greenhouse gas emissions goals.

We would encourage members to support this commonsense proposal.

Sincerely,

Jamie Fitzke, CenterPoint Energy

Jim Pearson, Xcel Energy

Audrey Partridge, Center for Energy and Environment

Annie Levenson-Falk, Citizens Utility Board of Minnesota

Aurora Vautrin, 100% Campaign

Justin Fay, Fresh Energy

Joel Smith, LIUNA MN & ND

John Pollard, International Union of Operating Engineers Local 49

David Ybarra, Minnesota Pipe Trades Association