

March 21, 2024

Senate Environment, Climate and Legacy Committee Room 1150 | Minnesota Senate Building 95 University Ave W St Paul, MN 55103

RE: S.F. 4784 – Minnesota Energy Infrastructure Permitting Act

Dear Chair Hawj and Members of the Committee:

MN Interfaith Power & Light is a non-profit policy and advocacy organization working with faith and spiritual communities around the state to enact equitable climate justice.

We appreciate the work of this committee to consider policies that will enable renewable energy to dramatically lower greenhouse gas emissions while repairing the harm to communities brought by decades of fossil fuel extraction and burning. Transmission is critical.

We are concerned that the "Minnesota Energy Infrastructure Permitting Act" as constructed in SF 4784 makes significant changes that have potential to be counterproductive to those goals.

Expansion beyond electricity transmission opens door to fossil fuels

Large Energy Infrastructure Facility: The proposed language largely replaces the term "large electric power facilities" with "large energy infrastructure facility" – which is defined to include "any associated facility." This appears to open the door for fossil fuel infrastructure (coal, natural gas, peaker plants, carbon capture, pipelines) to be subject to the reduced review and timelines proposed throughout the remaining language.

<u>Energy Storage System</u>: Similarly, this is broadly defined to enable storage that came from any kind of power production.

Removal of environmental protection policy that balances human and environmental health with energy needs

The proposed language removes 216E.02 (subd.1), which reads:

"The legislature hereby declares it to be the policy of the state to locate large electric power facilities in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy the commission shall choose locations that minimize adverse human and environmental impact while insuring continuing electric power system reliability and integrity and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion." We are concerned this change ensures infrastructure at the expense of environmental protection, does not require alternatives that result in less harm, and is inconsistent with MN Environmental Rights Act and the Minnesota Environmental Protection Act.

Removal of Minnesota's moratorium on new nuclear projects

Proposed language (1st engrossment Lines 26.14 - 26.16) exempts energy resources that meet the definition of "carbon-free" from the Certificate of Need process. This would be a change from existing law, which currently only applies to wind and solar intended to meet those obligations (Minn. Stat. § 216B.243, subd. 9).

Nuclear is commonly understood to meet the definition of "carbon-free" under 216B.1691, subd. 1(b). We are concerned that proposed language would effectively eliminate the requirement for a Certificate of Need for nuclear plants: the existing nuclear moratorium is a moratorium on the PUC issuing a Certificate of Need for a new nuclear plant (Minn. Stat. § 216B.243, subd. 3b(a)).

If there *is no requirement* for a new nuclear facility to obtain a Certificate of Need an entity could seek and obtain a site permit for a new nuclear plant.

Changes to Certificate of Need criteria has implications for pipelines

The bill proposes to make a broad rather than narrowly tailored change to the certificate of need evaluation criteria 216B.243, subd. 3(c) <u>so that it incorporates *regional* energy</u> <u>needs</u> into the need criteria. This criteria applies to Certificates of Needs for many projects including petroleum pipelines.

This shift in language to impact how need is determined for pipelines, combined with SF 4784's creation of the new definition of "large energy infrastructure facility" – applying to a different Article, but which includes through the "associated facility" definition "any physical structure necessary to operate a large energy infrastructure facility" – seems to allow for wide interpretation about what could be included.

Replacement of "engineering and operational designs" in current language with "design concepts" requires project proponents to provide too little detail

Deletion of need to identify critical parts of the project, including transportation, pipeline, and electrical transmission systems in application requirements

The proposed language deletes 7850.1990 (Application Contents) Subpart 1. (J) which details that the application must include

"identification of transportation, pipeline, and electrical transmission systems that will be required to construct, maintain, and operate the facility."

This is important information for considering all of the aspects of the proposed project.

Division of permitting into "Major Review" and "Standard Review" not narrowly tailored for clean energy – includes fossil fuel projects in category that doesn't receive environmental impact statements

The proposed language creates a "Standard Review" for which only an Environmental Assessment (the lowest form of environmental review) is necessary. Included in this category are natural gas projects for electricity.

"The environmental assessment is the only state environmental review document that must be prepared for the proposed project."

Creation of category of fossil fuel projects that do not require permits

Proposed language exempts certain projects from needing a permit, including the conversion of an electric power generating plant to natural gas

Ambiguity regarding role of State Historic Preservation Office

Currently, <u>Minn. Stat. 138.665</u> requires the PUC to bring in the State Historic Preservation Office's expertise when historic properties are affected, including a process about what to do if these agencies do not agree on a course of action.

While the A13 amendment yesterday was an improvement on initially proposed language, the new language still replaces a clear process with ambiguity about the role of the State Historic Preservation Office.

Thank you very much for your consideration of these concerns.

Sincerely,

Lara Wall

Sara Wolff, J.D. Strategic Policy Director | MN Interfaith Power & Light