

April 7, 2025

Minnesota Senate
Committee on Energy, Utilities, Environment, and Climate
Room 1150
Saint Paul, MN 55103

RE: Senate File 2393 - Energy, Environment, Utilities, and Climate Omnibus

Dear Chair Frentz and Committee Members

On behalf of Clean Energy Economy MN (CEEM), we write today regarding Senate File 2393, the Energy, Environment, Utilities, and Climate Omnibus bill. We appreciate the committee's thoughtful, bipartisan work this session to strengthen Minnesota's energy future and for recognizing the importance of investing in key infrastructure and programs that advance the state's long-term energy goals. We support many of the appropriations within this bill, but have concerns about a number of policy decisions within the bill.

CEEM is an industry-led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. We are focused on educating Minnesotans about the economic benefits of transitioning to a clean energy economy. Our business membership is comprised of over 70 clean energy companies ranging from start-up businesses to Fortune 100 and 500 corporations that employ tens of thousands of Minnesotans across the state. CEEM stands committed to delivering a 100% clean energy future where all Minnesota businesses and citizens will thrive.

CEEM is pleased to see funding for the Minnesota Energy Alley initiative included in the Senate bill. This support will enable the initiative to build on its early successes, further positioning Minnesota as a leader in fostering and nurturing startup businesses that enhance both our energy system and economy. The initiative remains dedicated to delivering measurable, real-world results that drive energy innovation and economic growth.

A number of priorities from our organization and business members' priorities are reflected in the proposal, including:

- **SF2758 Microgrid Research:** A grant to expand the University of St. Thomas Center for Microgrid Research's capacity to test near-commercial products and provide hands-on educational training for students.
- **SF2456 EAB Wood Waste Processing:** A grant to purchase equipment and property to scale up Rahr Corporation's emerald ash borer waste wood and processing facility.
- **SF1037 Anaerobic Digester Project:** A grant to construct an anaerobic digester energy system to process organic food waste collected by Ramsey/Washington Recycling and Energy, in partnership with Dem-Con HZI Bioenergy LLC.
- **SF2454 Geothermal Planning:** An appropriation to provide additional funding to the existing geothermal planning grants program and expand eligible applicants of the program to tribal nations.

While we support several provisions in the bill, we have concerns about key measures that could hinder Minnesota's clean energy progress.

We hope that as this bill moves forward through the process and conference with the House, we urge you to reconsider the proposed sunset of the Community Solar Garden (CSG) Program, which has delivered broad benefits across the state. A 2024 study by the Minnesota Department of Commerce found that the Low- and Moderate-Income (LMI) CSG program is expected to generate \$139 million in net benefits for subscribers and \$116 million for non-subscribers. Beyond economic gains, the program strengthens grid resilience, supports job creation, and provides opportunities for landowners and host communities. We urge the committee to preserve the CSG Program and pursue thoughtful reforms that build on its success.

We're also concerned that proposed changes to net metering would drastically reduce the value of solar for homeowners, farmers, and small businesses — threatening consumer choice, energy independence, and solar job growth. At a time when distributed energy is key to meeting growing electricity demand and carbon-free goals, we urge a more measured, data-driven approach, including a cost-of-service study, to ensure any changes made to the net metering program are fair and sustainable for all Minnesotans.

Lastly, CEEM and our member businesses are active throughout the data center value chain—from energy generation to facility construction and efficiency. Hyperscale data centers offer a unique opportunity to attract investment, strengthen energy infrastructure, and reduce costs for ratepayers. We encourage continued dialogue on project requirements and urge the legislature to weigh the long-term costs and benefits of related legislation carefully.

We thank Chair Frentz and the committee for their work this session and for bringing SF2393 forward for discussion today. We hope there is still room for consideration of the policies we mentioned above. We look forward to continuing to work with the legislature to help pass policies that move the state toward a clean energy future.

Sincerely,



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