

Energy, Utilities, Environment, and Climate Committee Senate File 2393: Commerce & Energy Biennial Budget

Chair Frentz and members of the Energy, Utilities, Environment, and Climate committee, my name is Deb Birgen, with Missouri River Energy Services (MRES). I submit this written testimony on behalf of MRES on SF 2393, the Commerce and Energy biennial budget bill. I submit this testimony in support of Article 3, Section 8 of the bill (beginning on line 14.16 of the author's amendment), which removes the hydropower cap of 100 MW for new hydropower under the definition of eligible energy technology. Additionally, MRES would like to offer cautious support of Article 3, sections 3, 4, 11, and 19 (waiver of certificate of need for data center emergency backup generation).

First, as to **Article 3, Section 8**, MRES and our members are very familiar with hydropower and its benefits. MRES members receive an allocation of hydropower from the six federal dams of the Missouri River. Of MRES's 61 members, 59 have federal hydropower contracts; this includes our 25 municipal utility members located in Minnesota. When you think about it, this is the ultimate in renewable. The same water beginning from western Montana flows through each of the 6 federal dams, generating clean power at each one. The capacity of the dams is just over 2,400 MW of power. Hydropower is not only clean and renewable; it is flexible. Unlike intermittent forms of generation, hydropower has flexibility to allow for load following.

By way of background, in 2023, the renewable and clean energy bill was written in such a way that no new hydropower would count as an eligible energy technology. It was later amended during the 2023 session to allow new hydropower of 100 MW or less to qualify.

However, as more hydropower and pumped storage hydropower projects are considered, even in surrounding states, it is important to make use of this generation to provide grid reliability, reduce emissions, and meet clean and renewable goals and mandates.

According to the National Hydropower Association, there are over 86,300 MW of hydropower generation in development. Included in this are 67 new proposed pumped storage hydropower projects across 21 states. These represent approximately 50 GW of new storage capacity. Also, U.S. Department of Energy studies show that existing non-powered dams in the U.S. have the potential to generate 12,000 MW of power. In fact, in 2024, the Department of Energy awarded \$76 million for four hydropower projects. Additionally, in this region, Manitoba Hydro most recently expanded capacity with the 695 MW [Keeyask Generating Station](#) completed in 2022.

While MRES members may not get power directly from some of these facilities, the renewable energy certificates (RECs) associated with this renewable power will eventually be available and will help facilitate compliance with Minnesota's renewable energy and carbon free standards. It is in the best interest of Minnesota ratepayers to allow all hydroelectric power, regardless of vintage, to count towards the state mandates.

Second, in regards to Article 3, sections 3, 4, 11, and 19 (waiver of certificate of need for data center emergency generation), MRES is, in general, supportive of the language as written. Specifically, the definition of "emergency backup generator" requires equipment installation to prevent the flow of electricity to the grid. MRES, like other municipal utilities and joint action agencies, is supportive of bringing data centers to the region. We believe this should be done in a

way that does not unfairly burden existing Minnesota ratepayers and respects existing laws, including service territory laws.

Thank you for allowing submittal of this testimony on the Commerce and Energy biennial budget bill.