

May 8, 2025

Minnesota Senate
Committee on Finance
Room 1200
Saint Paul, MN 55103

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

Dear Chair Marty 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 Senate Energy 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 appreciate the continued work done on this bill, reflected in the A31-DE amendment that removed most of the controversial policy proposals. We are committed to continue working with policymakers through the entire lawmaking process.

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 startup 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 bipartisan support and 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' are reflected in the proposal, including:

- **SF 2758 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.
- **SF 2456 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.
- **SF 1037 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.
- **SF 2454 Geothermal Planning:** An appropriation to provide additional funding to the existing geothermal planning grants program and expand eligible program applicants to include tribal nations.

We appreciate the removal of the controversial net metering provision with the A31-DE amendment, as well as moving the sunset of the new Low-to-Moderate Income (LMI) Accessible Community Solar Garden (CSG) Program by two years to 2030. However, while we support several provisions in the bill, we still have concerns about how sunset of the new LMI CSG program could hinder Minnesota's clean energy progress.

As this bill moves forward through the process and conference with the House, we urge you to reconsider the proposed sunset of the LMI CSG Program, which has delivered broad benefits across the state. A 2024 Minnesota Department of Commerce study found that the 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.

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 carefully weigh the long-term costs and benefits of related legislation.

We thank Chair Marty and the Senate Finance Committee for bringing SF 2393 forward for discussion today. We look forward to continuing to work with the legislature to help pass policies that move the state toward a clean, reliable, and affordable energy future.

Sincerely,



George Damian
Director of Government Affairs
gdamian@cleanenergyeconomymn.org



Chandra Her
Senior Policy Associate
cher@cleanenergyeconomymn.org