



April 2025

Dear Senator Marty, Senator Frentz, and Committee Members:

On behalf of the Minnesota Chamber of Commerce, representing over 6,300 businesses and 500,000 employees statewide, we strongly support Senate File S.F. No. 2393 (1st Engrossment, Sen Frentz). This bill advances Minnesota's goals of affordable, reliable, and cleaner energy, essential for a competitive business climate. We appreciate Senator Frentz's efforts to ensure a balanced approach to both economic and environmental priorities. We outline our support for key provisions below and offer recommendations to enhance the bill's impact:

Support

We support the exemption for certificate of need requirements for emergency backup energy sources at data centers. This provision recognizes the operational needs of data centers while ensuring compliance with federal standards, reducing regulatory burdens without compromising reliability. By supporting the critical infrastructure of data centers, the bill fosters innovation and economic growth.

The sunset of the Community Solar Garden Program is timely. By prioritizing cost-effective solar investments, this measure aligns with Minnesota's 2040 carbon-free energy goal. It encourages innovation in renewable energy and protects ratepayers by focusing resources on efficient, high-value projects that deliver measurable benefits.

Phasing out the Renewable Development Account (RDA) is another pragmatic decision that lowers costs for all Xcel Energy ratepayers. With renewable energy goals now mandated and significant federal, state, and private investments available, this transition reflects fiscal responsibility while maintaining progress toward a cleaner energy future. The RDA's original objectives are well-integrated into the state's broader 2040 energy framework.

Concerns

While S.F. 2393 is a balanced and reasonable bill, we respectfully suggest addressing Minnesota's moratorium on new nuclear facilities. Nuclear power offers reliable, carbon-free energy to meet the rising demands of energy-intensive industries like data centers. Exploring advanced nuclear technologies with robust safety and waste management could support ratepayers and accelerate progress toward 2040 goals.

We also urge caution regarding proposed regulations on data center permitting. Additional permitting burdens could deter investment. Maintaining a business-friendly environment is critical to attracting and retaining data center project development, an opportunity to meet the needs of our increasingly data intensive economy.

The Minnesota Chamber urges the committee to advance S.F. No. 2393. By promoting affordability, reliability, and clean energy, it creates a business-friendly environment that fosters innovation and job creation. We thank Senator Frentz, Senator Mathews, and the Senate Energy Committee for their leadership in shaping an affordable, sustainable energy future for Minnesota.

Sincerely,

A handwritten signature in black ink that reads "Michelle Benson". The signature is written in a cursive, flowing style.

Michelle Benson Director,

Commerce and Energy Policy Minnesota Chamber of Commerce