
Energy Transition Office

Annual Report
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Contact Information

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Introduction and 2024 Highlights

The Energy Transition Office (ETO) is within the Minnesota Department of Employment and Economic Development (DEED). The office was created by statute in 2021. The purpose of the office is:

- (1) address economic dislocations experienced by impacted workers after an impacted facility is retired;
- (2) implement recommendations of the Minnesota energy transition plan developed in section [116J.5493](#);
- (3) improve communication among local, state, federal, and private entities regarding impacted facility retirement planning and implementation;
- (4) address local tax and fiscal issues related to the impacted facility's retirement and develop strategies to reduce the resulting economic dislocation experienced by impacted communities and impacted workers; and
- (5) assist the establishment and implementation of economic support programs, including but not limited to property tax revenue replacement, community energy transition programs, and economic development tools, for impacted communities and impacted workers.

Responsibilities of the ETO are statutorily outlined in Minn Stat. § 116J.5491, Energy Transition Advisory Committee (116J.5492) and Community Energy Transition Grants (116J.55) with the ultimate goal of assisting the workforce and communities impacted by power plant closures. Within its duties, the ETO connects communities, workers, etc. with Federal, State, regional, non-profit resources to improve their ability to successfully transition from the power plant closure.

2024 Highlights

- Energy Transition Advisory Committee 2024 meetings & highlights:
 - February 2024
 - Location: Red Wing
 - Presentations: Transition Aid by Shane Zahrt (Coalition of Utility Cities), Grants by ETO Grants Specialist McCrownsey, Community Transition Updates by ETO Director Vita,
 - Significant items: Request of ETAC to Legislature to add a K-12 Representative, creation of Emerging Issues Task Force
 - April 2024
 - Location: Oak Park Heights
 - Presentations: Public Utility Commission, MN Power, Legislative Update
 - Significant Items: New Chair and Vice-Chair, new Department of Commerce Representative, sub-committee created to update the ETAC plan per Statutory requirements
 - August 2024
 - Location: Cohasset

- Presentations: Federal Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization, Greater MSP on Sustainable Aviation Fuel, MPCA Climate Pollution Reduction grant award
 - Significant Items: Approved changes from ETAC plan task force, new Department of Revenue representative
 - December 2024
 - Location: Becker
 - Presenters: Department of Commerce, Great Plains Institute, DEED Childcare Community Partnerships office, Itasca County Just Transition work and IRP updates from both MN Power and Xcel Energy
 - Significant Items: Importance of childcare for economic diversification, importance of tax replacement to assist communities impacted by closures, reveal of updated ETAC plan, new MN State Colleges and Universities representative, new K-12 school representative, release of updated ETAC plan.
 - K-12 representative was appointed
- Granted \$5,210,000 in 2024 through funds appropriated by the State of MN Legislature. Awards include:
 - **City of Becker: \$770,000**
 - Project: Planning for grade separation Interchange at US Highway 10/MN TH Intersection
 - DEED awarded a CET grant to the City of Becker to cover planning costs -- including environmental review and right-of-way acquisitions assessment -- to develop a grade separated interchange at U.S. Hwy. 10 and Trunk Hwy. 25. A redesigned interchange, located at the Becker business park's west entrance, will significantly improve vehicle, and rail safety, and increase regional mobility and accessibility to help to attract new business to the area and address housing challenges.
 - **City of Monticello: \$1,000,000**
 - Project: Northwest Growth Area Utility Expansion
 - The CET grant funding will help the city plan and begin construction of a utilities extension needed to increase developable land for an industrial park that will help replace jobs and the city's tax base.
 - **City of Oak Park Heights \$440,000**
 - Project: PFAS Treatment: Feasibility and Preliminary Studies
 - The CET grant funds will be used for a feasibility study and pre-design work to construct a new water treatment facility to remove PFAS contaminants.
 - **City of Red Wing: \$1,000,000**

- Project: Red Wing’s Economic Resiliency Transition Plan, The Future
 - The CET grant funds will support multi-year planning to create numerous transition planning documents, including an economic impact assessment, community engagement and support strategy, revenue diversification strategy, infrastructure enhancements, workforce development and retraining, and more.
- **Cook County: \$1,000,000**
 - Project: Taconite Harbor Strategic Plan and Waste Transfer Station Construction
 - The funds will be used for two key projects: development of a strategic plan for the transition of the former Taconite Harbor Energy Center located in Schroeder Township; and land acquisition, infrastructure development, building and construction of a country waste transfer station.
 - The Taconite Harbor strategic plan is a key step for the county toward applying for federal funding for site redevelopment. It will also help promote more public engagement for the transition and support the county’s redevelopment vision. The waste transfer station will facilitate a reliable, efficient waste management system that is fundamental to economic development infrastructure. Currently, the county’s waste is hauled to Duluth. Cook County faces competing needs for its available tax funds to develop a transfer station due to its relatively small population and large percentage of public land.
- **Sherburne County: \$1,000,000**
 - Project: TH 25 Tier Environmental Documentation
 - The CET grant will fund initial planning for transportation corridor improvements on a span of Hwy. 25 between I-94 in Monticello to Hwy. 10 in Big Lake. The connection improvements, which include a new river crossing, will help to create more jobs in the region and promote business growth. The grant funds will be used for an environmental assessment and alternatives analysis, as well as outreach to local officials and public engagement meetings.
- Implementation meetings occurred for each grant awarded.

Impacted Communities:

- 50 check-in mtgs with impacted communities and counties. Check-in team includes: applicable DEED Workforce Strategy Consultant and DEED Business Development Manager, EQB staff dedicated to Impacted communities per Statute, ETO grants specialist and director. If appropriate, the IRRR was also invited.

- Attended MN Power and Xcel Energy Integrated Resource Plan (IRP) meetings.
- Alerted impacted communities and counties of Federal and State grants and funding opportunities
- Led the Mobilizing Climate Community Led Capital convening in October. Rocky Mountain Institute educated with many State Agency guest speakers on how to leverage Federal and State funds for impacted communities, counties, tribal nations, CDFIs, economic developers and more. 130 attended the no cost event.
- Newsletter

Staying Current and Information Gathering:

- Periodic Check-ins with various State and Federal agencies, non-profits, other US states BRECC (Building Resilient Economies in Coal Communities) events
- Attended, presented or participated: Midwest Governor’s Association meeting at Prairie Island Indian Community, Department of Revenue IDEA meetings, MARC 2024 Mid-America Regulatory Conference, Itasca Just Transition group, Resilient Energy Economies convening, Friends in the Field, Economy Club events, National Just Transition Convening, Xcel Energy’s 1/4ly stakeholder meetings for Oak Park Heights and Becker, Xcel Energy battery storage meetings, Opportunities for Cooperation for a Green Energy, Sustainable & Resilient Future event at the U of M, Interstate Just Transition group (other states working on just transition work) Energy Foundation, Excel Engineering and MN Bar Association and more.
- Check-in meetings with MN state depts (incl. Revenue, Commerce, PUC, DLI, MN State Colleges), Federal (IWG, EPA, etc.), Great Plains Institute, Colorado Just Transition, Interstate Just Transition Group and many others
- Director graduated from State of Minnesota Senior Leadership Institute

Impacted Communities and Populations



Prairie Island Indian Community has 1,100 enrolled members.

City	Population
Becker	4,877
Cohasset	2,689
Fergus Falls	14,119
Fox Lake	257
Granite Falls	2,737
Hoyt Lakes	2,020
Monticello	14,455
Oak Park Heights	4,849
Red Wing	16,547
Schroeder Township	181
St. Cloud	68,881

County	Population
Benton	41,379
Chippewa	12,598
Cook	5,600
Goodhue	47,582
Itasca	45,014
Martin	20,025
Otter Tail	60,081
Sherburne	97,183
St. Louis	200,231
Washington	267,568
Wright	141,337

Info from MN State Demographic Center website

Power Plant Retirements and Employee Information

Utility/Plant	Plant Name	City	County	Plant Type	Employees	End of Life/ Existing or planned retirement	Date Removed from Tax Base
Coal Generated Power Plants							
Xcel	SHERCO	Becker	Sherburne	Coal	301	Unit 1 - 2026 Unit 2 - 2023 Unit 3 - 2030	n/a
MN Power/ALLETE	Boswell	Cohasset	Itasca	Retired Retired Coal Coal Coal	170	Unit 1 - 2018 Unit 2 - 2018 Unit 3 - 2029 (ends coal use) Unit 4 - 2035 Common - 2035	n/a
Otter Tail	Hoot Lake	Fergus Falls	Otter Tail	Coal	n/a	Unit 2-6.2021 Unit 3-6.2021	2025
		Fox Lake	Martin	Coal	n/a	11.17 - per Dept of Rev	2018
Xcel	Granite Falls	Granite Falls	Chippewa	Coal	n/a	Retired	
MN Power/ALLETE	Laskin Energy Center	Hoyt Lakes	St Louis	Natural Gas (Was Coal)	10	Unit 1 -2030 Unit 1 -2030	n/a
Xcel	Allen S. King	Oak Park Heights	Washington	Coal	87	2028	n/a
Xcel	Granite City	St. Cloud	Benton	Natural Gas	n/a	Unit 1-6.2019 Unit 2-6.2019 Unit 3-6.2019 Unit 4-6.2019	n/a
MN Power/ALLETE	Taconite Harbor	Schroeder Township	Cook	Coal	n/a	Unit 1 - 2021 Unit 2 - 2021	n/a
Nuclear Power Plants							
Xcel Energy	Monticello	Monticello	Wright	Nuclear	460	NRC extended to 2050	n/a
Xcel Energy	Prairie Island	Red Wing	Goodhue	Nuclear	600	Unit 1 - 2033 Unit 2 - 2034	n/a

Note: Each year the ETO updates the impacted list with agreement from Public Utility Commission, Revenue and Commerce. The communities are expected to change over time due to the Statute definition for impacted communities having specific times. Also, the impacted communities for the ETO office and those for the Community Energy Transition grants are not the same. A full list of all impacted plants can be found in the ETAC Plan located on the ETO webpage.

Next Steps and Recommendations

Over the past year, the emphasis was on checking-in with impacted communities and assisting them, as they choose, improving processes, educating on MN practices and also learning from others, granting funds and learning on innovative practices in.

The upcoming year will focus on:

- Continue granting out remaining funds.
- Continue to engage with stakeholders, workers, utilities, communities, counties, PIIC, non-profits etc. to support energy transition efforts.
- Grant administration and implementation of updated Grant Management System
- Meet in-person with all granted projects as required by MMB.
- Support the Energy Transition Advisory Committee, its task forces and their activities
- Continue to educate and coordinate impacted communities on Federal, State, non-profit, etc. funding and educational opportunities. Including opportunities for impacted communities to learn about resources available to them.
- Monitor transition efforts in other states and localities
- Attend and participate in national, state and local meetings as appropriate
- Attend Xcel Energy outreach meetings per orders of the PUC as well as attend other appropriate meetings with other Utilities on their plant closure process.
- Present BRECC findings to NACO (National Association of Counties)
- Attend, present and support Itasca and Cohasset on their transition planning and Summit
- Assist and support Cook County on their transition planning as they desire.