2023 HOUSE ENERGY AND NATURAL RESOURCES

HCR 3014

## **2023 HOUSE STANDING COMMITTEE MINUTES**

## **Energy and Natural Resources Committee**

Coteau AB Room, State Capitol

HCR 3014 2/9/2023

a resolution urging the Southwest Power Pool and Midcontinent Independent System Operator to take prompt and decisive actions to maintain the reliability of the Bulk Power System by correcting market failures that have allowed capacity retirements to outpace replacement

### 3:59 PM

Chairman Porter opened the hearing. Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Kasper, Marschall, Novak, Olson, Roers Jones, and Ruby.

## **Discussion Topics:**

- Long term reliability
- Market failures
- Grid Reliability
- Regional Transmission Organization evolution
- Performance based accreditation

Rep Anna Novak, District 33, introduced HCR 3014, Testimony 20600

Jon Fortner, VP, Government Relations and External Affairs, Lignite Energy Council, Testimony 20274

Randy Christmann, Chairman, PSC, Testimony 20343

Carlee McCloud, President, Utility Shareholders of ND, Testimony 20184

Jean Schaffer, Senior Legislative Representative, Basin Electric Power Cooperative, oral testimony

4:20 PM Chairman Porter closed the hearing.

Kathleen Davis, Committee Clerk

## **2023 HOUSE STANDING COMMITTEE MINUTES**

## **Energy and Natural Resources Committee**

Coteau AB Room, State Capitol

HCR 3014 2/10/2023

a resolution urging the Southwest Power Pool and Midcontinent Independent System Operator to take prompt and decisive actions to maintain the reliability of the Bulk Power System by correcting market failures that have allowed capacity retirements to outpace replacement

### 11:24 AM

Chairman Porter opened the meeting. Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Kasper, Marschall, Novak, Olson, Roers Jones, and Ruby.

### **Discussion Topics:**

Committee action

Rep Dockter moved a proposed amendment, on Page 2 Line 23 to overstrike the word Midwest and insert the word Midcontinent, seconded by Rep Hagert. Voice vote. Motion carried.

Rep Ruby moved a Do Pass as Amended and Place on the Consent Calendar, seconded by Rep Olson.

| Representatives                    | Vote |
|------------------------------------|------|
| Representative Todd Porter         | Y    |
| Representative Dick Anderson       | Y    |
| Representative Glenn Bosch         | Y    |
| Representative Liz Conmy           | Y    |
| Representative Jason Dockter       | Y    |
| Representative Jared Hagert        | Y    |
| Representative Pat D. Heinert      | Y    |
| Representative Zachary Ista        | Y    |
| Representative Jim Kasper          | Y    |
| Representative Andrew Marschall    | Y    |
| Representative Anna S. Novak       | Y    |
| Representative Jeremy Olson        | Y    |
| Representative Shannon Roers Jones | Y    |
| Representative Matthew Ruby        | Y    |

14-0-0 Motion carried. Rep Olson is carrier.

4:20 PM Chairman Porter closed the meeting.

Kathleen Davis, Committee Clerk

## Adopted by the Energy and Natural Resources Committee

February 10, 2023



## PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3014

Page 2, line 23, replace "Midwest" with "Midcontinent"

Renumber accordingly

#### **REPORT OF STANDING COMMITTEE**

HCR 3014: Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3014 was placed on the Sixth order on the calendar.

Page 2, line 23, replace "Midwest" with "Midcontinent"

Renumber accordingly

## 2023 SENATE ENERGY AND NATURAL RESOURCES

HCR 3014

## 2023 SENATE STANDING COMMITTEE MINUTES

### **Energy and Natural Resources Committee**

Peace Garden Room, State Capitol

HCR 3014 3/17/2023

A concurrent resolution urging the Southwest Power Pool and Midcontinent Independent System Operator to take prompt and decisive actions to maintain the reliability of the Bulk Power System by correcting market failures that have allowed capacity retirements to outpace replacement.

9:32 AM Chairman Patten opened the meeting.

Chairman Patten and Senators Kessel, Beard, and Boehm were present. Senators Kannianen and Magrum were absent.

### **Discussion Topics:**

- Energy costs
- Energy reliability
- Coal Combustion
- Environmental Protection Agency

9:32 AM Representative Anna Novak introduced the resolution and provided written testimony #25695

9:34 AM Randy Christmann, Chairman, Public Service Commission testified in favor of the resolution and provide written testimony #25663.

9:45 AM Julie Fedorchak, Public Service Commission, testified in favor of the resolution and provided written testimony #25673.

10:03 AM Carlee McLeod, President, Utility Shareholders of North Dakota, spoke in favor of the resolution.

10:07 AM Zach Smith, Communications and Government Relations Director, North Dakota Association of Rural Electric Cooperatives, spoke in favor of the resolution.

#### Additional written testimony:

Jonathan Fortner #25651

10:09 AM Chairman Patten closed the public hearing.

10:09 AM Chairman Patten closed the meeting.

Rick Schuchard, Committee Clerk

## 2023 SENATE STANDING COMMITTEE MINUTES

### **Energy and Natural Resources Committee**

Peace Garden Room, State Capitol

HCR 3014 3/30/2023

A concurrent resolution urging the Southwest Power Pool and Midcontinent Independent System Operator to take prompt and decisive actions to maintain the reliability of the Bulk Power System by correcting market failures that have allowed capacity retirements to outpace replacement.

9:33 AM Chairman Patten opened the meeting.

Chairman Patten and Senators Kessel, Kannianen, Boehm, Beard and Magrum are present.

### **Discussion Topics:**

Committee action

9:34 AM Senator Magrum moved to Do Pass the resolution. Motion is seconded by Senator Boehm.

9:35 AM Roll call vote was taken.

| Senators                    | Vote |
|-----------------------------|------|
| Senator Dale Patten         | Y    |
| Senator Jeffery J. Magrum   | Y    |
| Senator Todd Beard          | Y    |
| Senator Keith Boehm         | Y    |
| Senator Jordan L. Kannianen | Y    |
| Senator Greg Kessel         | Y    |

Motion passes 6-0-0.

Senator Magrum will carry the bill.

This bill does not affect workforce development.

9:35 AM Chairman Patten closed the meeting.

Rick Schuchard, Committee Clerk

#### **REPORT OF STANDING COMMITTEE**

HCR 3014, as engrossed: Energy and Natural Resources Committee (Sen. Patten, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HCR 3014 was placed on the Fourteenth order on the calendar. This resolution does not affect workforce development. TESTIMONY

HCR 3014

#20184



PO Box 1856 Bismarck, ND 58502 701-258-8864 1-800-981-5132 www.usnd.org

## House Concurrent Resolution 3014 Testimony in Support

House Energy and Natural Resources Committee, Representative Porter, Chair

February 9, 2023

Chairman Porter, members of the committee, I am Carlee McLeod, president of the Utility Shareholders of North Dakota, here on behalf of USND utility members, including ALLETE, Montana-Dakota Utilities, Otter Tail Power, and Xcel Energy. We ask you to support HCR3014.

For years, MISO and SPP have used market triggers that failed to value the reliability of baseload resources. Although the ND utility members of each regional transmission organization, the public service commissioners representing the state in each RTO, and various market participants have urged for policy change, the RTOs have been slow to react. While the RTOs now see the baseload capacity within each market shrinking to a point of concern, sending a message from North Dakota's Legislative Assembly will strengthen the voices of the aforementioned RTO participants and reinforce the urgency to rebalance market policies that fail to reward baseload reliability.

No amount of state regulatory changes will guarantee resource preservation if a market does not appropriately value those resources. Appropriate RTO action is the only thing that will preserve these baseload resources. We urge you to support HCR 3014.





February 9, 2023

Chairman Porter and House Energy and Natural Resources Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in support of House Concurrent Resolution 3014. The Lignite Energy Council consists of over 250 members representing lignite mines, electric utilities, independent power producers and contractor suppliers in the Upper Midwest. The lignite industry accounts for over 13,000 direct and indirect jobs, over \$5.4 billion in economic development and millions in state, county and local tax revenue.

This resolution urges the two regional electric grids which both serve North Dakota, known as the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) to act swiftly to correct market failures that have allowed capacity retirements across the Midwest. The delay in addressing these problems over the past five years has threatened the reliability of the grid which we experienced during extreme weather conditions in February 2021 that caused rolling blackouts in western North Dakota.

Over the past few sessions, the Lignite Energy Council has been advocating for the state to provide economic help to offset the unfair market conditions that exist due to federal tax policy that picks winners and losers without regard for the stability that our power plants provide with a secure fuel source found in lignite coal. While the North Dakota legislature has consistently and generously supported the lignite industry during tough economic times, we have also been pursuing actions in the marketplaces of MISO and SPP to make sure our industry is represented and valued for the baseload electricity that we provide.

In summary, with the help of Commissioner Fedorchak in particular, the LEC has been invited as a member and stakeholder at the MISO table. In the past year, there has been positive movement towards valuing resource attributes that would improve the markets for our generation resources. MISO has identified six reliability attributes as priorities that have been identified as Availability, Fuel Assurance, Ramp-Up Capability, Voltage Stability, Rapid Start-Up and Long Duration Energy at High Output. Five of those attributes directly apply to coal facilities and we are very supportive of this proposal. Over the past few months, MISO staff has been diligently working on designing the details of how this proposal would be applied in the market process, however stakeholders do not currently know how the final proposal would be constructed specifically for improved price signals, implementation and timing. This is still playing out today.

In the MISO and SPP electric grids, North Dakota is unique because of our status as an exporter of energy to other states as we currently export around 50% of our electricity generation to Minnesota. Now, more than ever, this region needs the resources and leadership from North Dakota. We can and are showing the region, country and world, that our state's natural resource and technology leadership means we can have a stable, reliable and clean energy future. I am sharing this background with the committee today to highlight the work being done by our association and major members to improve our circumstances in the market and that will continue. The resolution put before you today would provide support to our market activities in MISO and SPP that the North Dakota Legislature shares market and reliability

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concerns. It would also send a direct message to the grid operators that makes clear that North Dakota intends to declare its policy on energy generation and the importance of using North Dakota resources to achieve a resilient and reliable grid with carbon capture technology.

For these reasons, the Lignite Energy Council supports this resolution, and we respectfully ask that the committee provide this legislation with a favorable "Do-Pass" recommendation. I would also like to point out that I believe there is a drafting error on page 2.23, where "Midwest" should say "Midcontinent" as that is the accurate name of the MISO organization.

Thank you for your consideration,

Jonathan Fortner VP of Government Relations & External Affairs

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## Members and States in the MISO Region continue to set ambitious deep decarbonization goals



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## **House Concurrent Resolution 3014**

| Presented by: | Randy Christmann, Chairman<br>Public Service Commission                          |
|---------------|--|
| Before:       | House Energy and Natural Resources Committee<br>The Honorable Todd Porter, Chair |
| Date:         | February 9, 2023   |

## **TESTIMONY**

Mister Chairman and committee members, I am Randy Christmann, Chair of the Public Service Commission, and I'm here to testify in support of this resolution on behalf of the Public Service Commission. We also want to provide more information about what the Commission has already been doing and what we hope to do to achieve these goals.

It cannot be stressed enough how much the evolution of RTOs has impacted our agency and utilities in North Dakota. To further complicate things, we have two RTOs to cover – both MISO and SPP are integrated throughout our entire state. (maps attached) Within the structure of each of the RTOs, there is an organization that includes state membership. For MISO that is the Organization of MISO States (OMS) and for SPP it is the Regional State Committee (RSC). The PSC has been actively engaged in each of these organizations, in fact Commissioner Fedorchak has held the President position within OMS and I have held the President position within the RSC in recent years.

Here are some examples of actions taken by each of these organizations to address reliability concerns:

MISO:

- <u>Seasonal Construct</u>: Historically MISO has tied its resource requirements to meet its annual summer peak. But more resources are clearly needed during cold winter mornings and hot summer evenings when load is high and wind and solar availability is low. Starting with the next planning year, MISO will value all resources based on their availability during the hours when the system is the tightest. This is intended to help drive investment to firm up resources to operate across all hours. And utilities will have a separate planning reserve margin for each season.
- <u>Reliability Based Demand Curve</u>: Historically MISO has attached no value to excess capacity resources utilities have beyond their planning reserve margin. This new demand curve for the annual Planning Resource Auction will provide significantly higher value to available capacity resources, sending an appropriate price signal for their reliability value.

#### SPP:

- <u>Performance Based Accreditation</u>: In 2022, the RSC adopted the use of Performance Based Accreditation. Performance Based Accreditation accredits generation resources based on their historical performance and outages, not just nameplate capacity, thereby giving more accuracy to the amount of capacity that can be counted on during times of high demand.
- <u>Planning Reserve Margin</u>: The planning reserve margin in SPP has been 12% for many years. Due to continuing concerns about retirements, growing deployment of intermittent resources and the availability of resources during peak times, the Regional State Committee of the Southwest Power Pool increased the planning reserve margin to 15%.

As you can see, policies and decisions made at the RTO level directly affect utilities operating in North Dakota and it is imperative that we are at the table when those decisions are being made. It has become imperative that we maximize our influence at the RTO's, which means monitoring and being involved in numerous meetings and working groups as policies are developed and momentum for those policies flourishes or declines.

Some states have 2 to 3 full-time employees working with each respective RTO; comparatively, we have only 4 analysts working in our entire Public Utilities Division. Once again, we support the goals of this concurrent resolution and are hopeful that FTE requests in our budget are approved so we can increase our involvement with the RTOs and ensure that North Dakota is present and actively engaged when these decisions are being made. All of these decisions have a significant economic and reliability impact for our state, its citizens and businesses.

Mister Chairman, this concludes our testimony. I will be happy to answer any questions.



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## **Markets Displays**







## **STAKEHOLDER GROUPS**

Select a committee, working group or task force listed below to view a complete summary. Each page contains an overview, roster and related documents. The **SPP Group Organizational Chart** lists SPP's groups and their respective chairs and secretaries.

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  - Consolidated Planning Process Task Force
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        - Transmission Planning (TPL) Task Force
- Membership
- Regional State Committee

- Cost Allocation Working Group
- o Improved Resource Availability Task Force
- SPP RSC/OMS Liaison Committee

#### ADVISORY GROUPS >

- Future Grid Strategy Advisory Group
- Model Development Advisory Group
- Reliability Compliance Advisory Group
- Seams Advisory Group
  - Interregional Planning Stakeholder Advisory Committee (IPSAC)
- Security Advisory Group
- System Protection and Control Advisory Group

#20600



## North Dakota House of Representatives

STATE CAPITOL 600 EAST BOULEVARD BISMARCK, ND 58505-0360



Representative Anna S. Novak District 33 1139 Elbowoods Drive Hazen, ND 58545-4923 anovak@ndlegis.gov

COMMITTEES: Education Energy and Natural Resources

February 9, 2023

**Concurrent Resolution 3014** 

Mr. Chairman, members of the committee - for the record, my name is Anna Novak, Representative for District 33. You have before you Concurrent Resolution 3014. This resolution will be sent to the Regional Transmission Organization's that service North Dakota, which are MISO and SPP.

Unfortunately, we live in a time and in a country that incentivizes electricity that isn't reliable and tends to be more expensive in the long-term for ratepayers. The North American Electric Reliability Corporation, otherwise known as NERC, recently put together their 2022 long-term reliability assessment. This document shows that both MISO and SPP have experienced maximum generation alerts in recent years and there are concerns at both organizations about having enough electricity during times that we use more electricity than usual, because of very cold or very hot weather or when the wind isn't blowing. MISO and SPP have told us time and time again that they are policy takers and not policy makers, so I believe that they are waiting on us to tell them what we want them to do. Although this isn't a law, I am hopeful that Concurrent Resolution 3014 sends a strong message that North Dakota is concerned about reliability. I urge you to give this a strong Do Pass Recommendation, and I'll stand for any questions you may have. Thank you.

Sixty-eighth Legislative Assembly of North Dakota

### HOUSE CONCURRENT RESOLUTION NO. 3014

Introduced by

Representatives Novak, D. Anderson, Hagert, Heinert

1 A concurrent resolution urging the Southwest Power Pool and Midcontinent Independent 2 System Operator to take prompt and decisive actions to maintain the reliability of the Bulk 3 Power System by correcting market failures that have allowed capacity retirements to outpace 4 replacement. 5 WHEREAS, the welfare of the citizens and economic security of this state depend on the 6 affordability, reliability, and resilience of the electric power supply; and 7 WHEREAS, the North American Electric Reliability Corporation's 2022 long-term reliability 8 assessment shows several United States regions with serious generation capacity shortfalls 9 and a failure to meet established reliability criteria, and the Midcontinent Independent System 10 Operator (MISO) and the Southwest Power Pool (SPP), which serve North Dakota, have 11 experienced multiple maximum generation alerts in recent years and load-shedding events to 12 address capacity shortfalls; and 13 WHEREAS, the Legislative Assembly is greatly concerned about the ability of regional grid operators to meet peak demand during extreme weather events because dispatchable thermal 14 15 generation resources are retiring much faster than generating capacity is being replaced, and 16 this gap will continue to widen as weather-dependent generation saturates the grid; and 17 WHEREAS, the trend of announced dispatchable generation retirements is scheduled to 18 increase in the 15-state MISO to more than 30 gigawatts by 2030, not including retirements 19 caused by new Environmental Protection Agency rules; and WHEREAS, electric power markets are distorted significantly by direct and indirect 20 21 subsidies that erode the economics of dispatchable thermal electric power plants and increase 22 the likelihood of early retirement of the power plants; and 23 WHEREAS, state and federal renewable energy mandates further drive investment 24 decisions toward weather-dependent generation without considering the full impacts to the 25 system; and



March 17, 2023

Chairman Patten and Senate Energy and Natural Resources Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in support of House Concurrent Resolution 3014. The Lignite Energy Council consists of over 250 members representing lignite mines, electric utilities, independent power producers and contractor suppliers in the Upper Midwest. The lignite industry accounts for over 13,000 direct and indirect jobs, over \$5.4 billion in economic development and millions in state, county and local tax revenue.

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## **House Concurrent Resolution 3014**

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| Before:       | Senate Energy and Natural Resources Committee<br>The Honorable Dale Patten, Chair |
| Date:         | March 17, 2023  |

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Mr. Chair, this concludes our testimony. I will be happy to answer any questions.



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- Reliability Compliance Advisory Group
- Seams Advisory Group
  - Interregional Planning Stakeholder Advisory Committee (IPSAC)
- Security Advisory Group
- System Protection and Control Advisory Group



Julie Fedorchak, Commissioner HCR 3014 March 17, 2023

## MISO's resource adequacy construct is evolving to ensure continued reliability under a changing risk profile driven by the resource fleet transition

- Aggressive decarbonization strategies are driving rapid change across our region
- Pace of change highlights the need for improved visibility & coordination between MISO and stakeholders
- MISO is advancing initiatives to reliably navigate from the present to the future
  - Seasonal resource adequacy construct
  - Reliability-based demand curve
  - Non-thermal resource accreditation & attributes



# The region's energy landscape is transitioning toward a more complex, less predictable future



Focus on providing energy in the worst peak load hour during the summer Focus on providing energy on the worst day in each season Future Focus on providing

energy for the worst week in each season

Policy drivers such as EPA regulations, ESG criteria, State Energy Policy, and the Inflation Reduction Act are accelerating the fleet transition and associated risks

# ...accredited capacity is declining due to the rapid pace of retirements of controllable resources



\*Future projections calculated as change from Future 1 2022 load assumption Estimated accredited capacity: 16.6% for wind; 35% for solar, 87.5% for battery, 90% for coal, 90% for gas, and 95% for nuclear

4

# MISO Resource Adequacy Reforms

## Seasonal Construct

- Requiring utilities to commit resources for four distinct seasonal peaks to cover their projected demand plus a planning reserve.
- First year of implementation 2023-24.

## **Generator Accreditation**

• Assigning appropriate capacity credit for thermal (coal, gas, nuclear) and non-thermal (wind, solar, hydro, battery) generators based on their proven contribution to reliability.

## **Capacity Auction Changes**

• Improving price signals for dispatchable generators to better align with their reliability contribution.

## Scarcity pricing

• Improving the price signal for generators when supply is scarce to incentivized dispatchable resources.

## **Demand Response reforms**

• Using demand response programs more deliberately to manage supply/demand.

## **Potential OTR Retirements**



# **Potential CCR Retirements**



# Total potential impact from possible EPA regulations:

(Ozone Transport Rule and Coal Combustion Residuals)

# 110 GW

## > peak load of the entire MISO region during Storm Uri (103 GW) or Storm Elliot (107 GW)



#25695



## North Dakota House of Representatives

STATE CAPITOL 600 EAST BOULEVARD BISMARCK, ND 58505-0360



Representative Anna S. Novak District 33 1139 Elbowoods Drive Hazen, ND 58545-4923 anovak@ndlegis.gov COMMITTEES: Education Energy and Natural Resources

March 17, 2023

Concurrent Resolution 3014

Mr. Chairman, members of the committee - for the record, my name is Anna Novak, Representative for District 33. You have before you Concurrent Resolution 3014. This resolution will be sent to the Regional Transmission Organization's that service North Dakota, which are MISO and SPP, FERC, North Dakota's Transmission Authority and PSC, and our congressional delegation.

Unfortunately, we live in a time and in a country that incentivizes electricity that isn't reliable and tends to be more expensive in the long-term for ratepayers. As you know, the state of Minnesota passed a law last month that says all electricity in their state, whether it's produced in Minnesota or imported from the surrounding states, must be carbon-free by 2040. I've included an article for your review about the bill. Sadly, the rural cooperatives in Minnesota opposed the bill and were upfront in saying that this will cost the ratepayers dearly, whether it costs them financially or by not having reliable electricity.

The North American Electric Reliability Corporation, otherwise known as NERC, recently put together their 2022 long-term reliability assessment. This document shows that both MISO and SPP have experienced maximum generation alerts in recent years and there are concerns at both organizations about having enough reliable electricity during times that we use more electricity than usual, because of very cold or very hot weather or when weather conditions don't allow for intermittent sources to produce electricity. MISO and SPP have told us time and time again that they are policy takers and not policy makers. I am hopeful that Concurrent Resolution 3014 sends a strong message that North Dakota is concerned about reliability. I urge you to give this a Do Pass Recommendation, and I'll stand for any questions you may have. Thank you.

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# Minnesota utilities must transition to 100% carbon-free electricity by 2040



Democratic Minnesota Gov. Tim Walz displays a bill he signed into law at the St. Paul Labor Center on Tuesday, Feb. 7, 2023, in St. Paul, Minn. The bill requires Minnesota utilities to get 100% of their electricity from carbon-free sources by 2040. (AP Photo/Steve Karnowski) (Steve Karnowski | AP)

By Gretchen Hjelmstad

Published: Feb. 8, 2023 at 9:36 AM CST

#### GYOD

ST. PAUL (Valley News Live/KARE11) - Gov. Tim Walz signed a bill Tuesday designed to cut carbon emissions statewide while creating more cleanenergy jobs.

With the signing of the bill, Minnesota utilities are now obligated to transition to 100% carbon-free electricity by 2040 to step up the fight against climate change.

"What this bill does and makes it very clear that no longer is this debate about moving towards clean energy future on sustainability of the planet and our economic future are no longer divided, they run hand in hand," said Gov. Walz prior to Tuesday's signing.

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According to the Clean Energy States Alliance, 21 other states plus the District of Columbia and Puerto Rico have <u>already established</u> some kind of 100% clean-energy standards or goals, most with target dates between 2040 and 2050.

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Minnesota's previous standard, set in 2007 by a Democratic-controlled Legislature and Republican Gov. Tim Pawlenty, set a goal of reducing overall statewide greenhouse emissions to at least 15% below 2005 levels by 2015, 30% by 2025 and 80% by 2050.

State regulators reported last week that Minnesota's greenhouse gas emissions declined by 23% between 2005 and 2020 and said the state was on track to achieve 30% by 2025. The biggest drop was in power generation, where emissions fell 54% amid the switch from coal to renewable energy.

"The 100% Clean Energy bill is a great example of how we can address one of our largest sources of climate pollution while creating jobs and ensuring Minnesotan's energy remains reliable and affordable," said Conservation Minnesota's Executive Director Paul Austin in a press release. "We applaud Governor Walz and chief authors Senator Nick Frentz and Representative Jamie Long for their steadfast commitment to protecting our air, climate, and Great Outdoors. This bill shows how states can continue to move climate goals forward, and we look forward to continuing to advocate for the climate solutions Minnesotans need."

The bill aims to further shift utilities away from fossil fuels to wind and solar, but it also allows them to use hydropower, biomass, hydrogen and existing nuclear plants to go carbon-free. Utilities that can't quit coal or gas on their own could ask regulators to let them use "off ramps" to delay compliance, or they could use renewable energy credits to make up the difference.

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"Minnesota is not going to wait any longer, Minnesotans are not going to wait any longer," said Walz. "They've made it clear — they make it clear with their voices, they make it clear with their advocacy, they make it clear with their votes — that they expect movement around climate change to happen and it is happening today."

Minnesota's biggest utility, Xcel Energy, supports the legislation, saying it fits with the company's own goals, even though officials say they're not exactly sure yet how they'll get all the way to carbon-free by 2040. But the state's smaller rural electric cooperatives and municipal power systems say it will be a lot harder for them and that the costs to their customers will be high.

"In the years ahead, we will replace coal generation with wind and solar, extend the use of carbon-free nuclear energy, and explore new energy storage technologies," said Chris Clark, president, Xcel Energy–Minnesota, North Dakota and South Dakota. "As we continue the energy transition, we remain committed to supporting the communities our facilities are located in and providing all of our customers with safe, reliable and affordable energy."

Republican North Dakota Gov. Doug Burgum and other top officials in his state threatened last week to sue Minnesota if the bill is enacted, saying it would prevent North Dakota utilities from continuing to export power generated from coal and gas to Minnesota.

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GOP critics in Minnesota have dubbed it a "blackout bill," saying that it will undermine the reliability of the state's power grid — especially on the coldest winter nights and hottest summer days — in addition to forcing consumers to pay higher energy costs.

"What the Governor criticizes as 'Gridlock' is the constitutional restraint on unlimited government power – what our Founders described as the tyranny of the Majority. Broad far-reaching legislation, such as the Governor's 'Clean Energy Bill', should not be adopted on slim partisan majorities," said Minnesota GOP Chairman David Hann in a statement. "Republicans, and all Minnesotans, support clean energy but trying to force the entire economy to function on 100% renewable energy overnight is foolishness of the highest order. Republicans offered an <u>'all of the above' approach</u> to provide cleaner energy in Minnesota while making sure we have a safety net of reliable and proven energy sources. Every single Democrat voted against it.

"By signing the 'Blackout Bill' into law, Governor Walz and the DFL are putting one of the coldest states in the nation on a path to rolling blackouts and energy uncertainty. Our economy depends on affordable, reliable energy. Minnesotans want common sense bi-partisan solutions to the challenges we face. Governor Walz and Democrats are failing to listen to all Minnesotans."

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