**MINUTES OF THE PROCEEDINGS OF THE**

**ENERGY TRANSITION ADVISORY COMMITTEE**

**OF THE STATE OF MINNESOTA**

**REGULAR MEETING**

**HYBRID OVER TEAMS AND PHYSICALLY AT THE**

**CITY OF OAK PARK HEIGHTS, CITY HALL**

**TUESDAY, JULY 26, 2022**

1. Call to Order and Roll Call

The Energy Transition Advisory Committee met in Regular Session and ETAC Chair Marshall Hallock welcomed all in attendance, thanked the City of Fergus Falls and Staff for hosting the meeting and called the meeting to order at 11:00am at the City Council Chambers, City of Fergus Falls City Hall in Fergus Falls, MN. Roll call was taken.

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| --- | --- | --- | --- |
| Attendee Name | Representation | Voting Status | Status |
| Chair Marshall Hallock | Impacted Community | Voting | Present |
| Vice-Chair Tamara Lowney | Impacted Community | Voting | Present |
| Michael James Childs Jr | Prairie Island Indian Community Representative | Voting | Present |
| Shelly Christensen | Speaker of the House Appointment | Voting | Present |
| Richard Evans | Utilities That Operate an Impacted Facility | Voting | Present |
| Jamie Fitzke | Nonprofit Organization with Expertise and Experience Delivering Energy Efficiency and Conservation Programs | Voting | Present |
| Mike Hoppe | Impacted Workers at Impacted Facilities | Voting | Present |
| Luke Lallemont | Impacted Workers at Impacted Facilities | Voting | Absent |
| Karin Housley | Senate Majority Appointment | Voting | Present |
| Mary McComber | Impacted Community | Voting | Present |
| Jennifer McEwen | Senate Minority Appointment | Voting | Present |
| Shane Mekeland | House Minority Leader Appointment | Voting | Present |
| Kristin Renskers | Impacted Workers at Impacted Facilities | Voting | Present |
| Richard James Sackett | Impacted Worker Employed by Company Under Contract | Voting | Present |
| Joshua Skelton | Utilities That Operate an Impacted Facility | Voting | Present |
| Derek Vetsch | Impacted Community | Voting | Present |
| Abigail Wozniak | Professional Economic Development or Workforce Retraining Experience | Voting | Present |
| Shane Zahrt | Coalition of Utility Cities | Voting | Present |
| Beth Binczik | Governor’s Designee | Non-Voting | Present |
| Steve Grove | Commissioner of Employment & Economic Development | Non-Voting | Present |
| Kevin Lee | Commissioner of Commerce Designee | Non-Voting | Present |
| Craig McDonnell | Commissioner of the Pollution Control Agency’s Designee | Non-Voting | Absent |
| Jeremy Parker | Commissioner of Labor & Industry Designee | Non-Voting | Present |
| Rose Patzer | Colleges & Universities Designee | Non-Voting | Absent |
| Katie Sieben | Executive Secretary of the Public Utilities Commission or Designee | Non-Voting | Absent |
| Jon Van Nurden | Commissioner of Revenue’s Designee | Non-Voting | Present |
| Will Seuffert | Executive Secretary of the Public Utilities Commission or Designee | Non-Voting | Present |

Others Present: NeTia Bauman (Greater Fergus Falls), Klara Beck (City of Fergus Falls), Andrew Bremseth (City of Fergus Falls), Trisha Duncan (Xcel Energy), Jeff Ewart (Midwest Governor’s Association), Jolene Foss (Wright County Economic Development Partnership), Dan Knudson (City of Fergus Falls), Dan Pfeiffer (Xcel Energy), Ben Schierer (City of Fergus Falls) and Darin Solberg (Otter Tail Power).

DEED Staff: Catalina Valencia and Carla Vita

1. Welcome by Fergus Falls Mayor Ben Schierer

Mayor of Fergus Falls, Ben Schierer, welcomed the ETAC. He informed that their coal power plant plant closed May 2021 and the financial impact will be felt in 2023. The impact anticipated is $5.5 to $6 Million annually.

Mayor Schierer informed that Otter Tail Power was a great partner with the community with the closure. They worked together on planning for the closure for approximately 6 years. The plant closure impacted 15 people, the remainder either retired or were relocated in other parts of the business.

The former power plant location has extensive utilities. 550 to 600 acres of the property will be redeveloped for solar. That will assist with a portion of the tax base gap.

The City received a $50,000 EDA Planning grant. More planning funds were/are needed. He stated that the City has good expertise, but funds for more specific expertise on the power plant closure is needed.

He stated that redevelopment and economic diversification is important. He described an economic development issue that they have noticed is that businesses require TIF (tax increment financing) that removes the property off the tax roles for a period of time with no immediate taxes to assist the gap from the plant closure. Thus a long-term funding strategy is needed. Mayor Schierer informed that long-term economic development is needed.

Hallock thanked Mayor Schierer.

1. Presentation by Jesse Heier, Executive Director Midwest Governor’s Association, Presentation on the MGA Power Plant Community Planning Report and next steps

Jeff Ewart, Deputy Director of the Midwest Governor’s Association presented on behalf of Jesse Heier. Ewart educated on the association that covers 12 states in the Midwest. MN Governor Walz was last year’s Chair and his platform was “Empowering Midwestern Communities” – focus on creating economic opportunities in the energy sector. One is MID-GRID 2035 and the other is Preparing Midwestern communities for the energy transition.

In preparation of a report on energy transition, many meetings were held. From those meetings that had numerous presenters, a report was created with next steps and recommendations. They started on July 21 on quarterly meeting on topics related to transition. Last week’s topic was “Show me the money.” The next meeting is planned for September.

1. Presentation by Dan Pfeiffer, Xcel Energy, Economic Development efforts in MN and Transition in other states

Pfeiffer thanked ETAC for being asked to present. He educated where Xcel Energy provides electricity over 8 states. He informed that the Economic Development portion of Xcel Energy is interested in business retention and expansion. Customer growth, investment and jobs are important. He stated that the real estate is important as the correct location and leveraging real estate needs are critical for business development.

Pfieffer stated that Xcel supports DEED with incentives to lure business within MN within their territory. He discussed certified sites that are becoming increasingly important for business location. He informed on their remarketing program on existing structures. He stated that the demand for larger sites exist, including Mega sites.

Pfieffer stated that the Sherco property in Becker was built in the 1970’s. They purchased significant land including land to buffer other uses from the power plant. Originally the site had space planned for additional coal plant generators than what exists today. As the Becker location closes, they are working with the City to try to replace tax base and jobs. Some qualities that make Becker stand out in economic development include: infrastructure, Highway 10, close to I 94, plenty of power, city is extending water and sewer, next to Mississippi River, abuts BNSF rail, great workforce and good telecom. He stated that Becker is great to work with and they have a shared vision. Xcel has started an AUAR for 1500 acres.

Pfieffer informed on a new Xcel Energy tool called the Zoom Prospector to highlight realestate on their website. The site has information on workforce, demographics and more. This item just started a few weeks ago.

Pfieffer stated that Xcel has another site in Oak Park Heights. The site is smaller than Becker, however they are working with the city on plans for the future

Foss, Wright County Economic Development, inquired to Xcel’s Mega sites. Pfieffer informed that they are sites of 1000 acres, 100 MgWatts, rail and water. Sites do not need to be contiguous.

Lowney inquired if Xcel Energy’s shovel ready program is their own or a part of DEED’s. Pfieffer stated that Xcel Energy has a program to cover all their locations. Their program works well with the DEED program. Pfieffer educated that many states and cities have their own certified program and discussions on a national shovel ready program have occurred. Pfieffer stated that MN DEED’s Shovel Ready program is well done.

Lowney stated that shovel ready and promotion is important to the ETAC needs. Pfieffer educated that sites have certification for differing uses and that he works with DEED to promote sites.

Wozniak inquired to the demand for sites and the type of demand. Pfieffer stated that there is demand for cryptocurrency. Southern states are witnessing hydrogen projects. During COVID 3 industries were especially active – warehouse/distribution, some looking for cold storage; data centers; and food and beverage companies.

McComber stated that Oak Park Heights has an advisory group on the King Plant closure. She stated that a request in the bonding bill that did not pass was to extend water and sewer to that location. Pfieffer stated that no decisions have been made on the Oak Park Heights location. The property is small. He believes that the substation will stay. He stated that Xcel is willing to assist in bringing additional business and industry to Oak Park Heights. McComber educated that environmental reviews are lengthy.

Childs informed that with the development of Prairie Island, remains were removed and over time Prairie Island Community was able to get the remains back. He stated that he does not want to see cultural resources destroyed. McComber stated that her location was a traditional medicine location before the power plant. Pfieffer stated that the purchaser of the land would be responsible for studies.

Hallock informed that the Re-Use Task Force discussed the importance of the AUAR. Hallock discussed the Pennsylvania Playbooks as an economic development tool. They have information on infrastructure, good uses for the site, demographics, land characteristics, etc. He has found an AUAR makes a site more marketable.

Vetsch inquired to land that cannot be redevelopment due to environmental impacts. Pfieffer stated that land that was developed was used for agriculture. He stated that the coal ash location will need to be kept. The land that is being sold in Becker is land is currently ag and is rented to farmers. He does not believe that the operational area will be redeveloped. Solberg, Otter Tail Power, stated that they are keeping their coal ash site and another 10 to 12 acres surrounding for a buffer.

1. Presentation MN Dept of Revenue presentation – Jon Van Nurden, State Assessed Property Supervisor

Van Nurden presented on utilities and the local tax base. He stated that all MN power plant sites have hypothetical retirement dates and he stated all within his powerpoint. He informed that properties have a 2-year cycle – an assessed year and a payable year. The power plant sites are valued by the State. Location is valued as a unit. Taxable property and exemptions were discussed along with wind and solar production taxes.

Van Nurden informed that the Department of Revenue disburses CPA and LGA. These amounts adjust, but a formula prevents large changes year to year.

Van Nurden is recommending transition aid to cover a gap for funding. He informed that the transition aid presented last year was good. Further recommendations for the plan include: to be proactive early, work on diversifying the tax base and consider other fund sources.

1. Presentation MN Dept of Employment & Economic Development presentation – Catalina Valencia, Executive Director, Business Development

Valencia’s presentation was tabled until the next meeting.

1. Approve June 28, 2022 Minutes – Roll Call vote

Motion by McComber, second by Lowney to approve the June 28, 2022, minutes as presented. Roll Call vote passed unanimously.

1. Task Force updates
   1. Community Engagement

Childs presented on:

* Researched
  + Granite Falls – their power plant will be demolished this fall.
  + Education for community on long-term environmental issues – ie Coal Ash storage that will remain after the plant closes.
  + Importance of working with all people, including Native American.
  + More presenters are planned
  + How to get MN as a priority location.
    - The ask was made and the Feds stated, that they “aren’t updating the “25 priority places” now but would welcome input regarding transitioning assets, communities, and workers to inform our planning.”  Recommended that communities with comments please due so with the survey Vita sent
* Plan Recommendation:
  + Funds for marketing for impacting communities. (similar to last month)

No ETAC comments.

* 1. Economic Diversification

Lowney presented on:

* Presentation by:
  + Adam Walters, State of Pennsylvania Playbooks key items:
    - Developed to handle a public policy problem
    - Each playbook has phase 1 and phase 2 environmental work, current infrastructure for the site, cost for demolition and abatement, highest and best use analysis of the property, robust market analysis – include workforce, demographics, worked with county, city, colleges/universities/etc. Community vision was important.
    - Funding was ½ US EDA grant and ½ State of PA
    - Easy Playbook had a separate RFP, competitively bid
    - Playbooks were extensively marketed by PA – in PA and nationally. State has funding for marketing.
    - Had consent of property owners they worked closely and well
    - 2 of the Playbook properties recently sold. He feels Playbooks helped with the development and interest.
    - Time to complete Playbooks was approximately 4 months.
    - State Legislature appreciated the Playbooks.
  + Kristin Lukes, DEED, Community Transition Grant (2021)
    - She answered questions from the Task Force about the history and current situation with the grants.
    - Task Force asked her for advice on how to improve the grants, if they were to be funded in the future. Issues – each community is in a different part of the closing process, hard to compare.
* Points
  + MN DEED has not been allocated funds in the past for marketing, many other states have been given millions to market. Need for marketing funds for DEED to assist in redeveloping the sites.
* Plan Recommendation:
  + Playbooks similar to Pennsylvania for all impacted communities & property owners that have interest. State &/or Federal funding to cover the cost.

No ETAC comments.

* 1. Re-Use of Assets

McComber presented on:

* Presentation:
  + Denise Wilson, Environmental Quality Board.
    - Different environmental reviews, differences, what they review and process.
    - AUAR (Alternative Urban Area-wide Review) is important for Shovel-ready certification for redevelopment
  + Chet Bodin, MN Business 1st Stop
    - Interagency group covering 9 agencies, effective in assisting a developer on the State review process
    - He brings the agencies and their funding information together
  + Kristin Lukes, DEED Redevelopment
    - She educated on the application, eligibility, goals (create jobs, taxes &/or other public benefits), 50% match, 2 grant rounds per year,
    - Program does not cover environmental costs
    - Recently no funding from legislature. DEED leadership moved money from a different area to fund this important program ($2 to $3M/yr)
* Of importance
  + Many power plants are along rivers that are Federally protected
  + Rail, infrastructure, etc can all be amenities for redevelopment.
  + Community input on re-use of site is important.
  + King Plant must have a redevelopment plan per the IRP
* Research:
  + Goal to meet with St. Paul on the Ford site redevelopment
* Plan Recommendation: drafting beginning

No ETAC comments.

* 1. Tax Base – Financial Assistance

Zarht presented on:

* Presentation:
  + Nick Greene, Dept of Revenue
    - Understanding LGA, County Aid, Fiscal Disparities,
    - LGA takes time to adjust to ensure stability for LGA communities- full adjuctment will not happen the year after closure.
    - Fiscal disparities covers Cohasset and Oak Park Heights. The funds used help other communities in the region – ripple effects.
  + Jon Van Nurden, Dept of Revenue
    - Understanding Assessment process, Solar and Wind production, personal property and real estate taxes
    - Coal and Nuclear plants pay City, County, School and State taxes. Some solar only pay only ag property tax
    - Discussion on Utilities challenging taxes
    - Each power plant valuation is done on its own. Uses many inputs.
* Research:
  + RDF/RDA
  + Compare, contrast and find gaps for the plan &/or recommendations
* Plan Recommendation - drafting beginning

No ETAC comments.

* 1. Workforce

Wozniak presented on:

* Presentation
  + Jerry Mulhern, Unemployment Insurance
    - Understanding typical UI process and supports for any involuntarily separated worker
    - The website has great information
    - Retraining, unemployment insurance length, requirements were all presented.
  + Roy Smith, IRRRB
    - Example of regional/sector partnerships to supply trained workforce to local industry
    - IRRRB has been retraining people, and coordinating for
  + Holly Stanton, Xcel Energy
    - Understand how one energy production employer is supporting its workforce as transitions happen
    - They start planning for re/training 2 years for plant closure
    - They have not laid off any worker from their 11 plant closures.
    - They keep their retrained workers within 50 miles of their original power plan
* Research
  + Kristin, Dick and Luke are working on a flow chart on the retraining process.
* Recommendation – drafting beginning

No ETAC comments.

1. Executive Committee Report

Vita presented on:

* ETAC Plan Outline is complete

State agencies have been requested to provide information per State Statute 116J.5493. Many are in, we are waiting on others. Goal is a presentation on the analysis for the August meeting.

* School survey is out to the 8 impacted community schools. Goal is to present outcomes at the August ETAC meeting.
* Stakeholder survey will go out soon. Please forward to your community stakeholders and others. Vita will forward the link and remind to send out. Your assistance is requested.
* Impacted community update was sent to cities, Prairie Island and Counties. Planned update to ETAC at your August meeting.

Vita thanked Wozniak, Renskers, Lowney and Hallock for their assistance on this important project.

1. Old Business Discussion

None/

1. Public Comment

None.

1. Next meeting – August 30, 2022 at 11am, City of Granite Falls
2. Adjourn – Roll call vote

Motion by McComber, second by Lowney to adjourn the meeting. The motion carried unanimously by roll call vote.