**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 GRANITE FALLS, CITY HALL**

**TUESDAY, AUGUGST 30, 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 Granite Falls and Staff for hosting the meeting and called the meeting to order at 11:00am at the City Council Chambers, City of Granite Falls City Hall in Granite 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 | Absent |
| Shelly Christensen | Speaker of the House Appointment | Voting | Absent |
| Richard Evans | Utilities That Operate an Impacted Facility | Voting | Absent |
| 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 | Absent |
| Kristin Renskers | Impacted Workers at Impacted Facilities | Voting | Absent |
| 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 | Absent |
| Rose Patzer | Colleges & Universities Designee | Non-Voting | Present |
| Katie Sieben | Executive Secretary of the Public Utilities Commission or Designee | Non-Voting | Present |
| 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 |

DEED Staff: Kevin McKinnon, Catalina Valencia and Carla Vita

1. Welcome by Granite FallsMayor **Dave Smiglewski**

Mayor of Granite Falls, **Dave Smiglewski**, welcomed the ETAC and thanked all for attending. Mayor Smiglewski stated his interest in the work of the ETAC and the forth coming plans. He educated that the Power Plant has had a huge impact on the community in the past prior to closing. Currently, the plant is being demolished.

1. Presentation by Shane Zahrt, Senior Attorney/Lobbyist, Flaherty & Hood, P.A.

Zahrt presented on the Coalition of Utility Cities (CUC). Zahrt informed formed in 1997 and the membership of the CUC comprises of Becker, Cohasset, Granite Falls, Hoyt Lakes, Monticello, Oak Park Heights and Red Wing. 5 Xcel and 2 Minnesota Power power plants. 4 coal plants, 2 nuclear, 1 natural gas. In each community, the utility property is the largest share of the community’s tax base. He informed that the Red Wing power plant would need 133 Target stores to replace the tax base.

Zahrt educated that the CUC was not started to handle the power plant closures, however with changing times, it has taken a lead in the efforts. Work has included significant research, legislative work, and he is very active with the ETAC and its task forces. Zarht informed that CUC goals for the ETAC and the transition plan include:

* Address gaps in the state’s ability to support communities and workers
* Gain a seat at the table in power plant closure discussions
* Produce actionable recommendations for the legislature and the communities themselves
* Position Minnesota to harness federal resources
* Continue to identify and address both known and unknown impacts

Zarht stated that the CUC is concerned about the workers at the power plants. He stated that rules to assist the impacted communities is important. Hallock thanked Zarht for his presentation and education to the ETAC. A question on the tax difference before and after power plant closure to the ETAC. Crystal Johnson, Granite Falls City Administrator, will provide to Vita for the ETAC.

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

Valencia presented on the numerous programs for businesses, communities and job seekers. She educated on how they are all important for MN and the work of the ETAC. Valencia informed on how programs are available to assist communities that need revitalization. Business programs assist all stages of a business’s lifecycle.

Financial support, Valencia educated for businesses and communities exist in a variety of areas from financing to workforce development to broadband. She informed on the large variety of business financing, community financing and broadband.

Hallock thanked Valencia for her wealth of education. No questions from the ETAC.

1. Approve July 26, 2022 Minutes – Roll Call vote

Motion by Zahrt, second by McComber to approve the July 26, 2022, minutes as presented. Roll Call vote passed unanimously.

1. Task Force updates
	1. Community Engagement

Vetsch presented on:

* Presentations by:
	+ Jennifer Cady, MN Power
		- Discussed their community communication
		- They offer Tribal training to their employees and key customers
		- CEE was a very important partner in the community planning process
* Tami Gunderzik – Xcel Energy PIE (Partners in Energy)
	+ Partners in Energy is a program from Xcel Energy that supports the communities we serve by helping them develop and implement these energy plans. Each community has its own unique energy needs and priorities, and Partners in Energy services are tailored to complement each community’s vision.
	+ identify local energy priorities
	+ They assist in implementation and support of the communities PIE plan
* Plan Recommendation
	+ Previous
		- Funds for marketing for impacting communities.
	+ New
		- ETAC to annually review the plan to ensure accuracy with the changing times.
		- Educate legislators on the Power Plant closures and its impacts. Legislative energy committees (both House and Senate) on a bus tour to an impacted community.
		- Drone footage of each Power Plant site, being careful of security issues, to show land, surrounding environment and the integration of the plant within the community/region.
		- Xcel Energy work with each impacted community where they supply electricity to offer PIE.
		- Frequent communication of Power Plants and communities before, during and after closures with each other and to the public to address concerns and educate.

No ETAC comments.

* 1. Economic Diversification

Lowney presented on:

* Points
	+ No presentations at the meeting
	+ Discussed former presenters, what was learned and what to propose to ETAC for inclusion within the plan
* Plan Recommendation:
	+ Previous
		- Playbooks similar to Pennsylvania for all impacted communities & property owners that have interest. State &/or Federal funding to cover the cost.
	+ New
		- Dept of Commerce to use socio-economics & externalities in their modeling for their comments during IRP process.
		- For solar siting, zoning shall be controlled by the local government unit. Frequent communication with the landowner, power company, state agencies and local government regarding the project.
		- Department of Revenue to create stable valuations of power plants.
		- Training and skills for impacted workers are important. Training shall be allowed upon the knowledge of the closure, not after closure. (Training and workforce is important to Economic Diversification.)
		- Updated previous recommendation (added time period) Priority points for impacted communities and counties on state grant programs for a period of years before and after closure to assist the community in their rebuilding efforts.
		- Funding for Regional Development Commissions to write and assist in grant administration for impacted communities.
		- Work to create one standardized shovel-ready program.

No ETAC comments.

* 1. Re-Use of Assets

McComber presented on:

* Presentation:
	+ Melanie McMahan, City of St. Paul – Redevelopment of Former Ford Plant
		- Site lacked infrastructure
		- Site had contamination. Property owner brought land to a residential site standard at their own cost. Clean-up is much more extensive for residential than for industrial. Owner paid for AUAR – City supervised.
		- Ford plant was not a huge tax base.
		- Lessons Learned
			* Work with the community – they had numerous community meetings on a variety of topics
			* Partnerships are important – property owner, City, non-profits (they covered many of the studies to have the expertise that City Staff lacked.)
			* Communicate that the City does not own the site – manage expectations
			* Recognize that public support is needed. Make it clear what funds are being used and why.
			* City’s can require zoning. Most everything else they cannot without incentivizing.
* Of importance
	+ Reiterated how important relationships are for site redevelopment
	+ Redevelopment will take more than 10 + years
	+ Reiterated how every redevelopment project is unique, but has similarities.
	+ Our ETAC plan is straight-forward, yet very complicated – validated our initial deductions
	+ Interested in any of Mc Mahan’s information, please let Carla know
* Plan Recommendation: drafting continuing

Vetsch inquired to the re-use task force work on land value post power plant closure. He continued that in the tax base task force, many conversations have taken place including one with the Department of Revenue. The answer when posed to the Department of Revenue on the tax impact has been, “it depends” as each plant and situation is unique.

Vetsch information that including the taxes that power plants pay is personal property. McComber stated that each power plant is valued differently. Zahrt informed that the state determines the valuation of each power plant location. In the case of Granite Falls, the machinery is determined to be worth zero today as it is not used. Thus, each location is a case by case basis.

Van Nurden informed that the land is assessed by the City or County, not by the Department of Revenue. Van Nurden further informed that a power plan facility might have more than one electric generating unit. The number of units in generation may change over time. The value of each unit changes upon the closure of each unit. Full closure of a power plant might have land, buildings, etc that still have value. It all depends on what is removed and when. Van Nurden reminded all that each facility is different.

* 1. Tax Base – Financial Assistance

Vita stated that the Task Force is working to determine the variety of options. Including a variety of questions from Sherburne County. The Task Force has a sub-committee of Dan Weber, Derek Vetsch, Shane Zahrt and Vita. They have been working on a deeper dive on the impacts of tax base and will have a presentation next week to the Task Force.

Zahrt informed that the Tax base Task Force has been very active meeting frequently and will have recommendations ready for the ETAC that will be comprehensive.

 No ETAC comments.

* 1. Workforce

Wozniak presented that the Task Force has witnessed from all the power plant companies that a workforce strategy is to phase out the employee prior to plant closure. This phasing includes: retirements, finding opportunities within the company and workers moving organically in their careers. She did not read the slide but encouraged the ETAC and others to read the information as detailed.

No ETAC comments.

1. Survey Analysis Team

Wozniak presented for the Survey Analysis Team consisting of herself, Lowney, Hallock and Vita. She stated that the surveys were designed in order to capture very specific information from schools, cities, Prairie Island Native American Community and counties. The goal was to achieve an understanding of all the financial impacts of taxes, fees and other revenue sources.

Wozniak encouraged all to read the raw data of the surveys. She informed that the impacts of closures are very large. She stated that it some cases power plant closure will be catastrophic.

* 1. Survey Analysis
		1. School

Please see the information. Wozniak stated that many school districts will see at least 10% of their tax being impacted, some as high as 40%. Any decrease is very difficult for school districts to absorb. 10% + is cutting numerous programs, classes, ect.

* + 1. City, Prairie Island Native American Community & County

City impacts were very large. Please see the memo.

Wozniak informed that county impacts are also substantial.

* 1. Stakeholder Survey

Wozniak information that the stakeholder survey is not required by State Statute, but the ETAC and ETO staff believe that it is important. Results have been lower than desired; thus, the survey deadline was extended. Wozniak asked all to encourage others to take the survey. She stated that the link to the survey has been emailed by Vita and the link is on the ETO webpage.

Lowney informed that she contacted many people personally to complete the survey and she has found that personal connection will increase people responding.

Hallock agreed that feedback and comments are needed for a successful product.

1. Plan Composition Update
	1. Plan Outline

Vita presented the ETAC Plan outline. No comments were received.

* 1. Community Engagement draft

Vita presented the Community Engagement Task Force rough draft of the plan and asked for comments, input and questions. Lowney stated that she is interested in the community’s thoughts on the section. No additional comments were received.

* 1. Economic Diversification draft

Vita presented the Economic Diversification Task Force rough draft of the plan and asked for comments, input and questions. No additional comments were received.

* 1. Re-Use of Assets draft

Vita presented the Re-Use Task Force rough draft of the plan and asked for comments, input and questions. Sackett stated that anacronyms ought to be written out such as AUAR. No additional comments were received.

* 1. Tax Base – Financial Assistance draft

Vita presented the Tax Base- Financial Assistance Task Force rough draft of the plan and asked for comments, input and questions. No additional comments were received.

* 1. Workforce draft

Vita presented the Workforce Task Force rough draft of the plan and asked for comments, input and questions. No additional comments were received.

* 1. State Transition Plan 116J.5493 (b) (1) Impacted communities, timing and job losses

Vita stated that this section is being worked on and is drafting.

* 1. State Transition Plan 116J.5493 (b) (2) Fiscal Analysis

Vita stated that this section is complete and the analysis was presented by Wozniak during the survey presentation.

* 1. State Transition Plan 116J.5493 (b) (3) Statutes & Admin Processes Regarding Closure and Tax Base

Vita stated that this was completed by DEED legal and she provided her gratitude on the work.

* 1. State Transition Plan 116J.5493 (b) (4) Analyze State programs

Vita presented a memo on the state programs. Vita informed that the sub-committees each are analyzing the memo.

* 1. State Transition Plan 116J.5493 (b) (5) Recommendations

Vita stated that this is ongoing and many recommendations have already been presented to the ETAC from the sub-committees and the Executive Committee.

1. Presentation By John Hunt, Principal Engineer & Jim Bodensteiner, Principal Environmental Analyst - Xcel Energy, Granite Falls Coal Plant transition.

The Granite Falls Power Plant is currently closed. The ETAC was interested in the steps and work post closure. Hunt and Bodensteiner educated on the process that is used by Xcel Energy on demolition and clean-up post closure. Hunt informed that each plant is different in timing, however they all have a process and goals for the demolition. Hunt informed on the decommissioning scope which includes an inventory of material and equipment and security of the site. Bodensteiner stated that they have many permits from a variety of state government departments to run the plant and many permits in the demolition. Bodensteiner stated that they remove the chemicals from the site. They also have long term security plans for the site.

Hunt informed that for the Granite Falls site, they used outside contractors, however sometimes Xcel will have their own staff complete the work. The have Request for Proposals (RFPs) for the work for a competitive process. The demolition requires many permits. He stated that some demolition projects are quick (Benson) some take years (Granite Falls). Each site has significant documentation with the demolition including site topos, floodplain, etc.

Hunt informed that the coal ash landfill at Granite Falls was closed by the MPCA in 1988. The coal ash was moved to the SHERCO location at Becker, MN. The dam was removed in 2013 that was used for cooling. Today the location has had significant abatement completed at the site. The substation will remain. As of this time, no plans exist for the redevelopment of the site. The location in Granite Falls will include a flood berm as a part of the restoration. As the site is close to the river, they worked close with the MNDNR and Army Corps – especially with the restoration of the riverbanks. Hunt informed that they recycled and disposed of many items within the structure. For example, the bricks were crushed for aggregate. Hunt informed that they worked with the MN Department of Health for asbestos removal.

Hunt informed that when the demolition is complete, the location will continue to have fencing for security. The grounds will be minimally maintained with some mowing. Long-term ownership is unknown. Hunt stated that it is important to update the City with the process.

Hallock inquired to the last year that electricity was produced at the location. Hunt stated 2004. Hallock questioned if the length of time from energy production stopping to demolition is normally that length. Hunt stated that the demolition is typically quicker. Hunt informed that he is unaware of any reuse plan for the Granite Falls location. Hunt stated that the substation is important and a buffer around the substation is important.

Hallock inquired to the ash yard clean-up and what the process entails. Hunt informed that a soil investigation is completed including the extent of the ash to determine what can be capped and what can be cleaned up? Bodensteiner stated that each location is unique. Hunt stated that at older plant location it is not known what the coal ash was built upon. Bodensteiner stated that each site has to monitor the groundwater. Hallock stated that he understands that each coal ash location much be capped and documents.

Hallock inquired to the number of employees that were impacted with the closure. **Smiglewski stated that the plant had 50 people when he was a kid. Hunt stated 15 when the plant closed. Hallock inquired to what happened to the employees. Hunt stated that the employees are experts and the company wants to keep them. Some people retired, some went to Sioux Falls. Van Nurden inquired to the 3 to 5 year window to demolish a location is typical. Hunt said that it depends, however for gas the process is quicker. Van Nurden inquired to the length for nuclear. Hunt indicated that he did not know. Hallock stated that due to the nuclear waste, the process is separate and different. Hallock stated that there are 3 models. Hunt stated that Sioux Falls decommissioned a nuclear plant and they might have some better information.**

1. Old Business Discussion

Lowney brought up the appropriate time to bring the draft plan to the impacted communities. Vita indicated that at a prior meeting it was determined to ask for comments from all impacted communities and stakeholders after the draft plan was complete. Vita stated that throughout this process all comments have been welcome and stated as an example that Dan Weber from Sherburne County has provided comments to the Tax Base and Financial Incentives Task Force and attends the meetings to provide comments/feedback. Mayor McComber stated that waiting for the draft to submit to all the impacted communities and stakeholders is appropriate as each task force has more work and meetings as they work toward the draft plan. Hallock stated that he agrees to keep with the original plan and obtain input post draft plan completion.

1. Public Comment

None.

1. Next meeting – September 27, 2022 at 11am, City of Cohasset
2. Adjourn – Roll call vote

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