**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, JUNE 28, 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 Oak Park Heights and Staff for hosting the meeting and called the meeting to order at 11:00am at the City Council Chambers, City of Oak Park Heights City Hall in Oak Park Heights, 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 | Absent |
| 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 | Present |
| Karin Housley | Senate Majority Appointment | Voting | Present |
| Mary McComber | Impacted Community | Voting | Present |
| Jennifer McEwen | Senate Minority Appointment | Voting | Absent |
| Shane Mekeland | House Minority Leader Appointment | Voting | Absent |
| 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 | Absent |
| 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 | Absent |
| Kevin Lee | Commissioner of Commerce Designee | Non-Voting | Present |
| Craig McDonnell | Commissioner of the Pollution Control Agency’s Designee | Non-Voting | Present |
| Jeremy Parker | Commissioner of Labor & Industry Designee | Non-Voting | Present |
| Rose Patzer | Colleges & Universities Designee | Non-Voting | Present |
| 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: Trisha Duncan (Xcel Energy), Chris Eng (Washington County), Crystal Johnson (City of Granite Falls), Eric Johnson (City of Oak Park Heights), Jennifer Pinski (City of Oak Park Heights) and Michael Wilhelmi (Xcel Energy)

DEED Staff: Colleen Eddy and Carla Vita

1. Presentation by Briggs White, Deputy Executive Director Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization

Dr. Briggs White gave a presentation in which the powerpoint slides are on the Energy Transition webpage. White informed that Federally priority communities have been identified, none of which are in Minnesota. He informed that the Federal government agencies recognize that the transition is different for different communities. He stated that lining up state and federal resources are important for impacted communities.

White stated that the Federal Economic Development Agency and EPA have planning grants; that the Department of Energy wants communities to start planning early to identify economic opportunities.

White stated that the IWG (Interagency Working Group) has a variety of webinars that people can watch to assist.

White stated that he reviewed the ETAC past meetings and packet and was happy to read that we are meeting with the Dislocated Worker Program and other programs to assist the impacted workers.

White stated that many communities might need funding for infrastructure – water, sewer, roads and bridges to assist with the transition. White informed that the USDA has over 50 programs to assist communities. White stated that the IWG webpage. Energycommunities.gov has information on all the grants and whether matching funds are required for the grants. He invited all ETAC members to sign up for their newsletter that is sent out every other week. He concluded by letting everyone know that currently a comment period is open in order for IWG to receive comments for recommendations for their programs.

Lowney stated that no communities are priority communities. She asked if the map can be updated. White stated that the IWG is willing to work with all impacted communities.

Wozniak stated that in her research, $2 billion is currently available for impacted communities. She inquired to when that funding might cease. White stated that the Biden administration is working to get the funding out right and its work on program development. Some programs are a one-time situation, others are available for at least 15 years. White stated that Broadband funding has been provided to states to administer. He stated that he expects more funding announcements soon. Matching funds are important for many grants and working with the State for those matching funds is something he encourages.

Childs inquired to funding for Native American communities. White stated that the Federal Government has had consultations with some US tribes, he is unaware to which. He is welcoming input and that tribes are welcome to apply for funding, in fact, some funding has carve outs specifically for Native American communities. He provided an example for technical assistance.

Childs stated that mining in northern Minnesota impacts water quality that impacts native land. White stated that the Biden administration is looking at rare earth elements and extraction as it relates to the environment.

Fitzke stated that she read the energy provision of the IGA. She inquired if a spreadsheet exists of finding opportunities and when they exist. White encouraged all to look at the IWG website for funding opportunities. White ended by stating that many Federal agencies have fact sheets. He encouraged all to read them. Hallock thanked White for his time and presentation.

1. Presentation on Minnesota’s Power Plant Communities: An Uncertain Future – Audrey Partridge, Director of Regulator Policy, Center for Energy & Environment

Partridge gave a presentation in which the powerpoint slides are on the Energy Transition webpage. Partridge informed that within 10 years all Minnesota power plants are eligible for retirement. Power Plants are important to communities not only for the energy that they produce, but also for the economic engine that create for the community including jobs and tax base.

Partridge informed that two studies on the power plants are within her presentation – one is a CEE study and the other from the University of Colorado. The studies cover 5 Power Plants in 6 communities. Most of the power plants are 40 to 50 years old. The estimated retirement dates are within the report. She presented a map with the power plant locations. She informed that the power plants are in generally small communities. Size is the community and their contribution to the tax base is very important. Partridge informed that the host communities receive little, if any, LGA and most provide much of the funding for the fiscal disparities that assists other communities within their regions, thus the impact is much larger than just the host community.

 Partridge informed that the report states the importance not only looking at the workers at the plant but also the indirect workers that will be impacted in a closure. She stated that power plant workers are paid above the area average wage and are high quality jobs. Partridge informed that power plants play an important role beyond the company. The workers and their families contribute to the local economy financially and with their time.

Partridge stated that her research witnessed that the host communities are planning for plant closures by adding infrastructure to bring in new business, tourist attraction, and more. All host communities recognize that not one strategy will fill the gaps created by the loss of a power plant by itself. She stated that all communities impacted by power plant closures need as much time as possible to plan, install infrastructure, and pay off or down debt. Partridge acknowledged that the uncertain timelines of the plant closures are challenges to the communities and its workers. She insisted that community and worker coordination continue after plant closure.

 Partridge stated that the quality of a power plant job will be difficult replace.

Partridge informed that not all communities receive benefits from the power plants. She stated that Prairie Island Native American Community is an example. It is important to work with their challenges also.

Childs stated that the CEE report did not recognize the Dakota Nation that is impacted by the Granite Falls power plant and the Leech Lake Indian Community that is impacted by Boswell in Cohasset.

Van Nurden inquired to the reason why the report only included 5 communities. Partridge stated that the report pre-dates the ETAC. Her work started in 2018, published in 2020. The power plants that were chosen were all members of the Coalition of Utility Cities and had worked with the Just Transition Fund. Hallock thanked Partridge and her work on such an important topic.

1. Presentation MN Dept of Commerce presentation – Kevin Lee, Deputy Commissioner Energy Resources Division

Lee thanked Partridge and Fitzke for their work on the CEE report. He stated how the report was transformative to the impacts of Power Plants and elevated the issue of transition. Lee gave a presentation in which the powerpoint slides are on the Energy Transition webpage. He stated that Commerce is an advocate for the public interest. The Department received its direction from Federal and State Statutes. The Department has a State Energy Office that they regulate and advocate.

Lee discussed the IRP process stating that electric companies provide a plan for power needs and how the power will be generated to meet those needs. The companies use computer modeling for the planning. Numerous spreadsheets provide options on a variety of electricity resources. It discusses size, type and timing of electricity which is why 15-year plans are plans. Lee stated that they are an advocate in the IRP process for consumers. The process is very detailed and all resources are evaluated. They truth-test assumption to ensure accuracy of assumptions. They work towards the most cost effective resources for the utility to use for electricity. They make decisions on the best interest for the public, the PUC is the decision-maker.

 Housley inquired if the modeling takes into consideration the impact of the power plant on the community and workers. Lee stated he is interested in figuring that portion of the analysis out as none of the analytical models take it into account. Lee stated that it is important for quantifying and analyzing.

Hallock inquired if any externalities are considered in the Commerce evaluation of power plants. Lee stated that they do not include socio-economic impacts, does include particulates and carbon dioxide emission impacts.

Sackett questioned if the MISO grid cost is considered in the analysis. Lee informed that State Resource Planning on the grid is made at a State level. He educated on electricity auctions and on MISO. Lee informed that unlike many other states, Minnesota does a great job ensuring that we have enough energy for the State.

Zahrt inquired if at any time in the Commerce process if socio-economic impacts are considered. Lee stated that no tool exists to bring in socio-economic impacts into the analysis. He stated that he is interested in the thoughts of ETAC on the need for tools in analysis. Lee reminded everyone that Commerce must follow State Statute mandates.

Evans informed that the PUC has many processes including ensuring customer’s have adequate energy for the right price. He stated that he looks to the ETAC to have recommended changes to the State Statute to think outside the box. Evans stated that an option could be a new process. Sieffert informed that the PUC looks at years of information and must apply State Statute. He encouraged the ETAC to read State Statute for direction on concerns. Hallock stated that he agrees that recommendations to State Statute are needed from ETAC.

1. Approve May 31, 2022 Minutes – Roll Call vote

Motion by McComber, second by Evans to approve the May 31, 2022 minutes as presented. Roll Call vote passed unanimously.

1. Task Force updates
	1. Community Engagement

McComber presented on:

* Best Practices: Met with Otter Tail Power. Advice:
	+ Start Planning Early
	+ Need a good process of Community Engagement. Listen to Community and their ideas, thoughts, values. Hold Community Open Houses and Stakeholder events. Change is difficult
	+ Reports are important for funding – Their reports included
		- Northeast River Reach Small Area Plant Report
		- Economic Impact Analysis – commissioned the U of Minnesota
		- Fiscal Impact Study – 7 years of planning for the City of Fergus Falls.
	+ Community Engagement past plant closure – esp with redevelopment and environmental concerns
	+ Community concerns on having enough power – need to address those concerns together – Power Plant and community
* Researching:
	+ Center for Energy & Environment
	+ Renewable Development Account
* Plan Recommendation:
	+ Funds for Community Engagement including marketing and economic impact analysis.

No ETAC comments.

* 1. Economic Diversification

Lowney presented on:

* Met on June 16– longer meetings will be held
* Researching:
	+ 2021 Energy Transition Grant. Read report from Kristin Lukes. Plan to meet with her.
	+ Pennsylvania Playbooks. Plan to meet with PA or Playbook writer on the Playbooks. Playbooks are very comprehensive, site specific, guiding principals to address the site(s)
	+ Listen to: [Coal at Sunset: The Institute for Science & Policy Podcasts : The Institute for Science and Policy](https://coalatsunset.org/)
* Points
	+ Impacted Communities lack staffing capacity for closures. Help is needed. Interest in what companies are anticipating will remain at the location, Listen to Coal.
	+ Importance of Placemaking for Economic Diversification efforts.
* Plan Recommendation:
	+ Playbooks similar to Pennsylvania for all communities that desire report. State &/or Federal funding to cover the cost.
	+ Priority for impacted communities for State funding for Broadband, Childcare and Housing

No ETAC comments.

* 1. Re-Use of Assets

McComber presented on:

* Met on June 8– longer meetings will be held
* Research:
	+ DEED Shovel Ready – many plans are needed for redevelopment, but are critical to bring in business/industry. Phase 1 environmental is completed for certification. Many Impacted cities have great redevelopment potential.
	+ Marketing of sites is important – esp maps and drone video
	+ Many interests – Company, City, etc are a part of redevelopment
	+ Redevelopment is idiosyncratic
	+ PUC has Statutory rules that requires them to approve sales of property of a power company in MN over $100,000. Xcel requested that amount to be increased to $1M. Regulation could slow redevelopment.
	+ MPCA grants for communities are for stormwater planning
	+ Reviewed impacted cities reports on their planning now and anticipated – Comprehensive plans, Capital Improvement Plans and transportation plans
* Plan Recommendation:
	+ Redevelopment is confusing a flow cart for re-development is important
	+ Planning grants is important to assist impacted communities for re-use plans. This includes environmental, infrastructure (includes: water, sewer, stormsewer, roads, bridges, etc.)
	+ ETO office to be a one-stop shop for grant information/grant opportunities

No ETAC comments.

* 1. Tax Base – Financial Assistance

Zarht presented on:

* Met on June 20– Task Force will meet twice a month
* Research
	+ Rick Evans, Xcel Energy and ETAC member presented information to on the taxes paid by Power Plants which are both real estate and personal taxes. He educated on the depreciation process.
	+ Rick will be work to have an Xcel Economic Development Staff member present at a future meeting.
	+ Desire to understand, LGA, CGA, RDA and Fiscal Disparities, tax differences from a traditional power plant and renewables (solar and wind)
	+ Transition Aid programs
	+ Sherburne County provided a list of questions that would like answers for their planning. Task Force believes all impacted communities also want these questions.
* Plan recommendations: None at this time.

Zahrt stated that the recommendations of the group are planned to be impactful and straightforward.

 No ETAC comments.

* 1. Workforce

Wozniak presented on:

* Two buckets are being explored by the Task Force. !) Directly impacted workers including Union and Non-Union. 2) Indirectly impacted workers – people that had future career plans of working at the power plant.
* Met with the Dislocated Worker program. Only 40% of dislocated workers ever use the program. Important for the company to work wit the employees to obtain higher rates of use.

No ETAC comments.

1. Executive Committee Report

Hallock presented on:

* Staff has met in person in Fergus Falls, Becker, Cohasset, Oak Park Heights, Monticello and Red Wing
* Staff is met or is meeting with virtually with all impacted counties within the Sprint
* Researching on best practices nationwide
* Coordinating Task Forces
* Next month goal is to complete Estimate of Fiscal Impact of facility requirements on local governments – Statute Requirement 116J.5496 (b) (2)
* Plan Recommendation: Continue with ETAC after plan is submitted. Will take a legislative change to State Statute 116J.5492

1. The ETAC Plan Timing & Survey– Consensus

Vita informed that the Executive Committee, Zarht and others expressed a need to have the ETAC plan completed in October. Reasons for this heightened timeline include the timing of the Becker power plant, as well as, Cohasset and Oak Park Heights. One item that is clear from all power plant closures in the US, the more time to plan, the better.

Vita discussed the timelines, task force plan, stakeholder survey, community survey all culminating to a draft to be completed September 2022. Immediately following a time for review from the communities and others to provide comments with the goal of plan approval the ETAC October meeting. Vita stated that the plan will not be perfect, but even if the ETAC met for years on the plan, it would not be perfect. Vita stated that recommendations from the task forces have already been emerging as they work hard for the October date and for the impacted workers and communities.

Vita stated that she is looking for consensus if the plan is agreeable.

Hallock stated that the Executive Committee met with Vita on fashioning a timeline with the end date/plan completion of October. He informed most of the Task Forces of this plan prior to this meeting and none expressed any concern.

McComber stated that it is important to have a comprehensive plan. Hallock stated that having workers and communities give their input on the plan is important. Zarht stated that a balance of the plan and future legislation is important. It needs to be comprehensive. He agrees with the timeline and the importance to educate legislatures and many new ones are expected. Zarht informed that the work does not end with the plan, it just changes the phase of work.

Childs stated that he supports the timing, but all Native American communities need input as all communities will be impacted.

Evans stated that he supports the plan. It is aggressive but needs need to focus on the workers and the communities. Evans stated that it is important to not be too focused.

Lowney informed that the plan needs to be reviewed by others, not just the impacted communities. Impacts are far reaching.

Evans stated that he does not see the value in a statewide survey. Hallock stated it is important to reach as many people as possible for the report. Hallock stated that it is important for the ETAC to continue beyond the plan to help advise the ETO. Sieffert reminded that the PUC is given direction by State Statute. He informed that the PUC has been very explicit on research plans being a part of the IRP process. This allows for further community input.

Consensus to continue with the plan to have the plan completed in October. No dissenting comments were heard.

Vita presented on the Stakeholder survey that was copied from Colorado. Wozniak offered many ideas to improve upon the survey to assist the ETAC. These included: adding demographics of age, gender, etc Wozniak offered her assistance to improve the survey with Hallock, Lowney and Vita. Consensus to have the four work on the Stakeholder survey and get it our to the communities as soon as possible for a goal to report at a future ETAC meeting, July if possible.

1. Discussion – Public Comment

None.

1. Mayor **Mary McComber,** City of Oak Park Heights

McComber gratefully thanked everyone for their time and coming to Oak Park Heights. She provided details on their population of under 5000 and the 2028 retirement date of the power plant. McComber informed of numerous reports that her City Council will review later that night regarding the planning for the retirement of the power plant. She stated that they used Stantec to guide an advisory group. She asked Vita to place a link on the ETO webpage to their planning documents for the ETAC to read.

1. Next meeting – July 26, 2022 at 11am, City of Fergus Falls
2. Adjourn – Roll call vote

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