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# Memo

**Date: 4/23/24**

**To: ETAC**

**From: Carla Vita, Director Energy Transition**

## RE: Minutes

### Background

Attachment A has the submitted minutes for the February 6, 2024 ETAC meeting for ETAC Board consideration.

### Recommendation

Approve minutes.

Roll call vote.

**MINUTES OF THE PROCEEDINGS OF THE**

Item 3

Attachment A

**ENERGY TRANSITION ADVISORY COMMITTEE**

**OF THE STATE OF MINNESOTA**

**REGULAR MEETING**

**HYBRID OVER TEAMS AND PHYSICALLY AT THE**

**CITY OF RED WING CITY HALL COUNCIL CHAMBERS**

**TUESDAY, FEBRUARY 6, 2024**

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 and called the meeting to order at 1:01pm at the City of Red Wing City Hall County Chambers, Red Wing, MN. Roll call was taken.

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| --- | --- | --- |
| **Representing** | **Name** | **Status** |
| **Voting** |  |  |
| Senate Majority Appointment | **Grant Hauschild** | **Absent** |
| Senate Minority Appointment | **Karin Housley** | **Absent** |
| Speaker of the House Appointment | **Josiah Hill** | **Absent** |
| House Minority Appointment | **Shane Mekeland** | **Absent** |
| Prairie Island Member | **Michael Childs Jr** | **Present** |
| Impacted Communities - County Representative #1 | **Tamara Lowney** | **Present** |
| Impacted Communities - Municipal Representative #1 | **Marshall Hallock** | **Present** |
| Impacted Communities - County Representative #2 | **Gregg Felber** | **Present** |
| Impacted Communities - Municipal Representative #2 | **Mary McComber** | **Present** |
| Impacted Worker at Impacted Facility #1 | **Mike Hoppe** | **Present** |
| Impacted Worker at Impacted Facility #2 | **Kristin Renskers** | **Present** |
| Impacted Worker at Impacted Facility #3 | **Luke Lallemont** | **Present** |
| Impacted Worker Employed by Company under Contract | **Richard Sackett** | **Present** |
| Professional Economic Development or Workforce Retraining Experience Representative | **Abigail Wozniak** | **Present** |
| Utilities that Operate an impacted Facility #1 | **Trisha Duncan** | **Present** |
| Utilities that Operate an impacted Facility #2 | **Joshua Skelton** | **Present** |
| Nonprofit Organization with expertise and experience delivering energy efficiency and conservation programs | **Alyssa Eilers** | **Present** |
| Coalition of Utility Cities Representative | **Shane Zahrt** | **Present** |
| **Non-Voting** |  |  |
| Commissioner - Department of Employment and Economic Development (or Designee) | **Matt Varilek** | **Absent** |
| Commissioner - Department of Commerce (or Designee) | **Louise Miltich** | **Present** |
| Commissioner - Department of Labor and Industry (or Designee) | **Jeremy Parker** | **Present** |
| Commissioner - Department of Revenue (or Designee) | **Jeremy Neeck** | **Present** |
| Executive Secretary of the Public Utilities Commission (or Designee) | **William Seuffert** | **Present** |
| Commissioner - Pollution Control Agency (or Designee) | **Frank Kohlasch** | **Present** |
| Chancellor - Minnesota State Colleges and Universities (or Designee) | **Rose Patzer** | **Present** |
| Governor (or Designee) | **Nicauris Heredia Rosario** | **Absent** |

DEED Staff also present: Kevin McKinnon, Mike McCrownsey, Catalina Valencia and Carla Vita

1. Welcome by Mayor Mike Wilson, City of Red Wing

Mayor Wilson welcomed everyone. Wilson informed that the work of ETAC is very important. As a former business owner, he is aware the impact of taxes on businesses and community members. Xcel Energy pays 42% of the city’s tax base. He stated that Red Wing is watching what is occurring in Oak Park Heights closely. They are also aware that Xcel Energy is planning to extend the power plant in Red Wing.

Wilson stated that the Minnesota State Legislature got it right to create ETAC. He has seen transition of many types in business and industry, so he is aware that we all must move forward. The thanked ETAC for looking out for Red Wing.

Hallock stated that power plants are an important asset to communities. He stated that is why ETO and ETAC exists to ensure that workers and communities that are impacted by the closures are not left behind.

1. Approve October 25, 2022 Minutes – Roll Call vote

Motion by McComber, second by Childs to approve the October 25, 2022, minutes as presented. Roll Call vote passed unanimously.

1. ETAC Member Introductions

Each ETAC member in attendance provided a brief introduction of themselves.

1. Updates
	1. MN Power updates

Josh Skelton, MN Power and ETAC member, informed that MN Power has a vision to be carbon free by 2050. He informed that the last IRP (Integrated Resource Plan) was approved. In that IRP, Boswell (power plant MN Power owns in Cohasset) will cease operation and renewable generation will be increased. MN Power is exploring the future assets at Boswell.

Skelton informed that 2025 is the next IRP for MN Power. Skelton stated that stakeholder meeting will start soon on the IRP.

Hallock inquired if ETAC ought to be aware of any updates regarding the 2025 IRP. Skelton indicated that the 2025 IRP will discuss what comes next after the 2023 IRP including how to meet the electric generation needs.

Hallock asked for information on Woody Bio-Mass. Skelton informed that the region has abundant natural resources. They are investigating the role of bio-mass for electric generation. The future on this generation is unclear. Lowney stated that important conversations are occurring regarding bio-mass electric generation. She stated she would send Vita information on the topic. Skelton informed that MN Power is looking at all means of electric generation.

* 1. Xcel Energy updates

Duncan stated that on February 1, 2024 the latest Xcel Energy IRP was filed. Duncan informed that 2023 SHERCO coal power plant in Becker had a unit close. She informed that Xcel has no plans to lay-off employees with the power plant closures.

Duncan informed that the new IRP is expanding on the last IRP. They are planning to expand the use of wind, solar, extend the licenses for Monticello and Prairie Island nuclear plants, battery storage and natural gas generation to back up wind and solar. They are also building on energy response programs.

McComber inquired to the Wisconsin biomass project. Duncan stated she would check into the matter and let her know. Childs educated that he has connections to the tribal people that might have interest. Childs also informed that the last legislative session saw changes on nuclear. Duncan informed that the new IRP is asking to extend the nuclear timeline of both plants. Hallock clarified that the legislative action was to remove nuclear from clean energy, but that did not materialize.

Hallock inquired to any updates to South Dakota’s request to MN PUC to keep coal plants open longer. Duncan stated she was not prepared for this question.

Wozniak asked if the workforce data on SHERCO is sharable. Duncan said yes and she would get the info out.

* 1. ETO updates

Vita provided high level updates to work that has been and is planned for the Energy Transition Office.

* 1. Lowney – Just Transition Grant update

Lowney informed that she attended the Just Transition national meeting in the fall. Two Build Back Better programs were announced. She stated that the two locations received the funds due to working together. Lowney stated that planning and strategic work is needed for a successful future.

Lowney informed that IEDC and others in her area are working along side MN Power on their IRP. Renskers is on the committee. The goal of their Just Transition work is to plan what the community will look like, not a scare tactic. Innovation and growth are important. Lowney informed that half of her Just Transition Task Force does not understand the implications of the power plant closure and this is excited to get their perspective.

Lowney informed that her Just Transition task force will have 5 task force meetings. They will have speakers from PUC, ETO and other states. Then they will create a plan. She will update ETAC on the progress and process. She stated that this work will assist them in pursuing Federal and State money to the area.

Lowney informed that she is planning a Summit. She is working with Leach Lake and MN Power. She will be looking to MN State Departments to provide advice.

Lowney indicated her excitement and wants others to learn from their work. Hallock stated that he is excited to learn about their project and to learn from them. Lowney stated that communication and reducing fear is important.

* 1. Emerging Issues

Hallock opened stating that the previous work was completed with the ETAC plan. He inquired to how the plan is working; is it effective; and if any new emerging issues exist?

Hallock educated that the Department of Revenue is exploring options to remove power plants from the property tax base. February 9 a video will be released with information on the issue. March 9 feedback collection ends. In March stakeholder meetings will occur. He stated that the work, as he understands, would be for a new legislative tax proposal, but he will learn more in the future with the video and stakeholder meetings. Hallock indicated that ETAC needs to review the proposal. Continuing he stated that removing properties from property taxes is problematic.

Lowney stated that an emerging issue in her part of Minnesota is “Woody Bio-Mass.” She inquired to how this type of project is reviewed. Is it considered carbon-free? How will it be modeled? Lowney informed that how the project is classified is important. She then offered to partake in the task force.

Hallock stated that ETAC has a variety of people with different backgrounds that we all can learn from each other. He inquired is anything is missing. Hallock stated that emerging issues ought to be gathered and brought forth to ETAC for their consideration.

Childs informed that Minnesota tribes have issues with electric reliability. Childs stated that issues are more than just taxes, but includes jobs and other power issues. Childs stated that the Tribal advocacy Council was created by the legislature last year and will be starting. Childs informed that some tribes use bio-mass and can assist with their knowledge.

Felber informed that he was in Oklahoma recently and learned about biomass. The people their had success with the energy generation.

Sackett questioned Woody Biomass. He inquired to whether ETAC ought to bring more than just one item to the legislature. Sackett stated that MN Power and Xcel Energy should provide input on this energy production.

Hallock inquired if ETAC should be involved? If so, how? Hallock stated that consensus is needed on issues and how to address the issues. Lowney inquired if a vote is needed to create a task force.

Hallock asked the Committee if a task force should be pursued and if so, the structure. Lowney said that a task force should be created.

Skelton educated that Tamara is working on community planning. Time is of the essence. Lowney state that carbon-free legislation is going to make this more important and that identifying issues will allow ETAC to move faster.

Zahrt inquired to how ETAC wants to work between meetings. What makes sense? He used the task forces used for the ETAC plan. How the task forces took on huge items, researched and then provided their research to the full ETAC. He stated that a task force allows more engagement.

Lowney stated that the Chair and ETO Director should determine the layout of the task force. Hallock stated that each ETAC member brings information and knowledge that is better and individual people. Lowney stated that advice to the state is important for ETAC to provide.

Motion by Lowney, second by McComber to create an Emerging Issues Task Force of ETAC.

Hallock stated that things are happening fast. McComber stated that better communication is needed from State Departments. Childs informed that things get “shoved in” at the last moment. He questioned if the task force is within the scope of ETAC. He inquired if the ETAC plan was used? He continued that he feels that the plans and the expertise within was not taken into consideration. For example, the plan states the need for tribal governments and impacted communities for capacity.

Hallock requested that all ETAC members educate on emerging issues that should be considered. The items will be reviewed by the committee and brought forth to ETAC.

Volunteers for the Task Force: Childs, Duncan, Felber, Hallock, Lowney, McComber, Patzer and Zahrt. Unanimous approval by consensus. The meetings will be via TEAMs with Vita coordinating.

1. Consider Adding a School Representative to ETAC – Roll Call Vote

Vita presented an idea of adding a K-12 representative to on ETAC. DEED’s legislative liaison is willing to complete the work and provide the request to the State Legislature.

Childs stated that K-12 schools will/are impacted and the suggestion is valid. However, he inquired to if other additions to ETAC are needed? Hallock stated that each member’s role on ETAC is identified within Statute, to add another member, Legislative change is needed. Childs stated that a tribal voice on energy is needed.

Motion by Childs, second by Lowney to add a K-12 representative to ETAC.

Wozniak inquired if the position would be voting or non-voting. Vita stated that staff is recommending voting. Wozniak inquired to what knowledge a K-12 member could bring that is not already on the Board. Eilers stated that ETAC has an even number and adding another voting member for a possible split vote might be good. Zahrt indicated that his preference is non-voting and that another role without a voice on ETAC is the Department of Education. Zahrt informed that school funding is complicated. Hallock stated that he is willing to add a school perspective to ETAC. Hallock inquired to all ETAC voting members if they had a preference of voting to non-voting and all but Wozniak indicated no preference.

Motion amendment request by Hoppe to have the K-12 position non-voting. Motion passed unanimously.

1. ETAC Plan Updates
	1. Transition Aid Presented by Shane Zahrt

Zahrt presented a power point on transition aid. The legislation was requested by the Coalition of Utilities due to their concerns on the loss of tax base with power plant closures. The legislation covers cities, counties, townships and schools in which a coal, nuclear or natural gas unit is located.

Zahrt stated that he met with the Department of Revenue (DOR) and they are looking at retroactive plants. 4 meet this criteria. 2023 closures will be picked up in 2024. A difference in timing exists from the time a plant retires and when the tax base is impacted.

Zahrt stated that the stated assessed property is being evaluated by the Department of Revenue and is not for legislative action this year. DOR is planning to take in information and feedback. Zahrt stated that if assessed value changes, then transition aid might need to be revised.

* 1. Community Energy Transition Grants Presentation by Mike McCrownsey

McCrownsey presented on the legislation, last grant round, that Granite Falls and Fergus Falls were awarded grants, and that the next grants will be forthcoming and will be rolling.

Zahrt informed that the Coalition of Utility cities number one ask last year was for transition aid. The number 2 ask was for funding for grants. Both were in the ETAC plan. The State Legislature took action on both.

Hallock stated that the grant program is great. In the past Oak Park Heights and Monticello received funds.

* 1. Impacted Community Updates - Vita

Vita provided updates.

1. Community Energy Transition Grant – 1 ETAC Committee Member Volunteer

Vita presented the request. After robust conversation on whom did not have a conflict or perceived conflict of interest, Eilers volunteered.

1. Next Meeting – Date, Time

ETAC determined that a e-poll should be created by staff to find a preferred date. Concern that 3 months is May which is very busy for legislative items and those that present to the legislature. Childs reminded all that the Emerging Issues Task Force would be meeting between ETAC meetings.

McComber requested that meetings do not occur on 2nd Tuesdays and to consider drive time.

1. Adjourn – Roll Call Vote

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