

Memo

Date: 8/21/24

To: ETAC

From: Carla Vita, Director Energy Transition

RE: ETO Updates

Updates

- Newsletter started
- Strategic Plan
The ETO with the gracious and brilliant help of many others (see the attachment) prepared a plan to propel the office forward. Staff has been implementing many items from the plan. Just a few:
 - 1) State Dept updates on ETAC agendas
 - 2) ETO and each State Dept check-ins
 - 3) All community check-ins involve a Business Development Manager, Workforce Strategy Consultant, Environmental Quality Board Staff, ETO Grants and myself. A full triage of assistance for any community concerns.
 - 4) Work from DEED Business Development to bring businesses to impacted communities.
 - 5) Worker sub-committee created
 - 6) Stakeholder events – RMI in October, then on-going with Blandin
 - 7) More info on the ETO webpages
 - 8) Library is growing – weekly
 - 9) Research on national models
 - 10) ETO is attending Xcel and MN Power IRP mtgs
 - 11) Continuing to find stakeholder mtgs
 - 12) ETO at many more Federal and regional meetings, learning opportunities
 - 13) Started a newsletter

-Note: The implementation planning is on on-going process. Always looking to improve and enhance
- REE – staff attended the meeting. July newsletter has info on the meeting.
- BRECC – Colorado – Staff participated in the learning. July newsletter has more info
- ETO is leading the coordination to bring the Rocky Mountain Institute to MN. See the invite attachment for more info. For impacted communities, we are working with Blandin for after event convenings to assist the communities in working together, learning from each other, but also to ensure that they are using the information to assist their community.

Attachments:

- Strategic Plan Document
- RMI Invite

The background of the slide is a night sky filled with stars. In the foreground, several high-voltage power lines stretch across the landscape, glowing with a bright blue light. The lines are supported by a large lattice tower in the center-left and several smaller towers in the distance. The ground is dark, with a silhouette of a forest or field.

Energy Transition Office Strategic Roadmap

MN Department of Employment and Economic Development

April 2024

SUMMARY

Introduction

In early 2024, the Energy Transition Office, established in 2021 and under the leadership of director Carla Vita, undertook a strategic planning effort facilitated by the Customer Innovation team. Over a series of workshops, ETO staff and representatives from impacted communities across the Minnesota defined the **current reality** in which the office operates, established a **shared vision**, identified **obstacles**, and developed **strategic directions** to guide the overall work of ETO.

Our Current Reality (Page 3)

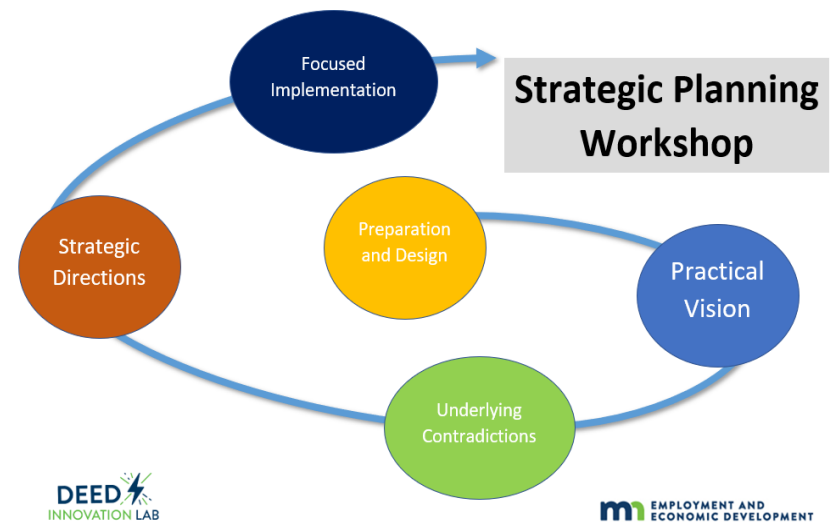
In The Wave activity, participants contributed ideas of events and trends related to energy transition. This activity generated a shared awareness of the current environment and what things will affect ETO's work either now or in the future. This shared awareness grounded the remainder of the workshop, helping participants build a vision, understand barriers, and develop strategic directions rooted in the reality in energy transition.

Our Shared Vision (Pages 5 & 6)

Participants worked together to develop an inspirational vision for what the future could look like based on ETO's efforts. The workshop centered around a focus question: "What do we want to see in place in 3-5 years as a result of our actions?" By having participants collaborate to answer this question, ETO ensures it has a vision that reflects the collective aspirations of communities and stakeholders across the state and ensures a shared commitment to the elements of the vision they outlined together.

The four vision elements the group formed are:

- Statutory seat-at-the-table in Energy Transition
- Identified process for impacted parties to realize successful energy transition
- Trusted partner, conduit, and advocate for increased collaboration
- Direct hands-on support and resources to help impacted parties navigate their transition



Our Barriers (Page 6)

In strategic planning, organizations sometimes avoid important discussions about obstacles, barriers and underlying contradictions. In so doing, they overlook deep-seated structures that could derail a well-crafted strategic plan. To ensure that ETO's strategic plan both considers and plans for barriers that could undermine the office's efforts, participants undertook an intentional conversation focused on the question "What is blocking us from moving towards our vision?"

The main obstacles that surfaced are:

- Success requires transparent, coordinated action from multiple parties
- Lack of knowledge, capacity, vision, and readiness within communities
- Disparate needs, funding, capacity, and readiness

Our Strategies and Goals (Page 7 & 8)

With both a shared vision and an understanding of potential obstacles in hand, participants then turned to developing a set of strategic directions to guide ETO's work. Strategic directions help focus an organization's efforts towards their vision while accounting for how to overcome potential barriers.

Participants identified four major strategic directions:

- Ensuring economic vitality
- Cultivating collaborative relationships and empowering communities
- Securing a seat at the table to inform and educate decision makers
- Tracking progress and delivering wins

Next Steps: Implementation Planning (Upcoming workshop May 1, 2024)

ETO's strategic planning efforts will culminate in a final workshop in late April where participants will develop an action plan for the next year. The workshop will help identify major first-year accomplishments for each strategic direction, plot them on a timeline, and create a 90-day quarterly implementation plan.

Our Current Reality (“The Wave” Activity): What is going on around us that we need to pay attention to?

On the Horizon	Emerging Swell	The Crest	Undertow	Trough
<ul style="list-style-type: none"> • Helium • AI (Artificial Intelligence) • Sustainable Aviation Fuels • Algae as biofuel • Community benefits agreements • Integrated energy solutions • Wage supplements, health care benefits • Energy storage • Carbon markets • Early retirement • Hydrogen drilling • Reuse of coal facilities, biomass, storage and nuclear • Incentives for employee retention • IRPs before PUC currently • Changing energy landscape controlled and implemented by the State. Impacts of priorities have consequences – such need to be addressed so no party is harmed (employee, community) • Base load plants have and will continue to retire. • Employees and communities will be negatively impacted by plant closures. • Employees and communities need to act now to ensure their respective interests are addressed in the changing energy environment. • Setting transmission lines • Opportunities to streamline regulation. 	<ul style="list-style-type: none"> • Thermo nuclear • Green steel • Biomass • Apprenticeships • Clean energy workforce development and training • Green hydrogen • Community solar projects-rural areas • Circular economy practices • Workforce development and green jobs • Geothermal applications • Growth of regional industry coalitions-groups, overlap and distinctions. • Building code (energy improvements) • Transmission infrastructure expansion and community impacts • Long-duration energy storage • Quantifying energy-related societal benefits/costs • Ensuring energy reliability • Affordable energy costs • Unrealistic EV range in MN climate and real-world driving • Raw materials for energy transition affects tribe from extraction to disposal. • Paradigm and positive change at PUC. PUC is ordering utilities to meaningfully address the impacts of the energy transition. • Regulatory authorities and lawmakers recognize impacted parties and are willing to work with them to address concerns. • That impacted parties can organize, collaborate, and have a voice in decisions. • Bridging silos and evaluating technical feasibility of solutions. 	<ul style="list-style-type: none"> • Nuclear • Solar power • Wind power • Coal / Natural gas • Increased energy needs • Power plant worker retraining • Extension of unemployment insurance • Public/private transition coordination • EV infrastructure • Energy efficiency standards • Partnership models • ETO periodic check-ins with impacted communities, counties, worker groups to find out what is new or evolved to assist with trending needs. • Energy transition office: ability to streamline and coordinate at the State level. Ability to directly participate and lead efforts addressing energy transition and impacts. • Spent nuclear fuel and dry cask storage. Fed failures, demise of Yucca Mountain, 5th Circuit Court all signal the need for state and local solutions to hosting Independent Spent Fuel Storage permanently. • Relationships, critical to any successful endeavor • Research with other impacted communities, in US and within MN. Learning from each other • PUC IRP process – addresses stakeholder concerns. PUC orders extremely important. They aid in addressing socioeconomic and other concerns. • Sustainability and long-term reliability • Transition to renewables is driving energy costs up, making MN less competitive • Macroeconomic problems 	<ul style="list-style-type: none"> • Legislative handcuffs • Regulatory deadlines • Coal • Permitting quagmire • Transmission grid status • NIMBY-everything • Connecting private capital and local communities • Legacy contamination • Fossil fuel subsidies • Fossil fuel rhetoric: jobs and economy dependent • Inadequate consultation / problem-solving with impacted communities • Aging nuclear plant safety • Unrealistic technology expectations; renewables, storage, new nuclear, other • Complicated federal funding processes. Takes money, time, and will fed funds continue? • Communication – important to all. How to improve info to and from ETO • Impacted parties have significant challenges identifying, understanding, and obtaining the widely disbursed (Fed, state, local, other) resources intended to assist them. • Keep plant workers until closure. • Existing workers generally not qualified for trades work. • No well-articulated and documented planning for impacted to parties to use to participate in the PUC processes or address the changing energy landscape. • Quantity/quality of green energy jobs lower • The utilities: they have not proactively or independently addressed negative consequences of energy transition in MN as in CO. They respond to PUC orders. • Geographic limitation for rural plant communities • Unknown IRP outcomes • Lack of communication from authorities regarding their processes, how impacted parties may participate, and what the authorities’ powers are. • Confusion on green energy (ex: does biomass count) • Global economy (other countries subsidize differently) • Historical patterns of resource extraction, especially on Native lands 	<ul style="list-style-type: none"> • Effortless, smooth, economic transition • Economy OR Environmental OR Community • Coal • Though highly relevant, high-quality jobs and tax base are disappearing • Plants are disappearing quicker than the time to adequately plan and address the issues created by the closures.

The Wave Discussion:

If we made this wave 10 years ago, what would be different?

- Energy Transition discussions were just beginning
- Previously, Public Utilities Commission was not integrated into the process, now it is more and more regularly included
- Excel Energy announced the first decommissioning of a plant 10 years ago
- Sherco,, coal-fired power plant, was the first plant to be decommissioned before the end of its operating license

If we made this wave 10 years in the future, what will change?

- Fossil fuels will continue to get more expensive, driving more interest in other energy sources
- More hydro, wind, and solar plants
- Grid refinement
- Interest in battery technology with ensuring battery manufacturing and supply
- Sourcing and retirement of green energy infrastructures such as solar panels and wind turbines
- Other states adopting Minnesota's model in providing advance notices for plant retirements

Our Shared Vision: What do we want to see in place in 5 years as a result of our actions?

#AtTheTable	#SuccessfulTransitions	#InformAndSupport	
Statutory seat-at-the-table in Energy Transition	Identified process for impacted parties to realize successful energy transition	Trusted partner, conduit, and advocate for increased collaboration	Direct hands-on support and resources to help impacted parties navigate their transition
<i>As illustrated by:</i>	<i>As illustrated by:</i>	<i>As illustrated by:</i>	<i>As illustrated by:</i>
<ul style="list-style-type: none"> Legislative adoption of ETO recommendations bipartisan Streamlined permitting process ETO engaged at PUC Local control Continued federal bipartisan support (stable funding, lessons learned and policy) Continuity of ETO's mission Always involved in IRP process Required collaboration between state departments Mandatory and regulatory outreach to impacted parties Build bipartisan support for transition solutions 	<ul style="list-style-type: none"> Community vitality vs. tax base replacement as a measure of success Additional grant and loan programs Job creation Broader coalition (more organizations see themselves as part of energy transition) Tax revenue replacement Employees made whole (wrap around supports) Planning grants implemented Find equitable balance between community input and NIMBY gridlock Continued funding for ETO 	<ul style="list-style-type: none"> Visible and available (ETO is known) Communication: transparent, honest, open, and timely Supporting plan diversification Model sharing Playbooks available for various scenarios 	<ul style="list-style-type: none"> ETO: clearing house, direct active participation (not reinventing the wheel) Enhanced assistance to write, administer, and comply with the grants (ID partners) Technical assistance and hand holding Enhanced emphasis on connecting resources (grants, financing, more staff, TA) Act as energy clearinghouse for all state (all projects)

Participants: Klara Beck, Michael Childs, Jr., Shayla Drake, Jon Grosshans, Marshall Hallock, Don Hickman, David Heyer, Mary McComber, Mike McCrownsey, Kristin Renskers, Brett Skyles, Catalina Valencia, Carla Vita, and Shane Zahrt

Facilitators: Jocelyn Rousey and See Yang
Created: March 18, 2024



Our Barriers: What is blocking us from moving towards our vision?

Success requires transparent, coordinated action from multiple parties	Lack of knowledge, capacity, vision, and readiness within communities	Disparate needs, funding, capacity, and readiness
<i>As illustrated by:</i>	<i>As illustrated by:</i>	<i>As illustrated by:</i>
<ul style="list-style-type: none"> • Siloed expertise among state agencies • Some changes require legislative action. Difficult position and ETO to be an advocate • Silos (projects in community, information sharing, flow of information) • Lack of role for ETO at PUC • Moratorium on alternate fuel sources (Ex: nuclear) • Uncertainty of tax revenue replacement • Divided state department stances • Powerful and monied vested interests • Lack of clarity on status of replacement resources under MN 2040 plan • Energy transition still new • Divided politics • Permitting timelines • State and local control 	<ul style="list-style-type: none"> • Fear of change • Lack of community vision • Lack of clarity from utility companies (uncertainty of utility company expectations) • (False perception that) “the state has a political agenda” • All or nothing mentality • Strategic planning: urgency vs. plan is never done vs. we can modify plan as new info or opportunities are revealed • Varied levels of understanding among key holders • Dissatisfaction and mistrust – you can’t please everyone all the time • Loss of identity (ex: not being known for the plant that has existed for a long time) • Capacity for both ETO and community • Complete understanding of needs 	<ul style="list-style-type: none"> • Constant changes impacting effectiveness and timeliness of ETO’s support • Solutions require combination of technical, community, and people skills (complexity) • Geography impacting jobs and business types • Capacity (ETO and communities) • Different impacts results in different levels of support • Lack of funding for outreach • Conflicts of interest (grantmaking, neutral party) • Striking perfect balance between being too supportive or too intrusive • Individual, divergent interest across impacted communities



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Our Strategies & Goals: What innovative, substantial actions will deal with the underlying contractions and move us toward our vision?

***Items flagged as priority or key actions for ETO to implement**

Economic Development	Workforce
<ul style="list-style-type: none"> • Leverage Business Development team – promote communities and business attraction, retention, and expansion • Continued/increased funding for business recruitment • Interstate agency readiness to respond to plans (develop & prime relationships) • Broadened tax base and increase economic diversity* 	<ul style="list-style-type: none"> • How can we make workers whole* • Leverage workforce strategy consultants to support impacted communities and workers • Form worker subcommittees* • Utility tax credit for employee retention • Employee economic security

Ensuring economic vitality

Education & Technical Assistance	Community Engagement
<ul style="list-style-type: none"> • Continue regular stakeholder events (ex: summit) • Device tool channel to provide tech assistance to community • Build playbooks based on different types of community • Strengthen ETO’s web portal to build an interactive resource and information tool • Standard materials develop to build basic knowledge and spell out consequences of inaction ... with extra credit for depolarizing language • Maintain and grow library • Identify technical assistance • Develop playbook 	<ul style="list-style-type: none"> • Quarterly 2-way feedback community plan meetings and email blasts • Place-based: reminding energy communities that they belong to the same community • Share case histories from across the country regarding successful transition as well as lessons learned including unintended consequences • ETO hosted cross community sessions with support information packs* • Create sister cities or transition mentors, if nothing else it helps to know you’re not alone or the first to do this* • National models: CO, BRECC, Just Transitions • Request local state legislators to host community ETO events • Broaden coalition host briefings for third parties to support

Cultivating collaborative relationships and empowering communities

Statutory & Regulatory

- Define roles and responsibilities for stability and predictability
- Include PUC commissioner in planning (make more engaged)
- Legislation: ETO in PUC IRP, ETO funding
- Participate in IRP process
- State of MN coordination and support for ETO
- Intervener or some role with the PUC
- Formalize ETO's role at PUC*
- Become aware and attend stakeholder meetings
- Look at tax code in MN to find possible different ways to fund local government

Results

- How is ETO progressing?
- Creating metrics and tracking progress
- Wins and recognitions

Securing a seat at the table to inform and educate decision makers

Tracking progress and delivering wins



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Facilitators: Jocelyn Rousey and See Yang

Created: March 19, 2024

SAVE THE DATE!

Mobilizing Climate-Aligned and Community-Led Capital

MONDAY, OCTOBER 28TH, 1 PM –
WEDNESDAY, OCTOBER 30TH, 4 PM

DEED's Headquarters • 180 East Fifth Street, St Paul MN 55101
James Hill Theater, First Floor off the lobby



Space is limited.

This three-day, in-person convening will prepare Minnesota stakeholders to maximize the local benefits of the Greenhouse Gas Reduction Fund (GGRF) and other relevant federal funding for clean technology projects. Training will include types of eligible clean technology projects and relevant financing considerations, enabling attendees to begin to evaluate how to ready local institutions to leverage these opportunities. It will also provide specifics on ensuring employment, skill-building, and other economic benefits flow to communities for impact beyond emissions reductions. Through panels, instructive sessions, and interactive discussions, this event will provide a platform for collaboration, relationship-building, and multi-stakeholder alignment on high impact uses of GGRF in Minnesota.

Attendees will include Minnesota Community Development Financial Institutions (CDFIs), Economic Development Organizations (EDOs), business and workforce associations, and other stakeholders with key roles in leveraging GGRF capital.



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More information and registration link will be coming soon!

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