



Energy Transition Advisory Committee

City of Oak Park Heights & Virtual - June 28, 2022

Impacted Community- Coal Plant

Agenda

- 1) Call to Order and Attendance
- 2) Presentation by Briggs White, Deputy Executive Director Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization
- 3) Presentation on Minnesota's Power Plant Communities: An Uncertain Future – Audrey Partridge, Director of Regulator Policy, Center for Energy & Environment
- 4) Presentation MN Dept of Commerce presentation – Kevin Lee, Deputy Commissioner Energy Resources Division
- 5) Approve May 31, 2022 minutes – Roll Call vote
- 6) Presentation MN Task Force Updates
 - a) Community Engagement
 - b) Economic Diversification
 - c) Re-Use of Assets
 - d) Tax Base
 - e) Workforce
- 7) Executive Committee Report
- 8) The ETAC Plan Timing & Survey – Consensus
- 9) Discussion – Public Comments
- 10) Mayor Mary McComber, City of Oak Park Heights
- 11) Next Meeting – July 28, 2022 at 11am, City of Fergus Falls
- 12) Adjourn – Roll call vote

Energy Transition Advisory Committee

Purpose

The Energy Transition Advisory Committee is established to:

- Develop a statewide energy transition plan
- Advise the governor, the commissioner, and the legislature on transition issues, established transition programs, economic initiatives, and transition policy.

Minnesota Energy Transition Advisory Committee Meeting



**Interagency Working Group on Coal and Power Plant
Communities and Economic Revitalization**

Briggs White, Ph.D.

Deputy Executive Director

Coal & Power Plant Communities & Economic Revitalization



- The Interagency Working Group (IWG) was established by Executive Order 14008, Sec. 218, on Jan. 27, 2021
- The IWG released an Initial Report with recommendations to catalyze robust economic activity and support workers in America's energy sector

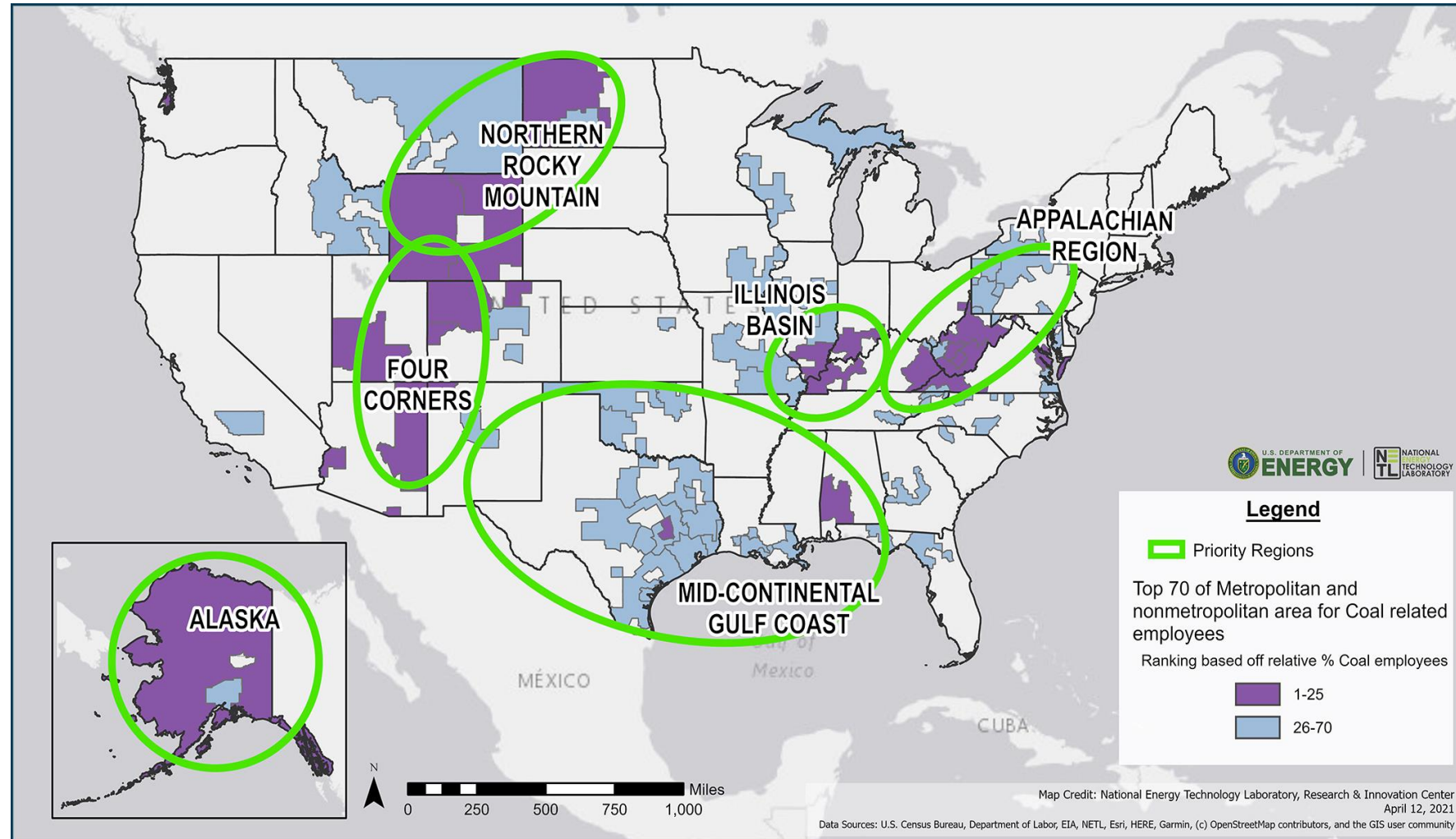


Initial Report to the President on Empowering Workers Through Revitalizing Energy Communities, Released April 23, 2021

Initial Report to the President



- Identified **25** priority Energy Communities
- Coal communities identified as immediately challenged



Getting More Funds, to More Places, More Quickly



Upgrade
Infrastructure



Clean Up
Environmental
Damage



Promote
Entrepreneurship



Support Workforce
Development

Bipartisan Infrastructure Law (BIL)



Bipartisan Infrastructure Law contains numerous provisions important to Energy Communities

- IWG agencies are preparing **more than \$100 billion** of infrastructure investments and funding opportunities in areas such as:



Funding Opportunities in the Clearinghouse



We are delivering federal resources to help revitalize America's energy communities

GET FUNDING

Find out what your community or organization might be eligible to receive in grants, loans, technical assistance, or other support

[EXPLORE FUNDING CLEARINGHOUSE](#)

125 Open/Planned Opportunities Currently Available <small>(Last updated: 6/2/22)</small>	50 Opportunities Don't Require Matching Funds <small>(Last updated: 6/2/22)</small>	\$210B+ Open/Planned Funding Available <small>(Last updated: 6/2/22)</small>	 Learn about new Bipartisan Infrastructure Law funding →
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\$210B+
Value of Open/Planned
Opportunities



Interagency Working Group on
Coal & Power Plant Communities
& Economic Revitalization

What does the Bipartisan Infrastructure Law
mean for Energy Communities?

See how billions of dollars in new funding can benefit your hometown

125
Open/Planned
Opportunities

12
Agencies
Represented

50
Opportunities w/
no cost share

\$5.5+ billion in funding awarded to energy communities to date



IWG Priorities



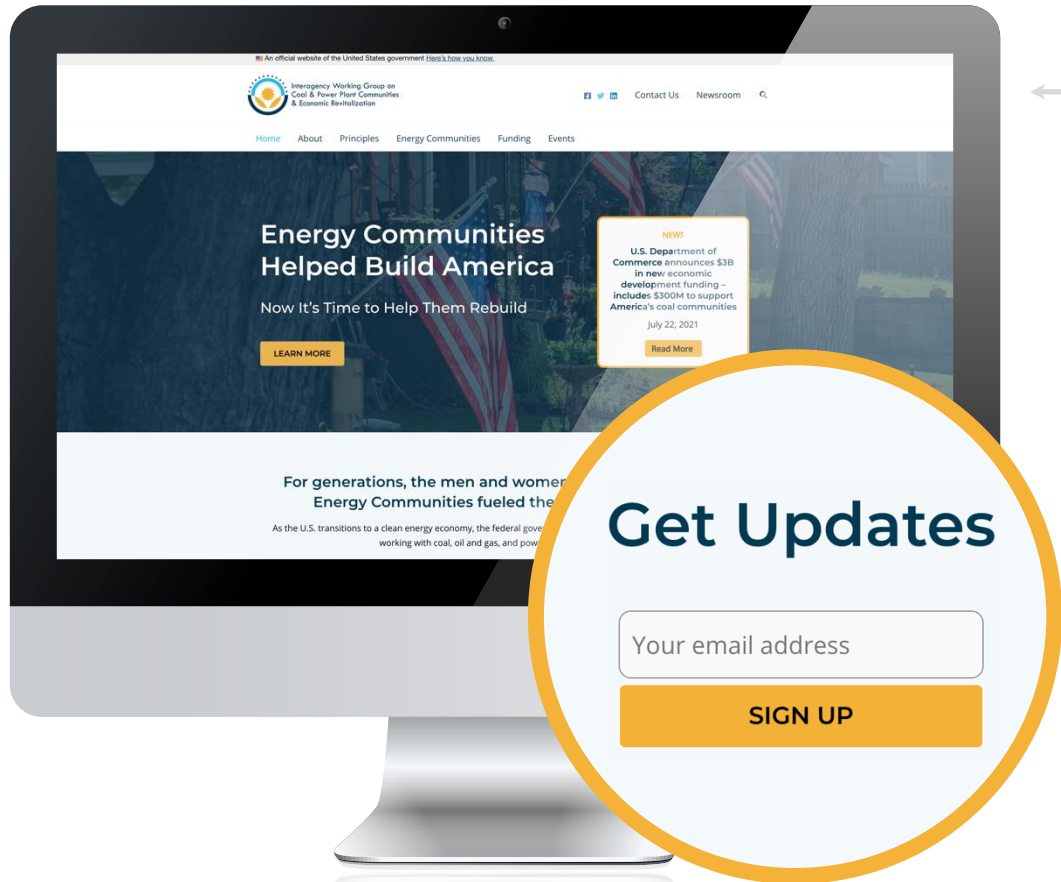
Activities Thus Far

- ◇ Launched online clearinghouse of federal funding opportunities
 - ◇ Includes \$100B+ from the Bipartisan Infrastructure Law
- ◇ **20+** – in-person and virtual workshops to increase awareness and lower barriers to funding
 - ◇ Topical and place-based webinars
- ◇ **7300+** – stakeholders in the database who receive regular communications from the IWG

Looking Ahead

- ◇ Launch online “one-stop shop” for energy communities to access funding opportunities government-wide

Sharing Information: IWG Website & Social Media



[energycommunities.gov](https://www.energycommunities.gov)



@EnergyComm_US



@EnergyCommunitiesUS



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Thank you!

Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization



EnergyCommunities.gov



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[@energycommunitiesus](https://www.linkedin.com/company/energycommunitiesus)

June 28, 2022

MINNESOTA'S POWER PLANT COMMUNITIES: AN UNCERTAIN FUTURE

Audrey Partridge

Director of Regulatory Policy

CEE's Mission and Values

To discover and deploy the most effective energy solutions that strengthen the economy and improve the environment.

WE STAND FOR

- ✓ Collaboration
- ✓ Community
- ✓ Science
- ✓ Expertise
- ✓ Integrity
- ✓ Equity

Host Community Study Context

- Over half of Minnesota's electric generation is eligible for retirement in the next 20 years.
- Changing economics, aging infrastructure, and environmental policy are driving a decline in centralized power plants – especially coal-fired plants.
- Minnesota's host communities and power plant workers face significant uncertainty around the state's energy transition

Two Separate Studies

- CEE's Minnesota Host Community Study
 - Planned and scoped with community representatives
 - Included interviews, surveys, data, overview of relevant policies, and national case studies
- University of Colorado at Boulder Minnesota Utility Economic Impact Study
 - Used a net analysis to compare different retirement scenarios to previously approved retirement dates.
 - Shows direct and indirect dollar and jobs impact of plant retirement scenarios for state and county

<https://www.mncee.org/power-plant-transition-host-communities>

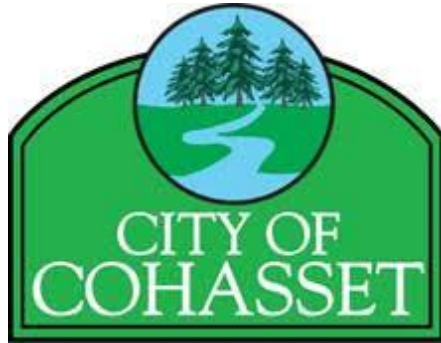
Power Plants Studied



About the Power Plants

Community	County	Power Plants	Utility Owner	Fuel	Year Built	Estimated Retirement
Becker, MN	Sherburne	Sherburne County Generating Station 1, 2, 3	Xcel Energy	Coal	Mid-1970's, 1987	2023, 2026, 2030 (unit respective)
Cohasset, MN	Itasca	Boswell Energy Center 3, 4	Minnesota Power	Coal	1973, 1980	2035, 2036 (unit respective)
Monticello, MN	Wright	Monticello Nuclear Generating Station	Xcel Energy	Nuclear	1971	2040
Oak Park Heights, MN	Washington	Allen S. King Plant	Xcel Energy	Coal	1968	2028
Red Wing, MN	Goodhue	Prairie Island Generating Station 1, 2	Xcel Energy	Nuclear	1973, 1974	2033, 2034 (unit respective)
Prairie Island Indian Community						

Minnesota Host Communities



Minnesota Host Communities



About the Communities

Community	Community Population	County	County Population
Becker, MN	4,800	Sherburne	94,600
Cohasset, MN	2,700	Itasca	45,200
Monticello, MN	13,600	Wright	134,286
Oak Park Heights, MN	4,900	Washington	256,348
Red Wing, MN	16,500	Goodhue	46,304
Prairie Island Indian Community	200*	Goodhue	46,304

*Approximately 200 tribal members live on the Prairie Island Indian Community reservation. There are approximately 1,000 members of the Prairie Island Indian Community in total.

Plant Contribution to Tax Base, %

Community	Becker	Cohasset	Monticello	Oak Park Heights	Red Wing	Prairie Island Indian Community
City	75%	69%	56%	38%	54%	0
County	15%	13%	9%	<1%	22%	0
School District	57%	19%	46%	5.3%	47%	0

Contributions to the State and Regions

- Local Government Aid
 - MN state policy that provides property tax relief
 - Host communities receive little to no LGA funding
- Fiscal Disparities
 - MN has two fiscal disparity Metro and Iron Range
 - Program to share property taxes from commercial and industrial development with region
 - Currently the power plants are large contributors

Minnesota Power Plant Workers

- Electricians
- Pipefitters
- Boilermakers
- Laborers



Laborers'
International
Union of
North America

LIUNA!

Feel the Power

Average Jobs and Wages at Plants

Power Plant	Number of Jobs	2018 Average Annual Base Wages per Power Plant	2014–2018 Minnesota Median Household Income (2018 Dollars)
Sherburne County Generating Station	301	\$88,556.39	\$68,411
Boswell Energy Center	170	\$88,317.25	
Monticello Nuclear Generating Station	460	\$108,990.86	
Allen S. King Generating Station	87	\$92,830.97	
Prairie Island Nuclear Generating Station	600	\$109,023.41	

^[1] "Minnesota Compass." U.S. Census Bureau. Accessed January 28, 2020. <https://www.census.gov/quickfacts/fact/table/MN/INC110218#INC110218>

Union Jobs at Plants

Power Plant	International Brotherhood of Electrical Workers	Building Trades	Total Permanent Unionized Plant Workers	Short-term Maintenance Workers
Sherburne County Generating Station	250	50	300	150–200
Boswell Energy Center	116	0	116	10
Monticello Nuclear Generating Station	185	15	200	230
Allen S. King Generating Station	75	10	85	75–100
Prairie Island Nuclear Generating Station	322	69	391	230

Findings and Conclusions

Findings and Conclusions

- Power plants play an important role in building vibrant, stable communities in Minnesota.



Findings and Conclusions

- Minnesota's host communities are currently pursuing a range of strategies to plan and prepare for power plant closures.
- None of those strategies are expected to fully offset the economic impact of a plant closure, but they may help mitigate the negative effects.

Findings and Conclusions

- Planning and preparing for community transitions related to power plant closures requires a long time horizon.



Findings and Conclusions

- Uncertainty or lack of information around the timing of a plant closure poses additional challenges for communities and workers.



Findings and Conclusions, continued

- Workers, labor unions, and communities have many shared interests, concerns, and considerations. They may benefit from collaboration and coordination.



Findings and Conclusions, continued

- Power plant jobs are uniquely high in quality and hard to replace.



Findings and Conclusions, continued

- Not all Minnesota host communities receive benefits from the power plant they host.



*Thank
you!*



Department of Commerce Review/Analysis of Resource Plans

Kevin Lee | Deputy Commissioner, Energy Resources

Where We Advocate

- *STATE:*
 - Minnesota Public Utilities Commission
- *REGIONAL:*
 - Midcontinent Independent System Operator (MISO)
- *FEDERAL:*
 - Federal Energy Regulatory Commission (FERC)

What We Do Federally and Regionally

Advocate for Minnesota's interests in regional and federal forums:

The Department of Commerce has the duty and power to represent the interests of Minnesota residents, businesses, and governments before bodies and agencies outside the state that make, interpret, or implement regional, national, and international energy policy and that regulate and implement regional or national energy planning or infrastructure development.

(MN. Stat. §216A.07, subd. 3A)

Proceedings before the Federal Energy Regulatory Commission (FERC); work extensively with the Midcontinent Independent System Operator (MISO).

This function is important because regional and federal entities often make decisions impacting the revenues and expenses of Minnesota's utilities. Our participation ensures that the interests of Minnesota's ratepayers are represented in those venues.

Overall Mission of Energy Regulation and Planning

Advocate before state, regional and federal energy regulatory bodies to promote reliable, affordable and environmentally sound energy resources for Minnesota's citizens and businesses.

Statutory Mandates of Energy Regulation and Planning at Commerce

Minnesota Statutes, 216C.05, subd. 2.

It is the energy policy of the state of Minnesota that:

- (1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of electricity and natural gas be achieved through cost-effective energy efficiency;
- (2) the **per capita use of fossil fuel as an energy input be reduced** by 15 percent by the year 2015, through increased reliance on energy efficiency and renewable energy alternatives;
- (3) **25 percent of the total energy used in the state be derived from renewable energy resources by the year 2025**; and
- (4) **retail electricity rates for each customer class be at least five percent below the national average.**

What We Do In Minnesota

We are Minnesota energy utility specialists. Comprised of statisticians, accountants, economists, and policy experts, we provide highly technical analyses and testimony in state, regional, and federal jurisdictions.

- ADVOCATE BEFORE COMMISSION (MN Stat. §216A.07, subds. 2, 3) to ensure energy utilities:
 - provide reliable service (MN. Stat. §216B.04)
 - charge customers fair and reasonable rates (MN. Stat. §216B.03)
 - fairly consider alternatives to minimize costs and environmental effects (MN. Stat. §216B.243, etc.)

Types of Cases

We investigate a wide scope of cases, from utility plans to provide reliable energy service (avoiding brown-outs and ensuring warm homes in the winter), choices of specific energy resources, and how utilities/ratepayers pay for those resources. Below are examples.

- Customer service/outage management
- New rate offerings (e.g. LED street lighting)
- Service territory changes/disputes
- Surcharges/rate riders
- Low-Income affordability programs
- Conservation program financial incentives
- Natural gas demand entitlements
- Depreciation studies
- Affiliated interest agreements
- Mergers/Sales
- Integrated resource planning
- Rate cases
- Certificates of need
- Electric service agreements
- Nuclear plant decommissioning
- And more . . .

At any point in time, ERP manages over 200 cases, from minor rate changes to billion-dollar resource decisions about energy service in Minnesota and the region.

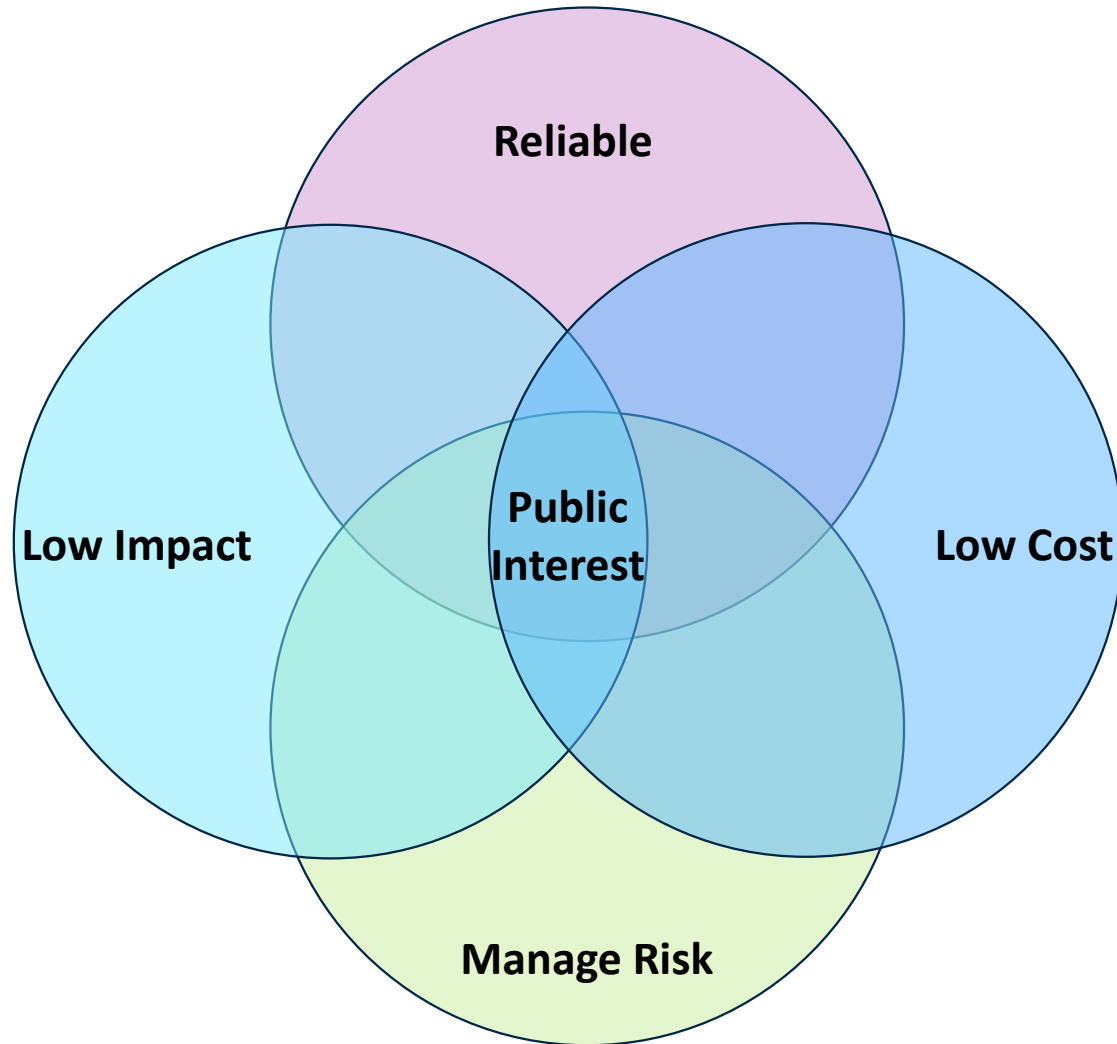
Integrated Resource Plans (IRP)

- Planning to meet energy needs happens years before resources are added.
- IRPs use a lot of information to identify:
 - Size, type, and timing of energy needs and resources,
 - Lowest cost supply options and demand management that consider environmental effects.
- Major decisions about generation resources are being made now and will be made in the next 5-15 years.

Framework and Goals

All four goals are rooted in Minn. Stat. & Minn. Rules.

See the Attachment for details (the last 4 slides).



IRP Process

- Filed every two to four years by all major generator owning utilities (10 total).
- Examines expansion of supply and DSM resources to determine the size, type and timing of any resource additions.
- All interested parties or individuals can comment.
- Requires a minimum of 9 months to complete the process.

IRP Review

Department Review:

- Detailed analysis performed for a minimum 15-year time horizon.
- Demand and energy forecast bands
- Existing and forecasted supply including DSM
- Available alternatives
- Compliance with state policies and Commission Orders

Results – Generic New Additions:

- An IRP DOES identify generic size, type, and timing of resource additions.
- An IRP DOES NOT identify specific power plants that would supply the deficit

Department Review (continued)

- Modeling Inputs, including:
 - Capital Costs
 - Fuel Prices
 - O&M Costs
 - Externality Costs
 - Load Curves
 - Generation Profiles
 - Discount Rates

ETAC May Minutes

- Approval for the May ETAC meeting is requested.
- Roll call vote

Task Force Presentations



Community Engagement Task Force

- Met on June 13– Task Force will meet monthly
- 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.

Economic Diversification Task Force

- 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](#)
- 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

Re-Use of Assets Task Force

- 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

Tax Base/Financial Assistance Task Force

- 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

Workforce Task Force

- Met on June 15 and 22– Task Force will meet at least twice a month
- Research
 - Presentation by the Dislocated Worker Program. Learned:
 - Training benefits do not start until worker is unemployed
 - Training is tailored to individual - goal 85% of previous wages
 - Training options: 6 months, 6 to 18 months, licensures and finishing up a degree.
 - They prefer to work with the Employer and Unions to educate as many workers as possible
 - State has local CareerForce opportunities to assist workers.
 - Unemployment is a set amount of time – depending on training length, might not cover the full time of training
 - The Union representatives in the Task Force are working together to create a document on the training, benefits, etc of Union and non-Union workers
 - Acknowledgement that the exact date of the Power Plants closure is crucial for the workers, training, and planning. Will impact how many people will choose retirement. Will impact the number of impacted workers.
 - Desire on more information on how Different State Agencies work/communicate together on the IRP process

Executive Committee Report

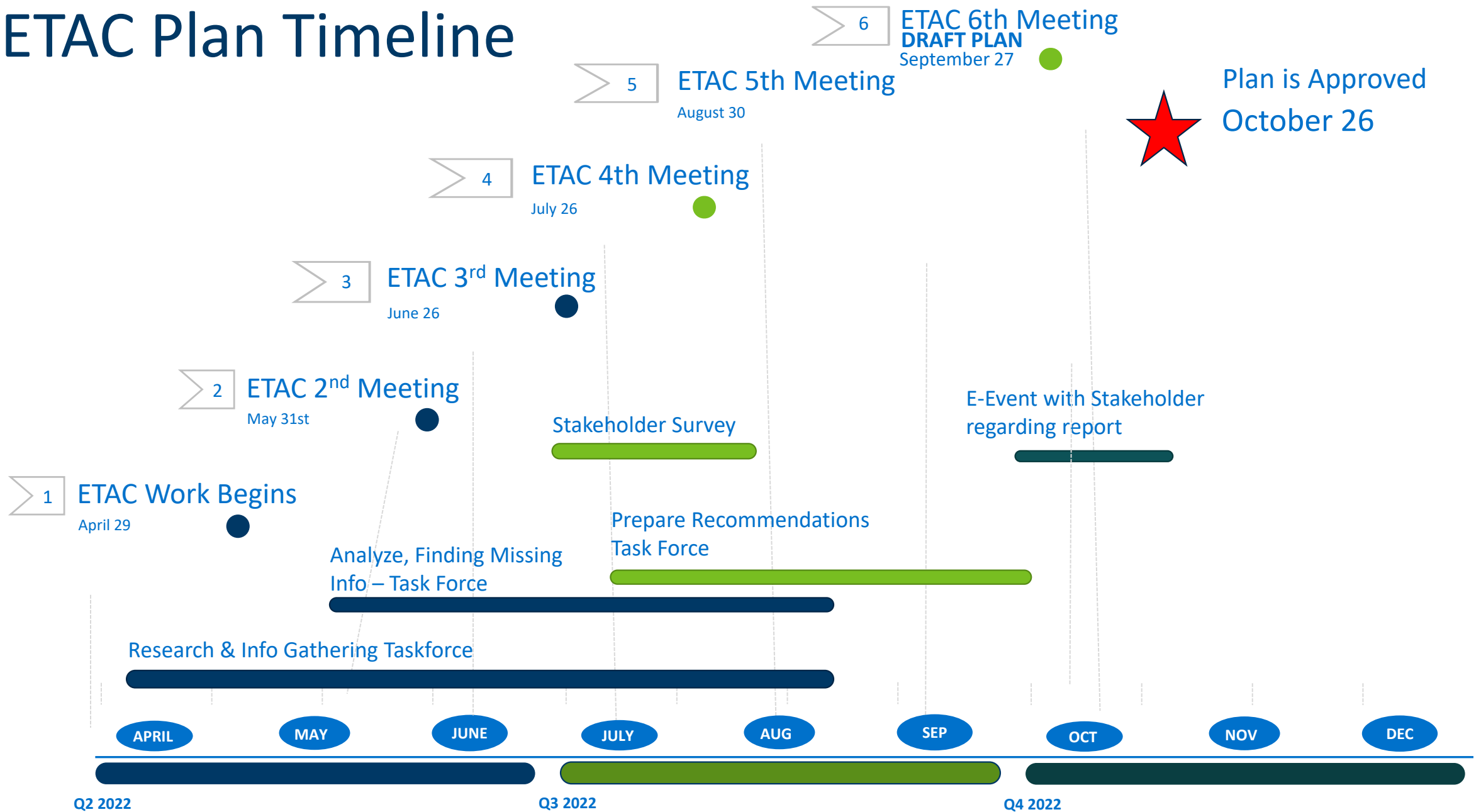
- Staff has met in person in Fergus Falls, Becker, Cohasset, Oak Park Heights, Monticello and Red Wing
- Staff is met or is meeting with virtually with all impacted counties within the Sprint
- Researching on best practices nationwide
- Coordinating Task Forces
- Next month goal is to complete Estimate 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

The ETAC Plan – Next Steps

Why:

- Time is critical – especially for Becker, Cohasset and Oak Park Heights Plant closing soon
- Many reports and plans are complete on transition that we can use as our plan foundation
- Start of Legislative education season starts this October
- State Statute states the Plan shall be completed July 1, 2022 – close to date

ETAC Plan Timeline



The ETAC Plan – Next Steps

How:

- Each Task Force is asked to have all research, analysis and recommendations completed by September 30, 2022. Some work may need to take place via email
- Stakeholder input is critical, a survey to each impacted community for research to the task forces is anticipated in July, for a July report to ETAC
- Goal of a draft plan at the September 27, 2022 ETAC regular meeting
- The following week a Stakeholder e-meeting asking the impacted communities for comments.
- Goal of completed plan and ETAC approval on October 25, 2022 ETAC meeting

Stakeholder Survey

This is slightly modified from Colorado's Survey to be Minnesotan

1) Do you, or does someone in your family, work in one of the following coal and nuclear power plant-related industries? (This question is voluntary, but answering it will help us use your feedback more effectively).

- a) Current or former power plant worker
- b) Current or former coal/nuclear transportation worker
- c) No, I do not work/have not worked in the power plant industry
- d) Other power plant-related work (please specify below)

2) Do you live in one of the following "impacted communities" counties? (This question is voluntary, but answering it will help us use your feedback more effectively.)

- a) Chippewa County
- b) Goodhue County
- c) Itasca County
- d) Otter Tail County
- e) Prairie Island Indian Community
- f) St. Louis County
- g) Sherburne County
- h) Washington County
- i) Wright County
- j) I live in another Minnesota county
- k) I do not live in Minnesota

Stakeholder Survey , cont.

- 3) How do you think transitioning away from coal &/or nuclear power in Minnesota might harm you or your community?
- 4) How do you think transitioning away from coal &/or nuclear power in Minnesota might benefit you or your community?
- 5) What would a "Just Transition" mean for you and your community?
- 6) Do you think the Minnesota Business Vitality Council's report and recommendations adequately address your concerns? If so, what did they get right? If not, what did they get wrong or what is missing?

Stakeholder Survey , cont.

- 7) What is the most important consideration for us to keep in mind as we prepare a final Energy Transition Plan for Minnesota?
- 8) Is there anything else you want us to know? Feel free to use this section to provide general feedback you have not provided in answering the other questions.
- 9) Do you wish to be added to our mailing list so that you can stay up-to-date on the work of the Energy Transition Office? If so, please provide the email address or the US Postal address you would like us to use.

Consensus for the survey



Open discussion

Welcome by Oak Park Heights Mayor McComber

- Population
- Impacts
- City Planning for the Power Plant transition – past, current, anticipated
- City Advisory Committee

Next Meeting

July 26, 2022 at 11am

Virtually and at

Fergus Falls City Hall

