



# SIERRA CLUB

## NORTH STAR CHAPTER

### ***Sierra Club letter on "Clean Energy First" SF1456***

May 14th, 2020

Dear Senator Rosen and the Minnesota Senate Finance Committee:

Thank you for the opportunity to provide feedback on SF1456 or the so-called "Clean Energy First" bill.

The Sierra Club is the nation's oldest and largest grassroots environmental organization. In Minnesota, we represent 80,000 members and supporters, empowered to protect communities by addressing our state's most urgent environmental issues.

Sierra Club has been a strong advocate for the transition away from fossil fuels like coal and gas to clean, renewable energy and energy savings. As we transition away from coal, we have an unprecedented opportunity to reshape our energy system and ensure clean energy benefits all Minnesotans.

The concept of "clean energy first" is common sense: to address the climate crisis, protect communities from pollution and create good clean energy jobs in Minnesota, utilities should be prioritizing clean energy and looking to fossil fuels as a last resort.

It is critical that we meet new energy needs with renewable energy and energy savings in order to stop the rush to fracked gas that is risky for our climate and for customers. When you look at the life cycle emissions of gas - extraction, transportation and burning at a plant - the climate impact is significant. And when you look at the economics, clean energy is outcompeting gas.

Unfortunately, this gutted version of legislation proposed by the Governor in 2019 is "Clean Energy First" in name only. The substance does not match the title, and in fact it would move our state backwards.

#### **Why we think this proposal would move us backwards**

- **It includes dirty fuels in the definition of clean energy:**
  - **Coal or gas plant technology that continues to emit carbon and captures only 80% of emissions -- and injects that carbon into the ground to push more oil out of the ground.** Carbon capture and storage technology (or CCS) for coal and gas-fired power plants is an extremely expensive alternative to America's plentiful clean energy resources. CCS has been in development for decades, and though it may be possible to use it to reduce carbon pollution from the stack, relying on coal still creates a massive waste stream of coal ash, toxic water output, and ravaged landscapes. And relying on gas results in harmful methane pollution and devastating impacts from fracking. This proposal also allows the carbon to be used to get more oil out of the ground -- further contributing to the climate crisis. The bill could be used to justify spending hundreds of millions of dollars to keep dirty fuel burning plants online, instead of investing those dollars in

clean, renewable energy.

- **Garbage burning (mixed municipal solid waste)** . Garbage burning produces large amounts of air pollutants that contribute to respiratory and other health problems for communities near the plants and also contribute to greenhouse gas emissions. Garbage burning is known to typically occur in low income communities and/or communities of color, placing an unjust pollution burden on those communities.
- **Nuclear power.** The bill supports new nuclear power plants at a time when no utility anywhere in the United States is proposing a new nuclear plant because the costs are too high and we have no permanent storage solution for waste that must be stored for a quarter-of-a-million years.
- **It exempts the two fracked gas plants being proposed by utilities right now.** Xcel's proposed 800 MW Sherco gas plant in Becker and Minnesota Power's 525 MW Nemadji Trail Energy Center in Superior are massive new proposed carbon-polluters. Both plants will be in front of regulators this year. Customers deserve a fair public process that will evaluate whether there are lower cost, cleaner alternatives to these plants.
- **It creates a loophole allowing utilities to propose fossil fuel plants out of state.** This changes longstanding state law by limiting clean energy preference to only facilities built in Minnesota.
- **It repeals Minnesota's decades-old nuclear moratorium.** Nuclear continues to pose grave risks, is expensive for ratepayers, impacts communities already disproportionately affected by environmental problems and our clean water resources, and leaves an incredible burden of toxic pollution for future generations.
- **It unreasonably constrains the Minnesota PUC in its instructions to evaluate the retirement of the uneconomic Boswell coal plant**
- **It shifts language around ratemaking to base on "cost of service".** This could unfairly shift costs from industrial customers to residential and small business customers.
- **It still directs the PUC to consider fossil fuels.** There is no reason to add considerations for existing fossil fuel plants or new fracked gas plants; this just weakens the existing preference for renewable energy.
- **It entitles utilities to own electricity generation that replaces a retiring coal plant if it meets greenhouse gas reduction goals that aren't ambitious enough.** We need utilities to go beyond 80% by 2030 for Xcel & 65% by 2030 for Minnesota Power & Otter Tail Power to meet our state's greenhouse gas reduction goals. Xcel has already announced plans to surpass this goal with a commitment to 100% carbon-free energy by 2050.
- **It changes resource planning to require clean energy portfolios for "new" energy needs instead of all energy needs. And it does not take the opportunity to update the requirement for utilities to present a least cost plan for meeting all energy with clean energy resources.**
- **It exempts gas peaking plants and market purchases.** All peaking gas plants should be part of the resource planning process and new peaking resources should not be exempted from a preference for clean energy.

- **It creates a preference for the mining industry by including the availability of “mining employment opportunities” in the definition of “local job impacts.”**

**What would it need to actually move us forward?**

- **It must prioritize clean energy**, as defined in the House version of “Clean Energy First.” Clean energy means renewable energy like wind and solar, energy storage, energy efficiency or demand management -- not garbage burning and continued burning of fossil fuels. (HF 2208 296.11-296.13)
- **It must strengthen existing law for clean energy preference** by requiring utilities to show they cannot meet new needs reliably and affordably with clean energy before allowing new fossil fuel generation. (HF 2208 299.10-299.20)
- **It must be paired with a commitment to 100% carbon-free electricity by 2050 or sooner.** Governor Walz and Lt. Governor Flanagan proposed “Clean Energy First” as part of their “One Minnesota Path to Clean Energy” package. This strong package, that was passed by the House last year, could move our state towards a carbon-free future. Without that commitment, **fossil fuels can still be burned for electricity after 2050.**
- **In addition to adding a preference for local workers, it must support family sustaining wages by requiring prevailing wage for large projects.**

**Sierra Club does support the language in the proposed bill relating to local clean energy jobs, transmission planning , and host community transition .** These are common sense ideas that should move forward this session.

**In closing, we are in a climate crisis.** Australia is facing devastating fires. The typically frozen Arctic is melting at an alarming rate. Farmers here in Minnesota and across the globe are having to adjust to new and changing weather patterns. And young people are taking to the streets to call on leaders to take bold action. **We need solutions that actually address the challenge of our time, not policies that move us back.**

Thank you for the opportunity to share our perspective on this proposed bill.

Sincerely,

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Senior Campaign Representative

Margaret Levin  
State Director