



February 14, 2023

RE: **SF 1173**

Dear Honorable Members:

Thank you for the opportunity to provide testimony for Senate File 1173, as authored by Senator Hauschild, Senator Housley, Senator Mathews, Senator Eichorn, and Senator Frentz. **Minnesota Power (MP)** stands in strong support for SF 1173 and the Community Energy Transition Grant Program.

MP has a long history of partnering with our host communities to advance economic development opportunities in northeastern Minnesota. Since the 1990s, we have worked with our communities to establish “Energy Parks” utilizing company land to attract business investment and job growth in the region. We established independent Community Advisory Panels in the communities of each of our coal-fired power plants to share information directly with community leaders. And we also prioritize investments directly into our region which utilize local union labor.

Our Regional Development team works diligently to position communities like Cohasset, home of the Boswell Energy Center, to attract world-class projects like the proposed Huber Engineered Woods plant. Unfortunately, just last week this \$440M planned investment which would have provided 150 direct jobs was scrapped after two-and-a-half years of work. This significant setback will send Cohasset back to the drawing board on a transition strategy, proving the difficulties in diversifying local tax bases for our host communities.

As the state’s energy transition continues to accelerate, we believe support for host communities must match the moment. The Community Energy Transition Program will help lay the foundation for additional support that will be needed as they race to reshape their local economies. The DEED Energy Transition Advisory Committee, made up of 18 voting members that included two MP employees and one representative from our partners at IBEW Local 31, will publish additional recommendations in the coming months for future legislative ideas.

The work to transition energy communities towards a brighter future is ongoing. We look forward to working with you as we advance our shared goals in supporting our host communities.

Thank you for the opportunity to share our comments. We respectfully ask that you support the Community Energy Transition Program.

Sincerely,

Arik Forsman
Regional Development Lead