



Keep Environmental Review Where it Is:

Opposing the relocation of Energy Environmental Review and Analysis staff from the Department of Commerce to the Public Utilities Commission

At Minnesota Interfaith Power & Light, MN350 and the Sierra Club we believe Minnesota can be a place where equity and climate stability are available for all. Together we have worked to create a new green bank, to advocate for community solar legislation, and to oppose the permitting of the Line 3 pipeline. We strongly support taking smart steps that help community-supported clean energy projects get built and connected to transmission lines to help us meet our climate goals.

However, SF 4784 currently strays beyond the scope of promoting clean energy by proposing changes to environmental review for all energy projects, including pipelines and other fossil fuel infrastructure. We are particularly concerned about one of the bill's provisions that would relocate the Department of Commerce Energy Environmental Review and Analysis (DOC-EERA) staff to the Public Utilities Commission (PUC).

- 1) Moving environmental review staff from outside the PUC to within the PUC (the body that approves siting permits and grants certificates of need) would eliminate important checks and balances, and undermine the independence of the environmental review function.**

The EERA staff provides independent, third-party analysis of a proposed project's environmental impacts to the Commission. The Commission is then responsible for evaluating that environmental review alongside all other perspectives – including industry, labor, public participants, and non-profit advocates – in order to make fair and balanced decisions about our energy infrastructure. The separation between the EERA staff and the Commission does 2 important things:

- A) The separation ensures the Commission does not have undue influence over the content of the environmental review, and
- B) The separation gives the Commission an appropriate amount of distance from the review to effectively issue impartial decisions about it, such as determining whether or not an environmental impact statement is adequate. The Commission should not be put in the position of needing to find its own work inadequate or not adopting its own findings.

2) The DOC is a more accessible and integrated home for the EERA.

The Department of Commerce, where the EERA function currently resides, has the ability to interact with other state agencies with relevant expertise, such as the Department of Natural Resources and the Pollution Control Agency, as peers in a way that would be inappropriate for the Commission as a quasi-judicial body. The Department, for example, sits on the Environmental Quality Board, where it is able to discuss the technicalities of environmental review alongside peer agencies and the EQB staff.

The Department of Commerce is also more accessible to the public. Ex parte rules, which govern communications between the Commission and others, create uncertainty for members of the public. If environmental review staff moved to the PUC, the public and grassroots advocates would face the additional complication of determining whether these rules apply regarding environmental review. Barriers to participation at the PUC are already high due to the technical subject matter and complicated quasi-judicial structure, whereas the Department offers a structure and environment more familiar to anyone who has interacted with other state agencies.

3) Moving the EERA staff within the PUC will reduce transparency.

Currently, all communications between Commissioners and EERA staff are required to be public. This would not be the case if the EERA staff moved within the PUC. We should be striving to increase insight into public decision-making, not reduce it.

Finally, the provision to move the EERA from the DOC to the PUC has been described as being part of the [Permitting Reform Stakeholder Report](#) recommendations, however that process “did not seek consensus and no votes were solicited on any of the ideas presented” (p. 3).

We support reducing unnecessary barriers to save time, but moving the EERA function to the PUC sacrifices independence, accessibility and transparency that is important to the environmental review process.

Signed,

Julia Nerbonne
Executive Director
Minnesota Interfaith Power & Light

Margaret Levin
State Director
Sierra Club North Star Chapter

Tee McClenty
Executive Director
MN350 & MN350 Action



117 South First Street • Montevideo, MN 56265

May 14, 2024

Representative Acomb and Senator Frentz
Chairs of the Conference Committee on S.F. 4942—
Omnibus Agriculture, Commerce, Energy, Utilities,
Environment and Climate supplemental appropriations

Dear Representative Acomb, Senator Frentz, and members of the Conference Committee:

We write today to provide testimony on S.F. 4942/H.F. 4975, which includes provisions that look to propel Minnesota towards an equitable clean energy future. We appreciate the hard work and dedication so many of you have shown in championing these bills.

CURE is a rurally based, non-profit organization dedicated to protecting and restoring resilient towns and landscapes by harnessing the power of the people who care about them. We are especially excited to see the following provisions that will truly accelerate and bolster Minnesota's necessary energy transition:

- SolarAPP+ financial incentives and technical assistance (H.F. 4975)
- Grid-enhancing technologies report (H.F. 4975)
- Geothermal planning grants (H.F. 4975)
- Geothermal heat exchange system rebate program (S.F. 4942)
- Thermal energy network suitability study (S.F. 4942/H.F. 4975)
- Improvements to interconnection of distributed generation facilities (H.F. 4975)

We want to thank the bill authors who brought these provisions forward and urge support for their inclusion moving forward.

However, we have remaining concerns about several provisions in the bills and would urge further amendment—or in some cases, removal—of the following before final passage:

1) Permitting Reform

The 1st Unofficial Engrossment includes language in Article 12 that establishes the Minnesota Energy Infrastructure Permitting Act. S.F. 4784, a standalone bill, does the same. At CURE, we know that the energy transition is a rural transition. The new energy infrastructure that we need to rapidly build out to address the climate crisis will be sited in rural places, changing our landscapes and communities. Because of this, we are vocal and active advocates for the

development of renewable energy, both to meet the urgent need to transition away from fossil energy and because of the opportunities it may offer to our rural communities. We would have liked to see the discussion around permitting reform put more emphasis on the latter as other states have done and look forward to working with legislators and allies to make sure that rural communities see the direct benefits of the clean energy transition.

But as an organization that devotes much of our efforts towards helping Minnesotans navigate our permitting process, we also know firsthand that our current process does contain inefficiencies and complexities. We support efforts to address these issues and ensure that impacted and concerned citizens aren't forced to waste time and energy trying to have their voices heard in these processes.

As such, we are not opposed to this portion of the bill, but remain concerned that as currently written, it misses opportunities to improve democratic community-led development, while simplifying the permitting process for clean and renewable energy.

Below is a list of specific concerns we have with the current language in Article 12 of the 1st Unofficial Engrossment and in S.F. 4784. If not remedied, we believe that the bill will cede significant authority to powerful utilities and industry and will slow the transition to a truly clean and just energy system.

Requiring applicants to prepare their own Environmental Assessment. While we understand that this provision is intended to save time, we believe allowing an applicant to write its own Environmental Assessment (EA) creates obvious conflicts of interest for several reasons:

- The public perception of having the applicant complete its own environmental review will be understandably very negative. The public is more likely to see this as corrupting the environmental review process given the interest an applicant would have in minimizing the perceived environmental harm from its project.
- A legal challenge to the PUC's permitting decision could force the Department of Commerce and its attorneys to defend an inadequate EA that it did not prepare, since there appears to be no requirement for the Department to review or confirm the correctness of the EA. This would waste considerable resources and encourage litigation that the government is more likely to lose.

Creating loopholes that allow fossil fuel and other polluting energy facilities to conduct minimal environmental review and showings of need. Given the intent of last year's 100% Carbon-Free Energy Law, and the stated intent of this bill to help speed up permitting of qualifying renewable and carbon-free projects, we believe the bill should remove all carbon-generating facilities and facilities that burn fuel to generate electricity (i.e., coal, oil, natural gas, garbage incineration, and biomass) from the new "Standard" review (previously called "Alternate Review"). The 1st Unofficial Engrossment of the bill does exclude new gas plants, which is an important change to current law. But this language should be amended to similarly treat all

power plants, including those under 80MW, that burn fuels and emit carbon. S.F. 4784 does not exclude new gas plants or any other carbon-generating facilities and should be amended accordingly to match the 1st Unofficial Engrossment language.

Changing definition of “energy storage” to allow broader interpretation. The current language in Article 12 states that the definition “energy storage” is the same as that found in Minn. Stat. § 216E.01, subdivision 3a, or: “equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.” But this definition could allow for storage of energy generated by thermal resources like oil, coal, natural gas, or biomass. It also allows for any type of storage, from batteries to pumped hydro. Our concern is that under this definition and the other changes proposed in Article 12, an energy storage system would be subject to limited review, even if it was receiving energy from a fossil fuel source. It also fails to acknowledge that some energy storage systems (i.e. pumped hydro) are excellent at storage but are entirely inappropriate in some places (i.e. the north shore of Lake Superior where Ojibwe Tribes have active treaty rights). Despite this, under the existing language, all storage systems would receive the same limited review. We would encourage changing the definition to clarify which types of energy storage might receive limited review and which should receive full environmental review.

Expands the Scope of the Bill to Other Industries and MEPA. Article 15 of the 1st Unofficial Engrossment reflects language in S.F. 4784 (5th Engrossment, Article 4), both of which go far beyond the scope of promoting clean energy by proposing changes to our bedrock environmental law, MEPA, in other, unrelated permitting processes. We are particularly concerned about this language because:

- This language is not germane to the topic of “Energy Infrastructure Permitting” and is potentially unconstitutional under Article IV, Section 17 of the Minnesota Constitution, making wide-ranging changes to unrelated permitting structures that would apply to a variety of industries and projects, without a public process or legislative deliberation.
- This language also mandates that the Minnesota Pollution Control Agency (MPCA) and the Department of Natural Resources (DNR) treat industry as customers with a right to do business in Minnesota, regardless of what that business is or does to communities or the environment. As a result, MPCA and DNR are expected to acquiesce to industry desires and timelines. We know that often, this dynamic exists unofficially, but making it compulsory invites further trouble and a loss of public trust.

If the legislature wants to change MEPA, it should do so directly and clearly state that intent, hiding changes to MEPA in an unrelated energy bill is poor policymaking. These changes also make it more difficult for the public to understand how and why DNR and MPCA are following a different MEPA in certain circumstances but not others. This kind of complexity is a hiding place for corruption, opaque to regular people but pliable for applicants.

2) Adds Biomass to Definition of “Carbon-Free”

The 3rd Engrossment of S.F. 4942 amends the definition of “carbon-free,” to include “a technology that...generates at least 50% of a utility’s annual retail electricity sales in Minnesota by combusting wood chips derived from: (1) limbs, branches, and other by-products of timber harvesting operations conducted to obtain wood for nonenergy purposes; or (2) discarded wood products.”

Although introduced as a common-sense amendment that makes use of a waste product, woody biomass is quite clearly not “carbon-free.” The act of burning wood emits carbon dioxide, and while proponents often claim that the regenerative nature of trees means biomass is “carbon-neutral,” extensive research has confirmed that this is false. Furthermore, “discarded wood products” would likely include treated wood, which, when burned, emit hazardous air pollutants such as arsenic, chromium, lead, and mercury. It is also important to note that the Public Utilities Commission is currently taking comments from the public on what should be included in the definition of “carbon-free.” The bill’s explicit inclusion of biomass in this definition is both premature and counter to the what the science tells us about this type of energy generation. It is imperative that this language be removed from the final version of the bill.

3) Removes the Nuclear Moratorium

The 3rd Engrossment of S.F. 4942 also amends the existing nuclear moratorium to allow the construction of certain new nuclear facilities: “(c) The commission may issue a certificate of need to construct a new nuclear-powered generating plant with a maximum generation capacity of 300 megawatts.” Nuclear energy has been a point of heated discussion over the last several decades, but concerns about environmental justice, nuclear waste, and costs to consumers, among others, remain unresolved. As such, this language should not be included in the final version of this bill.

Again, thank you for all your work on S.F. 4942/H.F. 4975 and so many other bills this year and for considering our concerns outlined above.

Sincerely,

/s/ Sarah Mooradian

Government Relations & Policy Director

CURE

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Montevideo, MN 56265

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May 14, 2024

RE: SF 4942 Omnibus Agriculture, Commerce, Energy, Utilities, Environment and Climate

Dear Senator Frentz, Representative Acomb, and members of the Conference Committee:

On behalf of Missouri River Energy Services (MRES) and our 25 municipal electric utility members in Minnesota, we offer the following comments on, the Omnibus Agriculture, Commerce, Energy, Utilities, Environment, and Climate supplemental appropriations bill. By way of background, MRES is a municipal power agency providing electricity and other services to municipal-owned utilities in four states: Minnesota, Iowa, North Dakota and South Dakota. Municipal electric utilities are owned by the customers they serve. Each municipal electric utility is not-for-profit and features cost-based rates. MRES, like its municipal electric utility members, is also not-for-profit.

First, MRES wants to **thank Chair Acomb and Chair Frentz** for the effort put into the electric energy portion of this bill—particularly permit reform. Permit reform was a heavy lift this year—requiring a lot of planning, stakeholder participation, and lengthy bill drafting. While MRES is appreciative of these efforts, and is supportive of much in the bill, there are still a couple of areas of concern.

Right of First Refusal

In the Energy Transmission provisions, at line 126.11 of the House Language (UES4942-1), the time to invoke the Right of First Refusal (ROFR) is shortened from 90 days to 30 days. Not-for-profit municipal utilities are too small to do these projects alone and typically partner with partner with cooperatives and/or IOUs several large transmission projects. 30 days is not sufficient time to consider potential partnerships, cost calculations, and to make a determination on such projects. **If the Conference Committee were to adopt this language, MRES encourages the Conference Committee to allow at least 60 days to invoke ROFR.**

Also, in the Energy Transmission provisions, at line 126.15 of the House Language (UES4042-1), there is a proposal to delete current statutory language which allows the Public Utilities Commission (PUC) to extend the Certificate of Need (CON) filing time, if appropriate and reasonable. **MRES urges that the provision allowing the PUC to extend the filing time, if reasonable, be added back in.** As experienced in the Tranche I transmission line projects, when there are multiple utilities co-owning a project, it takes time to coordinate the information required for the CON. This includes long-range forecasts of multiple utilities, the project's impact on state energy needs, benefits of the project, impacts on reliability, and many other points of analysis. Because there could be difficulty gathering large amounts of data and analysis from multiple utilities, **it would be prudent to authorize the Department to allow for additional time when reasonable.**

Routing and Siting

In the Energy Transmission provisions, at lines 128.4 to 128.12 of the House Language (UES4042-1), utilities may now only identify one site or one route in their permit filings. **MRES urges the addition of permissive language which would allow for the filing of more than one site or route alternative if the utility chooses.** As one of the participants in the CapX 2020 project and in the Tranche I transmission lines, MRES has found that the filing of additional routes helped landowners engage in the process and discuss alternatives—often resulting in a meeting of the minds for best routes and modifications to meet all stakeholder concerns.

Additionally, MRES would note that at lines 141.8 to 141.12 of the House Language, any person or any member of the Environmental Quality Board (EQB), may request that more than one site or alternative route be analyzed. It is counter-productive to prohibit utilities from offering alternative sites/routes in their initial filing, only to then allow any member of the EQB to request alternatives well into the permit process. This will cause delays and lengthen the transmission permitting process. **The best way to expedite the process is to allow utilities to voluntarily offer alternative sites and routes early in the process.**

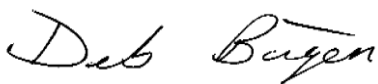
Adoption of Smart Meters

The language at lines 104.1 to 105.2 of the Senate Language (S4942-3) in the Energy Policy would prohibit electric utilities from installing “smart meters” without customer consent. First, in floor debate on this amendment, it was touted that this provision would prevent utilities from selling customer data to third parties. In fact, utilities are already prohibited from monetizing customer data by providing it to third parties.

Second, more intermittent generation is being added to the grid while there is also increasing demand through electric vehicles, electrification of home appliances (heat, stoves, etc.), and new data centers. Smart meters provide better data to the utilities to plan for the dips and spikes in electric generation and in electric usage throughout the day. Most importantly, smart meters allow for faster outage detection and restoration of service by utilities and save customers money. **Therefore, we urge the Conference Committee to delete this section from the omnibus bill, SF 4942.**

MRES would like to thank Chair Acomb; Chair Frentz, and the conference committee members for allowing us to comment on SF 4942.

Sincerely,



Deb Birgen
Vice-President, Government Relations

May 14, 2024

Re: Agriculture, Finance, & Energy Finance Omnibus

Dear Conference Committee members,

We are writing in support of SF4942 (House Language) which would expand opportunities for communities throughout Minnesota to take advantage of SolarAPP+, an online permitting tool that streamlines and improves governmental permitting for home solar installations.

The U.S. Department of Energy and the National Renewable Energy Laboratory (NREL) created the Solar Automated Permit Processing (SolarAPP+) tool. This online permitting software is free to municipalities and removes a resource-intensive and time-consuming review process by automatically determining compliance with safety and code criteria for a proposed home solar and battery storage system. In Minnesota, NREL collected data showing it takes 10 days at the median to receive an approved permit, with many solar projects taking several weeks or months. Soft costs and delays can increase home solar system prices by up to \$7,000 per project.

SolarAPP+ requires the contractor to demonstrate code compliance through a combination of design inputs and file uploads. The software then determines the system's code compliance and issues an approved permit in line with permitting requirements and the electrical and building codes. The tool is offered at no cost to local governments that wish to adopt. If the proposed solar system is not up to code, SolarAPP+ will reject the permit application and the contractor may revise and resubmit instantly.

HF4177 will help rapidly increase the number of homes that have solar by incentivizing jurisdictions to automate their residential solar permitting process by adopting SolarAPP+. Critically, cities and counties benefit from SolarAPP+, freeing up important staff resources, saving taxpayer funds, and improving the citizens' experience and energy bill savings. As of April 2024, more than 170 communities across the United States have adopted or are piloting the SolarAPP+ software, with more than 40,000 permits processed across the United States. We hope to expand this opportunity throughout Minnesota.

Sincerely,

Logan O'Grady
Minnesota Solar Energy Industries Association (MnSEIA)

Ben Davis
Permit Power

Bobby King

Minnesota State Director
Solar United Neighbors

Jenna Warmuth
Vote Solar

Patty O'Keefe
Sierra Club North Star Chapter

Megan Nutting
Sunnova Energy International, Inc.

John Farrell
Institute for Local Self-Reliance

Pouya Najmaie
Cooperative Energy Futures

Steve Pope
Solar Energy Industries Association

Marty Morud
TruNorth Solar

Zara Hargens Iliff
Vessyll

May 13, 2024

Senator Nick Frentz
Representative Patty Acomb

Re: SF 4942: Omnibus Agriculture, Commerce, Energy, Utilities, Environment and Climate supplemental appropriations

Dear Chair Frentz, Chair Acomb, and Members of the Agriculture, Commerce, Energy, Utilities, Environment Conference Committee:

The City of Minneapolis appreciates the opportunity to comment on the omnibus bills being considered by this conference committee.

Pharmacy Access to 340B Drugs – We appreciate the inclusion of the language in the Senate (Article 6, Section 3) bill that will prohibit drug manufacturers from denying hospitals, community health centers, and Ryan White clinics drug discounts provided by the federal 340B Drug Program. This will safeguard the integrity of the 340B program, ensure equitable access to comprehensive health care services for all Minnesotans and support the financial stability of health care providers serving these communities.

Cannabis Education Programs – The Minneapolis Health Department is pleased to see that language has been included in both the House and Senate regarding cannabis education programs that will address substance misuse and prevention, especially in youth and pregnant and breastfeeding individuals. While we are pleased that grant funding will continue to be directly allocated to local public health agencies, we are concerned that the language has been expanded to include funding of treatment options in addition to prevention and education. Substance abuse treatment is costly and will quickly exhaust the funding that has been allocated.

Licensing requirement for sale of Copper Wires – The City supports the inclusion of the copper wire theft provision in the Senate (Article 6, Sections 6 and 7) bill. Last year 9.5 miles of copper wire was stolen in Minneapolis, 7 miles from city streets and 2.5 miles from Minneapolis Park and Recreation Board trails. Between our streets and trails, we estimate over \$450,000 to repair the damages to date.

Interconnection Docket and Position Established – We are pleased to see the inclusion of this language in the House (Article 13, Section 3 and 4) bill. Both provisions will facilitate the interconnection of distributed generation projects to utility distribution systems by allocating upgrade costs among projects (cost-sharing program) for larger distribution side grid upgrades and establishing a position to help resolve disputes and issues.

SolarApp+ – The City supports the inclusion of the language in the House (Article 13, Section 2) bill that establishes a program in the MN Department of Commerce to provide financial incentives to local permitting authorities to deploy federally developed software that automates and streamlines the permit reviewing and issuing process for small solar projects. The software has the potential to reduce workloads and streamline permitting and the financial incentive could assist interested jurisdictions with integration.

Thank you for your time and thoughtful consideration of this letter. Please contact me if you have any questions.

Sincerely,



Patrick Hanlon
Deputy Commissioner - Sustainability, Healthy Homes and Environment
City of Minneapolis



May 14, 2024

Senator Nick Frentz
3109 Minnesota Senate Building
95 University Avenue W.
Saint Paul, MN 55155

Representative Patty Acomb
593 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
Saint Paul, MN 55155

Dear Chair Frentz, Chair Acomb, and Members of the Agriculture/Energy/Commerce Conference Committee:

We write today to encourage you to support robust funding for the Ramsey County/Washington County/DemCon Anaerobic Digester project. We thank both the House and the Senate for including significant amounts of RDA funding for the project in their bills. It will come as no surprise that we prefer the Senate amount of \$10 million over two years. But primarily we want to thank both bodies for their interest in this innovative, forward-looking project to get organics out of our landfills and moved up the waste management hierarchy. By producing renewable natural gas from organic waste we have the opportunity to reduce reliance on traditional fossil fuels while simultaneously reducing greenhouse gas emissions from landfills. This project represents an exciting opportunity to invest in new technologies to manage our waste, create renewable natural gas, and move Minnesota forward in our climate and recycling goals.

We are working diligently to pursue all available funding sources for this project to come to fruition. If we can begin construction this year we will bring \$30 million in federal tax credits to Minnesota to support this effort. The time to invest in this effort is now, as these tax credits expire at the end of this year.

We invite all conference committee members to come take a tour of both the [Ramsey/Washington Recycling and Energy Center](#) in Newport, as well as the Dem-Con facility outside of Shakopee. For Recycling & Energy tours, please contact Melissa Finnegan (melissa.finnegan@ramseycounty.us, 651-278-8374). For Dem-Con tours, please contact Bill Keegan (billkeegan@dem-con.com, 612-845-5075).

Thank you again for allowing us to share this exciting project with you. We appreciate the committee's interest and hope for your support in this innovative technology.

Sincerely,

Commissioner Victoria Reinhardt
Ramsey County
Recycling & Energy Board

Commissioner Fran Miron
Washington County
Recycling & Energy Board

Bill Keegan
President
Dem-Con Companies



Supporting Organizations:



AFREC Factsheet For Legislators

What is AFREC?

AFREC stands for the Agricultural Fertilizer Research and Education Council. The program, which began in 2008, is tasked with improving fertilizer efficiency, farm profitability, and Minnesota's environment through soil fertility research, technology development, and education.

The council is made up of Minnesota farmers and crop advisors from each of the major agricultural groups in the state. The council's funding comes from a 40 cent per ton fee on fertilizer sales in Minnesota. Farmers in the state invest around five cents per cropland acre per year. This raises over \$1 million each year.

This program was conceived, designed, funded, and managed with the support of the agricultural community. The Minnesota Department of Agriculture serves as an important partner to AFREC by collecting and managing the tonnage fee, providing legal and technical guidance, and overseeing all associated contracts. While the economic payback on the \$13 million investment is impressive, the environmental benefits to Minnesota's water resources are undeniable. The agricultural community is unified in the continuation of the AFREC program.



Agricultural Fertilizer Research & Education Council



AFREC at a Glance

~\$1,000,000

raised per year for soil fertility and water quality research, technology and education.

40¢

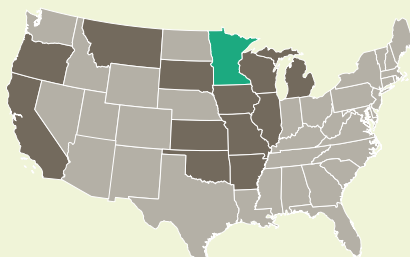
per ton fee on fertilizer sales in Minnesota funds AFREC.

5¢

per acre per year net cost to farmers for AFREC program.

**\$13
MILLION**

invested in soil fertility research and education in Minnesota since 2008.



Minnesota is one of 14 states with a fee on fertilizer sales to help fund soil fertility research.

**246
PROJECTS
FUNDED
SINCE 2008**

Purpose of This Document

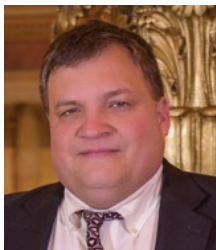
The fertilizer tonnage fee that supports AFREC is scheduled to sunset June 30, 2024. In order to continue this important program, Minnesota legislators need to take urgent action.

The Minnesota agriculture community is unified in support of AFREC and highly recommends that the fee and overall structure stay the same and the program be extended for another 10 years.

This factsheet and the companion detailed report are provided so legislators and other key decision makers have a clear understanding of the value of the AFREC program and can make an informed decision.

Learn more at:
MNsoilFertility.com/legislative

"AFREC funding supports science-based research in Minnesota and is very valuable to the ag community. Program outcomes help farmers adopt the best soil fertility practices and keeps Minnesota agriculture strong and competitive."



Thom Petersen,
Commissioner,
Minnesota Department
of Agriculture



Agricultural Community Support for AFREC

Legislators and other key decisionmakers:

AFREC (Agricultural Fertilizer Research and Education Council) has had a rich and productive history since its establishment fifteen years ago in 2008. Over \$13 million has been carefully invested into soil fertility research and education programs. Unbiased scientific findings have reassured farmers and agricultural professionals that current fertilizer recommendations and associated management practices are highly relevant, and also provide cutting edge technology. These investments can yield huge gains in both farm economics and environmental protection.

AFREC is funded by a 40 cent/ton fee on fertilizer sales, which is collected by the Minnesota Department of Agriculture (MN Statutes 18C.425). This authority is scheduled to sunset June 30, 2024. Associated Council functions (established in MN Statutes 18C.70,71&80) are scheduled to sunset June 30, 2025.

It is imperative that soil fertility research continues to advance to keep pace with an ever-changing world. AFREC was conceived, developed, led, and funded by Minnesota's agricultural community. The organizations listed below enthusiastically support continuing this important program.

We are asking for a ten-year extension and keeping the supporting fee at 40 cents/ton.

We are asking for a ten-year extension and keeping the supporting fee at 40 cents/ton.



AFREC is made up of Minnesota farmers and crop advisors from each of the major agricultural groups in the state.



May 12, 2024

To: House and Senate Agriculture, Commerce, and Energy Conference Committee (SF 4942)

The Minnesota Crop Production Retailers represents a statewide network of co-ops and ag retailers. Our members, who are trusted crop advisors and agronomists, work closely with farmers and producers to provide essential plant health and protection inputs.

As you consider the various agricultural-related sections of the bills, we respectfully offer the following comments and recommendations.

SENATE Article 2 / HOUSE Article 7

House Section 9 – Grant requirements (Soil Health).

- Adds new requirements and restrictions for those who receive soil health equipment grants from MDA, including certification under MDA’s Minnesota Agricultural Water Quality Certification Program, a prohibition against leasing or renting the equipment to another for economic gain, and a prohibition against profiting from the sale of the equipment.

Recommendation: Specialized equipment is expensive. The proposed language restricts the availability of soil health grants and limits the ability of private-sector entities to use grant funds for equipment leased or rented. If the goal is to increase the number of acres of land where the soil health practices are implemented, it would be helpful to delete the requirement for Agriculture Water Quality Certification and permit private sector service providers to access the equipment grants to maximize the number of acres where the equipment would be utilized. Further, limiting the sale of used equipment may have unintended consequences as farming practices evolve and an increasing number of farm operations seek to implement soil health practices.

Suggested Amendment

17.134 SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.

- Subd. 3 grant eligibility. ~~Any owner or lessee of farmland may apply for a grant under this section.~~ The commissioner may provide financial assistance to local governments, private sector providers or any owner or lessee of farmland for the costs of specialized equipment and technology needed to install and sustain soil health practices.

House Sections 11, 12, 13, 14, 15, 16, 18 - Nitrogen Fertilizer Definitions.

- The House position adds several new definitions for nitrogen fertilizer.

Recommendation: These new definitions are unnecessary.

Senate Sections 5-8 Agricultural Fertilizer Research and Education Council (AFREC).

- The Senate position extends AFREC for 10 years and maintains funding for research.

Recommendation: Adopt the Senate position on AFREC included in SF4942, Article 2, Sections 5-8. MCPR strongly supports the council's recommendation to renew AFREC and extend the council for ten years, as well as invest in statewide cross-crop research supported by the \$.40 per ton fee. Redirecting these research dollars would adversely impact Minnesota's ag sector and limit the development of peer-reviewed research available to advance farming practices, improve nutrient management, and enhance fertilizer efficiency.

SENATE Article 2 / HOUSE Article 6 – Pesticide Control

House Section 3 – Advisory panel.

- Requires MDA to convene and consider the recommendations of a panel of outside experts before approving a pesticide registrant's application for an experimental use pesticide product. Specifies that the panel must include scientific and public health experts, including representatives of the Minnesota Department of Health, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the University of Minnesota.

Recommendation: This additional process requirement is not necessary. MDA currently utilizes a thorough review process when considering experimental use.

House Section 4 – Expert advice required for emergency exemptions.

- Requires MDA to convene and consider the recommendations of a panel of outside experts within 30 days of submitting an emergency pesticide registration exemption application to the United States Environmental Protection Agency. Specifies that the panel must include scientific and public health experts, including representatives of the Minnesota Department of Health, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the University of Minnesota.

Recommendation: The Federal EPA and MDA extensively review pesticides before allowing use. In emergency situations, time is a critical factor. Convening this proposed expert panel may cause delays and create conflicting guidance for ag retailers, community stakeholders, and growers. This section is not needed and should not be adopted.

FRESHWATER

May 14, 2024

Sen. Nick A. Frenz and Rep. Patty Acomb
Agriculture Finance and Policy Conference Committee
1150 Minnesota Senate Building
Saint Paul, MN 55155

Re: S.F. 4942 - Omnibus Agriculture, Commerce, Energy, Utilities, Environment and Climate Conference Committee

Dear Sen. Frenz and Rep. Acomb,

We are grateful for your leadership and thoughtful approach to understanding and addressing the nitrate situation in southeastern Minnesota. We appreciated the opportunity to participate in many of these discussions with you and your colleagues this session.

As you consider how to reconcile the House and Senate versions of the Agriculture Omnibus bill, we would like to encourage you to sort out the nitrate response differences in favor of the Senate approach, which balances the nitrate response funding between the Department of Agriculture and the Department of Health:

- MDA. Nitrate Treatment – Reverse Osmosis Systems in SE MN Counties: \$750,000
- MDA. Soil Health Equipment Grants – Targeted to SE MN Counties: \$500,000
- MDH. Addressing Nitrate Contamination in Private Wells in SE MN counties: \$2 million

We also appreciate the leadership in the House related to clean water, climate and soil healthy farming. While we were disappointed most of the provisions of this initiative were not included in an omnibus bill, we encourage you to adopt the House language that creates a **working group to explore a state carbon market**, which could help incentivize soil health initiatives that sequester carbon in the soil while protecting water quality.

Again, thank you for your work this session to address these large and complex agricultural issues given a limited budget, and for your ongoing partnership in protecting and restoring Minnesota waters. We look forward to continuing to work with you on efforts to put forward a more robust response to the nitrate issue plaguing drinking water in rural Minnesota. We now have sound science that will guide us toward long-term solutions to this issue.

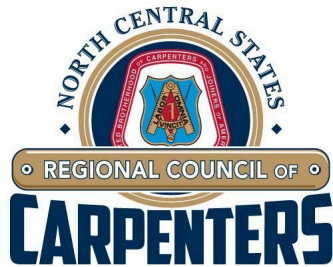
Sincerely,



Michelle Stockness, PE
Executive Director, Freshwater

2550 University Ave Suite 212N | St. Paul, MN 55114 | 651.313.5800 | freshwater.org

[Freshwater is a nonprofit organization working to inspire and empower people to value and preserve water.](#)



Dear Members of the Energy, Agriculture and Commerce Conference Committee,

The International Union of Operating Engineers Local 49 (IUOE Local 49) represents more than 13,000 Operating Engineers and their families in Minnesota. Their members include heavy equipment operators and mechanics, along with stationary engineers. The North Central States Regional Council of Carpenters (Carpenters) represents approximately 12,000 workers and their families across Minnesota. Their members include carpenters, millwrights, floor coverers, lathers, pile drivers, and industrial workers across the state.

Both unions work on a wide array of energy infrastructure construction and maintenance projects. Energy work is critically important to our members. As such, both unions have a significant interest in the future of our energy system. We appreciate the work of both the House and Senate to advance policies that ensure Minnesota workers will benefit from the ongoing energy transition.

We offer the below feedback on behalf of our members on the proposals under consideration by the Committee.

Permitting Reform

We thank both the House and Senate for taking on the important task of addressing Minnesota's environmental review and permitting system. When projects get stuck or delayed in the permitting process, that means our members don't get to work and earn money for their families. For that reason, getting permitting reform right is a top priority for both unions and why we participated in the Public Utilities Commission (PUC) working group last summer.

In addition to the PUC permitting changes, we appreciate both the House and Senate for including provisions in their permitting reform bills that will help address projects that are permitted through the Department of Natural Resources (DNR) and Minnesota Pollution Control Agency (MPCA). In addition to the energy sector, our members perform work on a wide array of construction projects that often require permits from these agencies. The provisions included will help provide project proposers with a clear schedule for permit decisions and support coordination across permitting agencies. This will result in a more efficient and transparent process and lead to more jobs for our members.

Additionally, we would encourage the Conference Committee to adopt the provision from the Senate permitting bill that transfers staff from the Energy Environmental Review and Analysis (EERA) unit from the Department of Commerce to the PUC. The EERA unit performs the environmental review on PUC permitted projects. Transferring the staff to the PUC will avoid a duplication of work by PUC staff and will allow the PUC to better coordinate the timelines and workload for environmental review and permitting. With the significant amount of new energy projects to be permitted in the coming years, this transfer will help prevent permitting delays from hindering state energy goals.

Geothermal

As a union which represents well drillers, IUOE Local 49 is supportive of the geothermal heat pump provisions in both the House and Senate bills. Both bills include provisions which will bolster networked geothermal heat pump systems through the PUC working group and a number of other provisions. We would encourage the inclusion of funding for the Senate provision providing for direct rebates for building owners that install geothermal energy systems. Because geothermal heat pump systems have a higher upfront cost, state rebates can be an important tool for deployment.

Nuclear Study

As Minnesota embarks on an effort to decarbonize our economy, it is important that we are taking a hard look at all available carbon free energy resources. Advanced nuclear energy technology has the potential to play an important role in decarbonizing not just our electricity system but also buildings and heavy industry. The nuclear industry has had a long history of utilizing high-skilled union labor. This study will help all Minnesotans better understand the potential benefits, costs and impacts of advanced nuclear technology.

Sincerely,

John Pollard, Legislative Director, International Union of Operating Engineers Local 49

Richard Kolodziejski, Public Affairs Director, North Central States Regional Council of Carpenters



May 14, 2024

Dear Members of the Energy, Agriculture and Commerce Conference Committee

The Geothermal Exchange Organization (GeoExchange) is a nonprofit trade organization promoting the manufacture, design, and installation of geothermal heat pump technology. Our members include manufacturers, installers, technology providers, utilities, and others. We appreciate the opportunity to share feedback for your consideration as you seek to reconcile the House and Senate bills.

Geothermal heat pumps provide a significant opportunity to decarbonize residential and commercial-scale buildings, while providing cost-effective and efficient heating and cooling. Because geothermal heat pumps utilize heat from the ground, they remain very efficient even in cold weather climates like Minnesota. This helps save building owners money and reduces the burden on the electric system—a benefit to all ratepayers.

We thank both the House and Senate for including significant and important provisions to bolster the deployment of geothermal heat pumps in Minnesota. The utility working group will provide an important venue for stakeholders to work collaboratively to determine how regulated utilities can best deploy networked geothermal systems within the regulated context. Likewise, the funding for the Sabathani Community Center project will help support an important community institution in installing a geothermal system that will allow them to save money on energy bills. The networked geothermal feasibility study will aid in identifying ideal locations for the buildout of new networked geothermal systems, while the direct funding for cities will allow communities to begin efforts to plan local, networked geothermal projects.

We appreciate the Senate's inclusion of funding for direct rebates for geothermal projects in their omnibus bill. However, we would respectfully encourage the Committee to increase funding for that rebate program. As members know, last year the legislature created a rebate program for air source heat pumps to support the deployment of that technology. We believe a complimentary program aimed at supporting geothermal heat pumps will help ensure that the state is supporting all carbon-reducing technologies. Direct funding for rebates complements existing Inflation Reduction Act tax credits and is the best way to encourage immediate deployment of new geothermal systems in the state of Minnesota.

We thank both the House and Senate for the commitment to geothermal heat pumps and look forward to working with committee members as you finalize the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Dougherty".

Ryan Dougherty, President, Geothermal Exchange Organization



2429 Nicollet Ave
Minneapolis, MN 55404
www.100percentmn.org

May 10, 2024

Chair Acomb, Chair Frentz, and Members of the Conference Committee,

We are writing to share our recommendations about the policy and finance provisions related to energy within the Energy, Commerce, and Agriculture omnibus bill, moving in Senate File 4942.

This year's Energy bill can continue the progress we made together in 2023, accelerating our transition to carbon-free electricity by 2040 and to a net-zero emissions economy by 2050. There are five sections we'd like to lift up.

First, this bill could make 2024 a breakthrough year for Thermal Energy Networks (TENs) in Minnesota. We strongly support six provisions that will accelerate the deployment of this proven, carbon-free technology in Minnesota. **First, we recommend setting a minimum rate of spending on TENs in the next Natural Gas Innovation Act plans proposed by large utilities.** We support the Geothermal Heat Exchange System Rebate Program and the Local Government Planning Grant program focused on supporting those communities examining the feasibility of building TENs. Finally, we support the TENs Siting Suitability Study, the Thermal Energy Network Deployment Working Group at the Public Utilities Commission, and the appropriation for an innovative geothermal project at the Sabathani Community Center.

Second, we strongly support adding Individual Taxpayer Identification Numbers as an acceptable form of new customer identification. This change will simplify the process of getting these critical services turned on for Minnesotans who need them.

Third, we support the \$200,000 appropriation for Grant Development Assistance at the State Competitiveness Fund. Minnesota is positioned to be a leader on securing federally supported climate solutions. This change will help ensure more Minnesotans can take advantage of the once-in-a-generation opportunities of the Inflation Reduction Act, the CHIPs Act, and the Infrastructure Investment and Jobs Act.

Fourth, we support the updates to the Energy Conservation and Optimization Act. Authorizing the creation of incentive plans designed to promote efficient fuel-switching is good for homeowners and ratepayers. Additionally, it should contribute to Minnesota meeting our Next Generation Climate Act goal of reaching net-zero greenhouse gas emissions by 2050.

Finally, we know that both the Senate and the House have been working all session on improvements to Minnesota's siting and permitting of wind, solar, storage, and transmission systems. We believe that these improvements will pass this year and that the Public Utilities Commission will likely need additional support to implement these changes. Please consider adding whatever appropriation will be needed to support their work.

Thank you for your time and consideration,

Aurora Vautrin

Aurora Vautrin

Legislative Director of 100%

2429 Nicollet Ave

Minneapolis, MN 55404

www.100percentmn.org



May 14, 2024

Dear Chair Frentz, Chair Acomb and Members of the Conference Committee,

Darcy Solutions sincerely thanks Chair Acomb and Chair Frentz for their leadership and work on advancing geothermal energy systems in Minnesota, and their overall priority to tackle climate change. We would like to lend our support to the provisions within the House and Senate bills, detailed below.

Geothermal HVAC systems are the most cost effective, energy efficient, and environmentally friendly heating and cooling systems available. We are pioneering a new geothermal technology that allows many property owners to install a geothermal HVAC system at their site, where traditional geothermal systems are not possible due to space constraints. In addition to our interest in promoting geothermal systems across Minnesota as a geothermal system technology provider, our company is committed to decarbonizing our economy and providing a healthier and more just energy generation system for everyone.

Senate Energy Omnibus Bill provisions we support:

- \$6 million for Sabathani Community Center Geothermal Energy System. The grant will allow Sabathani to fully fund the geothermal project and purchase all necessary equipment for the new clean energy HVAC system.
- \$1.5 million Geothermal Heat Exchange System Rebate Program. The rebate program will promote further adoption of geothermal systems and reduced energy emissions across the state.

House Energy Omnibus Bill provisions that we support:

- \$2.5 million to establish a Geothermal Planning Grant for political subdivisions to assess the feasibility and cost of constructing geothermal energy systems. Many political subdivisions have energy reduction and emissions reduction goals that are difficult to achieve without geothermal energy in the mix, and technical assistance will allow local governments to perform a fair comparison of geothermal versus other energy options.

Bill provisions that we support that are substantially similar between the Senate and House Omnibus Bills:

- Thermal Energy Network Deployment Work Group to evaluate how thermal energy networks can be best implemented to reduce carbon emissions and other environmental impacts, address socioeconomic disparities associated with energy generation, and provide a cost-effective and reliable clean energy source for consumers.
- Thermal Energy Network Site Suitability Study will advance deployment of thermal energy networks by evaluating and determining the most effective sites for this technology. A site suitability evaluation can be highly technical due to the many physical sitting and regulatory factors involved, so this broad ranging study will be very helpful for promoting thermal energy network development.

Thank you again for all your hard work on advancing geothermal clean energy solutions in Minnesota. We look forward to continuing our work with you on promoting geothermal during this legislative session and beyond.

Sincerely,

A handwritten signature in black ink, appearing to read "Willy Miley". The signature is fluid and cursive, with the first name "Willy" and last name "Miley" clearly distinguishable.

Willy Miley
Regulatory Director
(651) 210-1805
willy.miley@darcysolutions.com



May 14, 2024

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