

August 22, 2019

Joseph Sullivan
Deputy Commissioner of Energy Resources
Minnesota Department of Commerce
85 7th Place East, Suite 280
Saint Paul, MN 55101

Dear Deputy Commissioner Sullivan:

As the Minnesota Department of Commerce considers changes to our state's energy conservation programs, specifically, and our state's energy policy and systems, generally, we appreciate the opportunity to provide comments on behalf of our members. The Minnesota Chamber represents 2,300 employers of every size and over 500,000 employees in every industry across the state and maintaining reliable, cost-effective power at competitive prices for Minnesota's businesses is the Chamber's energy policy priority.

For many businesses, energy can be one of the largest costs – particularly for some types of businesses such as manufacturing, paper processing, refining, and mining – often representing 25% of overall production costs. So, fundamentally, it makes sense to use less of it. And our members in each and every sector are already diligently working, innovating, and investing in ways to make their products, processes, systems, and infrastructure cleaner and more efficient, including the energy intensive sectors that power our state's economy.

However, it can be difficult, expensive, and cost-prohibitive to make those investments. While our members are working to make their processes as cost effective and efficient as possible, especially considering global market pressures, the reality is that it requires a considerable amount of quality, reliable energy to make these products and materials.

That is why, to power our state, our members support strategies that consider all of the energy resources available, including efficiencies and emerging technological, operational, and optimization opportunities– as long as those strategies result in cost-effective power, competitive rates, and ensure energy system reliability.

We agree that energy-efficiency programs can reduce the need for utilities to build additional generation and allow customers to control their utility bills – but, they need to be cost-effective. We support the CIP program, including potential updates to allow for additional energy efficiency opportunities – to the extent it remains cost-effective for C&I ratepayers and benefits Minnesota's energy customers.

We are concerned by efforts that would shift the intent of the existing CIP program away from its original purpose of conservation to a different goal of “efficient electrification,” allowing for and rewarding load growth as long as that electricity is deemed efficient. In addition, the subsidization of utility expansion into areas that will compete against free-market businesses is problematic for our members.

Finally, our members already believe the state’s current regulatory processes, governed by the Minnesota Public Utilities Commission and the department, are not clear, timely, predictable, and accountable. We are concerned that the changes and expansions contemplated by the department will exacerbate these issues for ratepayers.

As the state’s largest business organization, we know that the cost of energy in our state influences operations and future investment in Minnesota. We believe Minnesota’s energy policy must benefit every sector of Minnesota’s economy. As the department contemplates various ideas and proposals that fundamentally change the way our state makes, distributes, and uses energy, our members ask that the state prioritizes the principles of reliability, affordability, and cost competitiveness.

Thank you for the opportunity to share this perspective.

Sincerely,

A handwritten signature in black ink that reads "Lauryn Schothorst". The signature is written in a cursive, flowing style.

Lauryn Schothorst
Director, Energy and Labor-Management Policy