Chair Smith, Ranking Member Ernst and Members of the Subcommittee:

I am Katie Sieben and it is an honor to testify today on behalf of the Minnesota Public Utilities Commission, where I serve as the chair and one of the five commissioners. The Commission regulates our state's electric and natural gas providers and our mission is to create a regulatory structure that ensures reliable utility services at fair, reasonable rates consistent with Minnesota's telecommunications and energy policies. We are economic regulators primarily, but increasingly, we are seeing and measuring the impact of the clean energy transition on Greater Minnesota. Today, I'd like to share several points about the importance of ensuring the benefits of clean energy reach rural communities, and offer some insights into how we, as regulators, have played a role in this.

First, and importantly, low prices for electricity and natural gas are critically important for economic growth, whether that is in Fergus Falls or the Twin Cities. Bills that our customers pay are lower than the national average, and this is partially because our state has prioritized conservation. This year, the state legislature passed a nation-leading Energy Optimization and Conservation Act, which will double down on conservation and build on the 47,000 statewide clean energy jobs that help Minnesotans in rural and urban parts of the state use less power, lower their bills and reduce pollutants.

In Minnesota, we are fortunate to have an abundance of natural resources, including some of the best wind resources in the country and great solar resources, as well. In fact, in 2020, renewable energy became the number one source of electricity generation in Minnesota for the first time, providing twenty-nine percent of power, up from twenty-five percent in 2019, and eighteen percent in 2011.

The Minnesota Commission works hard to ensure a robust, participatory permitting process so that developers and utilities can build needed generation to deliver reliable power, and local communities benefit from this new generation, which is often replacing fossil generation sources. As older generators reach the end of their useful lives and utilities either set their own emission goals or are directed to by policymakers, new renewable energy is taking its place. In 2020, Minnesota built 588 MW of new generation capacity, and all of it was renewable generation, and all was located in rural communities across Minnesota.

The financial upside of this new generation is significant for local governments and their taxpayers. Production and other negotiated payments from renewable facilities can help spur economic development and keep taxes lower.

Since 2004, wind energy production tax has generated over $133 million in revenue for Minnesota counties, which has led to job growth, increased community investment, and infrastructure development. There are counties in southern Minnesota that receive more than a quarter of their yearly budget in wind production tax revenues. There are also, of course, tens of millions of dollars of payments to landowners, many of whom are farmers that invest these payments in local communities.

To calculate the socioeconomic benefits of the clean energy build-out, one must consider the tax impacts and the job creation. In Minnesota, when the Commission began asking developers in 2018 to report quarterly on the number of jobs created in large wind and solar construction projects, it signaled to developers and the industry that it was a priority of the Commission for the benefits of these expensive projects to flow to local workers, their families and rural communities. Since we began requiring quarterly reporting on the use of local labor-- defined as people who live within 150 miles of the project--we have seen a significant shift in the percentage of local workers hired. Recent wind project labor reports are showing a dramatic increase in the use of local labor; historic local labor use was estimated to be below twenty percent and is now showing local labor rates of seventy to eighty percent. This has resulted in a better trained workforce in many areas of the state and has encouraged the development of worker training programs that lead to new job pathways. While the Minnesota Commission now asks developers to report on the direct economic benefits of job creation, there are indirect benefits that are harder to quantify, but certainly are assisting rural economies as well.

When the COVID-pandemic hit last year, it led to a dramatic loss of clean energy jobs across the country, and an estimated loss of 11,000 clean energy jobs in Minnesota alone. The Minnesota Commission, knowing that the energy sector represents one-sixth of our state's economy, understood that the state's energy sector needed a boost. The Commission requested that utilities accelerate investment in clean-energy projects that would spur economic development, lower rates, reduce emissions and importantly, create jobs. The utilities responded, and the Commission has permitted clean energy projects that are helping to revitalize communities while keeping rates low. We have asked utilities to report on the number of direct and indirect jobs created, the reduction in emissions, and the use of women, minority and veteran owned businesses in their workforce or contracting provisions. Here are two examples:

Xcel Energy is in the process of repowering six wind projects across Greater Minnesota. The repowering alone will result in over 800 jobs, annual property tax revenue of roughly $4 million per year, and annual landowner payments of roughly $6 million per year, all while saving ratepayers an estimated $160 million.

Second, the Duluth, Laskin and Sylvan Solar projects were approved for Minnesota Power, which is headquartered in Duluth, Minnesota. The company is building three solar facilities, totaling 21MW of capacity, using highly skilled labor, contracting with minority owned businesses and using locally manufactured solar panels. Importantly, there was extensive, robust community support for these three solar projects.

While the COVID recovery dockets led to an innovative approach to our normal regulatory work, there are other exciting projects in the development stages as well. The Commission is carefully following the growth of renewable fuels, such as hydrogen and renewable natural gas (RNG), and we recently approved the first tariff for RNG that could result in future projects incorporating biofuels and emerging technologies.

Finally, I want to emphasize that transmission investments are needed, desperately, across the Midwest and throughout the country. New transmission can maximize the value of low-cost, renewable energy. Additionally, transmission projects will actualize significant economic benefits, including job creation in rural communities. But perhaps most importantly, transmission is needed to ensure a resilient, robust power supply. Please include transmission investments in the American Jobs Plan or other relevant legislation. These investments will help ensure a more reliable, robust grid, and the economic benefits will help rural communities thrive.

Thank you for your time today and for your leadership in supporting our rural communities as our energy systems are transforming. I am happy to answer questions you may have.