



Comments from LIUNA Minnesota and North Dakota

October 22, 2024

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: Minnesota Energy Connection

In the Matter of Certificate of Need for the Minnesota Energy Connection Project in Sherburne, Stearns, Kandiyohi, Wright, Meeker, Chippewa, Yellow Medicine, Renville, Redwood, and Lyon counties in Minnesota (PUC Docket Number: E-002/CN-22-131)

Dear Mr. Seuffert,

LIUNA Minnesota and North Dakota ("LIUNA") appreciates the opportunity provided by the Minnesota Public Utilities Commission ("Commission") to provide supplemental comment on the application of Xcel Energy ("Xcel") for a Certificate of Need ("CN") for the Minnesota Energy Connection ("MEC") transmission line from the Sherburne County Generating Station (Sherco) to Lyon County, Minnesota.

LIUNA strongly supports timely approval and construction of MEC, which is essential to relieve existing transmission congestion and support development of renewable energy in resource-rich Southwest Minnesota to the common benefit of Xcel ratepayers and local communities. While developers and utilities have managed to find workarounds, including shared interconnections with peaker plants, transmission remains a major constraint, and Xcel's Gen-Tie lines offer a way forward as we wait for significant new transmission investment.

MEC provides unique benefits to Xcel customers and Minnesota residents compared to other much-needed transmission line projects. The retirement of Sherco coal units allows valuable transmission interconnection rights to be redeployed to support clean energy development, but only if we build infrastructure to deliver wind and solar power to the interconnection point. While there may be multiple options for transmitting electricity across the grid, MEC is the only feasible option to preserve the interconnection and relieve system congestion.

Further, we believe that MEC will provide unique opportunities by integrating generation, storage and transmission under common regulated ownership which will support maximum utilization of the transmission line and interconnection. MEC is by far the most efficient and effective option to meet the need for transmission capacity while protecting and maximizing the value of other resources. The record clearly shows that no alternative provides an equivalent

benefit to the project as proposed. Further, MEC has the potential to support the creation of thousands of high-quality construction jobs, both directly on construction of the line and indirectly on construction of wind, solar, battery storage, and other interconnected resources. Those benefits can be quantified by requiring labor statistics reporting for MEC and all of the interconnected generation and storage projects consistent with the Commission's current practice for new wind and solar generation.

LIUNA appreciates the careful analysis of Department of Commerce Division of Energy Resources ("Department") and agree with the Department's conclusion that MEC is the most cost-effective option to meet the identified need for new clean energy resources utilizing the existing Sherco transmission interconnection. We agree with the Department and Xcel that the Department's proposed cost cap provides a reasonable method for managing costs, and that it is already helping to ensure that the Commission has an accurate picture of the project's likely price tag.

LIUNA disagrees with the contention of NoCapX 2020 that other approved or proposed transmission lines provide viable alternatives to construction and operation of MEC. As described above, compared to a generic transmission resource, MEC has unique features that will allow Xcel to maximize the value of scarce interconnection rights. Furthermore, the record makes clear that the need for transmission will almost certainly outstrip supply even after the current round of projects is operational.

We thank Commissioners for their thoughtful consideration.

O, 2024

Respectfully Submitted,

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