

**In the Matter of an Investigation Into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard Under Minn. Stat. § 216B.1691**

**Reply Comments of LIUNA Minnesota and North Dakota**

**PUC Docket Number: E999/CI-23-151**

LIUNA Minnesota and North Dakota (“LIUNA”) appreciates the opportunity to offer reply comments on Minnesota Public Utilities Commission (“Commission”) implementation of new renewable energy and carbon-free standards that require utilities to generate enough carbon-free electricity to meet 100% of their customer load by 2040.

LIUNA was closely involved in drafting and in efforts to pass the 100% carbon-free power bill. During the end of 2023 and early 2024, we participated in hours of conversations with House and Senate authors, investor-owned and cooperative utilities, climate advocates, Building Trades brothers and sisters, and energy experts in order to ensure that we were able not only to support the bill to our members, but also to help persuade legislators and stakeholders to whom our opinion mattered to join us.

We understand and appreciate the desire of the Department of Commerce to accelerate clean energy progress, including the development of clean, firm resources that can deliver carbon-free power at all times and in all weather conditions. It is abundantly clear, however, that the requirements the Department asks the Commission to enforce are entirely inconsistent with the intent and plain language of Minnesota’s 100% by 2040 law.

In our discussions with bill authors and stakeholders prior to passage of the law, two things were made crystal clear. First, it was made clear that compliance would be based on total annual carbon-free generation and electricity sales consistent with implementation of the Renewable Energy Standard (“RES”) that provided the basis and precedent for a Carbon-Free Standard. Second, it was made clear that utilities would simply compare their “stack” of carbon-free and partially carbon-free generation to Minnesota retail sales and make up any difference using any valid Renewable Energy Credit (“REC”) or potentially an equivalent non-renewable carbon-free credit (e.g. a nuclear credit).

To our knowledge, at no time during these informal discussions or any of the bill hearings did the Department of Commerce or any other party even hint at the possibility that compliance could be interpreted in a manner that required hourly matching or excluded use of any RECs based on source – and for good reason. If anyone responsible for development of the legislation had suggested an hourly matching requirement or other scheme that made RECs more difficult or costly to obtain, there would be no 100% law in Minnesota because most of the coalition that supported the bill or took a neutral position would have opposed the bill.

We understand that the Department or other advocates may wish to revisit the decision to base compliance on the existing REC system and annual compliance, but the appropriate venue for that conversation is the legislature not the Commission which is working with clear statutory language and equally clear precedent from RES implementation. There is, in our mind, no legal basis to debate the question of hourly matching let alone to invent a brand new standard that was never contemplated when the law passed and that would have profound consequences for utility customers and the state as a whole.

We would remind all parties that the flexibility of the statute was one of its main selling points for investor-owned and cooperatives utilities that have very different availability of energy resources, financial capacities and regulatory regimes that they have to navigate, including obligations to other states whose priorities differ from Minnesota's. This is not to say that some utilities cannot go further in pursuit of clean firm resources and 24/7 carbon free energy, but instead that those are not obligations under the law, but instead questions that must be addressed under the broad public interest mandate that governs resource planning and other utility resource decisions.

We thank the Commission for its consideration.

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Respectfully Submitted,  
LIUNA Minnesota & North Dakota

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