
In the Matter of Minnesota Power's Application for
Approval of the 2021-2035 *Energy Forward*
Integrated Resource Plan.

MPUC Docket No. E015/RP-21-33

LIUNA MINNESOTA AND NORTH DAKOTA COMMENT

APRIL 29, 2022

The Laborers District Council of Minnesota and North Dakota "LIUNA" appreciates the opportunity to comment on the *Energy Forward* Integrated Resource Plan ("IRP") filed by Minnesota Power Minnesota Power ("MP") on February 1, 2021.

LIUNA Minnesota and North Dakota represents more than 13,000 unionized construction laborers and 15,000 family members, including more than 1,000 members who live in Northern Minnesota and rely on MP for electric service, either directly or through one of the utility's wholesale electric customers, which include more than a dozen range cities and Superior Water Light & Power. In addition to electric service, LIUNA members in Northern Minnesota rely on MP for job and career opportunities building and maintaining power generating facilities. Finally, we depend on MP to power the mines and mills that form the backbone of the region's economy and drive the local construction industry.

We are proud of MP's leadership in the transition to lower-carbon energy sources, despite the challenges such a transition poses for members who have worked in conventional energy. In 2020, MP became the first Minnesota utility to cross the 50% carbon-free threshold, and MP now has a goal of producing 100% carbon-free electricity by 2050. While MP is not the only Minnesota utility to make a 100% commitment, their plan is nonetheless unique due to the unique challenge of decarbonizing a system that powers Minnesota's energy-intensive mining and paper industries.

MP is already far ahead of peers serving a largely industrial load with a carbon-intensity of 0.394 per megawatt-hour ("MWh") compared to industrial-heavy utilities such as PacifiCorp (0.710), Wheeling Power Co. (0.712) or AGC (1.059).¹ *Energy Forward* proposes to continue that leadership by replacing additional coal-fired generation with a combination of lower-carbon natural gas and renewable energy -- supporting efforts by Minnesota-based mining companies to maintain the state's leadership role as a producer of climate-friendly iron ore, and potentially other critical metals as well.

We also appreciate that MP's *Energy Forward* plan was informed by an innovative stakeholder process that brought together community leaders, environmental and labor advocates, and representatives of residential and industrial customers. While the discussions did not always yield a consensus, they helped all of us to better understand the needle Minnesota Power must thread as the utility seeks to balance affordability, reliability, economic sustainability, and environmental progress, and we believe that the process ultimately helped to deliver a plan that balances the interests and concerns of diverse stakeholders, including our members.

¹ <https://www.eia.gov/electricity/data/eia861/zip/f8612020.zip>

While some think the utility should be able to eliminate carbon emissions with the flip of a switch, we know it's not that simple. LIUNA members and the industries that employ them need electric service to be affordable and reliable -- 24 hours a day and 365 days a year. In general, we believe that *Energy Forward* is a common-sense plan that sets the utility on a path to deliver carbon-free energy without burdening customers or sacrificing local union workers whose hard work keeps the lights on.

Early retirement of Boswell units will negatively impact LIUNA members and the communities where they live

The Boswell Energy Center has served as an economic and energy anchor for the Iron Range for more than 60 years, providing economic opportunity for generations of hundreds of LIUNA members and fellow Trades that maintain the plant, and a comparable number of plant employees that keep the facility running day-to-day. Local participants in the stakeholder process were clear about the devastating local economic impact associated with early retirement of Boswell and clear about the need for an off-ramp that provides the community sufficient time to transition.

While our members are not happy about a 2035 date for the retirement of remaining coal-fired units, we believe that such a schedule would at least provide the community of Cohasset a chance to plan. When asked about the significance of Boswell, our members also had a lot to say. For example, Josh grew up 25 miles southwest of Cohasset in Remer and lives in Coleraine. He has spent 14 of his 15 years as a union Laborer earning a steady income by maintaining boilers at Boswell, including de-slugging, sandblasting, rigging, and performing hole watch duties. Josh believes that Boswell is needed as an economic engine for the region, and as a power source for mines that provide a key source of employment for the area, but thinks the plant is misunderstood.

“There's a lot of misinformation out about coal plants. People think Boswell is dirty, but that's not the case. You'd have a hard time finding a plant that's cleaner than Boswell.”

Shawn recently completed his 25th year as a LIUNA member, the last 18 of which were largely spent working at Boswell where he has performed year-round maintenance and managed special projects for Lakehead Constructors. After spending his first eight years as a union member on the road chasing work, Shawn appreciated the steady source of income and opportunity to work close to home. He believes Boswell should not be transitioned until other firm resources are available, and he points out that retirement would be “devastating to the local economy and a huge job killer”.

Matt grew up in Cohasset and lives down the road in Deer River. Matt worked as a skilled laborer at Boswell for 16 years before taking a position in plant operations. He expressed appreciation for his coworkers and for the diverse work opportunities at the facility, ranging from scaffold erection to refractory to concrete to rigging. Matt recognizes that energy transition is a fact of life, but does not believe that Northern Minnesota can abandon coal-fired power with the flip of a switch.

“Every source of energy gets phased out. We started with fire and sticks, to whale oil, to coal, and eventually something else, but we aren't ready to phase out coal yet. Eventually, but not right now.”

MP should place a greater priority on investment and job-creation within MP's service territory

If there is one aspect of MP's progress over the past decade that has disappointed LIUNA members and other local stakeholders, it is the fact that the company's investments in new generation have overwhelmingly been made far outside its Northern Minnesota service territory. This was an issue that surfaced during the stakeholder process, with local participants asking why they should continue to support the utility if the utility is no longer willing to invest in their communities.

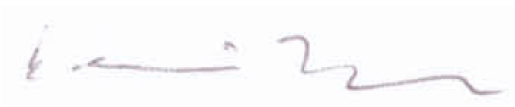
We consider MP's commitment to NTEC and solar investment in the service territory, including use of locally manufactured solar panels, to be a good start. But we believe that more can be done to ensure that ratepayer dollars generate economic activity within the service territory, which in turns makes it easier for residential and business customers to pay their power bills. We ask that the Commission specifically order MP to prioritize opportunities for local investment as the utility considers plans for future generation and storage

The case for NTEC is strengthened by plans to retire Boswell 3 early while reducing MP offtake

MP's participation in NTEC has been approved by the Commission in a decision that was endorsed by the Minnesota Court of Appeals, which found that the overall record strongly supported approval to support renewable resources and planned coal unit retirements. But the current proposal to accelerate retirement of Boswell Unit 3 while reducing MP's off-take from NTEC further strengthens the case for NTEC as a reliability resource, and as a key element of MP's decarbonization plan.

By reducing offtake from NTEC from 50% to 20%, MP has significantly reduced customer exposure to any costs and risks that might be associated with NTEC, while maintaining access to reliable 24/7 lower-carbon power. Further, the addition of Basin Electric to the NTEC consortium amplifies the plant's potential as a tool for lowering carbon intensity while ensuring reliability, not just for MP customers, but also for Basin customers, including roughly LIUNA members that receive electric service from Basin member co-ops in Minnesota and North Dakota.

Respectfully,

A handwritten signature in blue ink, appearing to read "Kevin Pranis", is written over a light blue horizontal line.

Kevin Pranis, Marketing Manager

Dated: April 28, 2022