



March 25, 2021

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

RE: *In the Matter of Minnesota Power's Petition for Approval of the Acquisition of Solar Power to Support Economic Relief and Recovery*
Docket No. E015/M-20-828

In the Matter of an Inquiry into Utility Investment that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic
Docket No. E,G-999/CI-20-492

Dear Mr. Seuffert,

The BlueGreen Alliance submits this letter as a Reply Comment in the dockets referenced above. We urge the Commission to approve Minnesota Power's request to execute three affiliated interest agreements between the Company and Allete Enterprises, Inc. related to the Laskin, Sylvan, and Duluth Solar Projects.

The BlueGreen Alliance is a national coalition that unites America's largest labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a stronger, fairer economy. Our partnership is firm in the belief that Americans don't have to choose between a good job and a clean environment – we can and must have both. We write specifically to respond to concerns raised by the Department of Commerce (DOC) and the Office of the Attorney General (OAG) asking the Commission to deny the affiliated interest agreements based on cost concerns.

It is difficult to overstate the scale of the challenge involved in successfully decarbonizing our electricity system to achieve our climate goals. Although wind and solar generation have grown substantially in the U.S., the scale and pace of that deployment falls far below the scale and pace of deployment on a pathway consistent with net-zero emissions by 2050, as shown below.

Evolution of wind and utility-scale solar projects, E+ Base

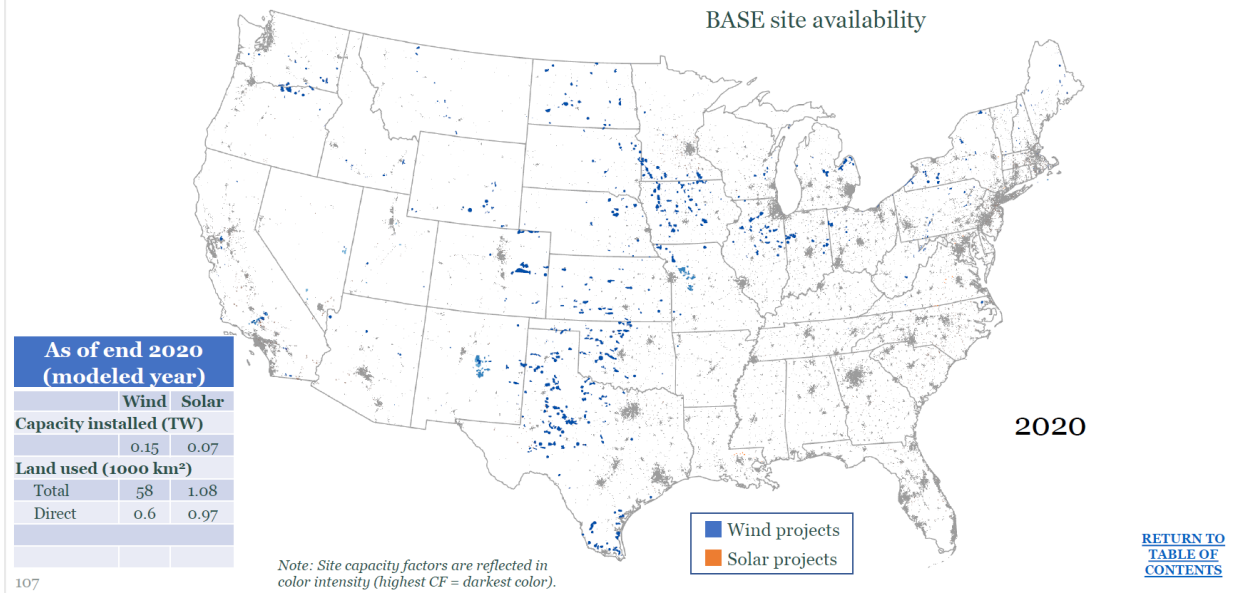


Figure 1: Current Wind and Solar Deployment in U.S., reproduced from Eric Larson, et al., *Net-Zero America Report* (Dec. 2020), available at <https://acee.princeton.edu/rapidswitch/projects/net-zero-america-project/>.

Evolution of wind and utility-scale solar projects, E+ Base

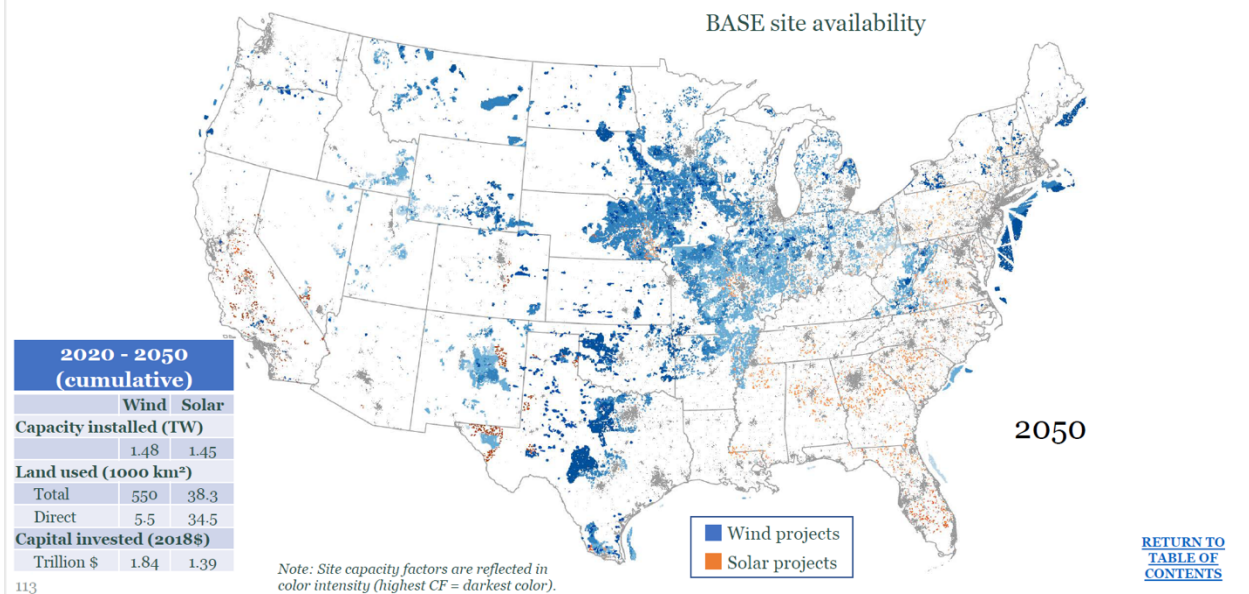


Figure 2: Deployment of Wind and Solar Necessary to Reach Net-Zero Emissions by 2050, reproduced from Eric Larson, et al., *Net-Zero America Report* (Dec. 2020), available at <https://acee.princeton.edu/rapidswitch/projects/net-zero-america-project/>.

Meeting those climate goals for the electricity sector means building more renewable energy than the U.S. has ever built before, and then almost doubling that amount, year after year and decade after decade, in the most unprecedented build out of infrastructure in American history. But even the relatively small amount of renewable energy that *has* been built has already created a marked increase in opposition from local communities and workers, with frustrations ranging from a lack of community input to the failure to create local jobs. These frustrations serve as an effective brake on renewable deployment, jeopardizing our state's ability to meet our greenhouse gas reduction goals. Successfully building out renewables at the necessary scale, then, will involve a departure from the business as usual model of deployment to one that is centered on creating prosperity for the communities that host those projects.¹ All too often, local communities have come to see renewable energy development as a burden rather than an opportunity.

The local socioeconomic impacts of a project are driven primarily by tax revenues and job creation, both direct and indirect. Indirect jobs in this instance includes jobs in the supply chain for renewable energy – turbines, nacelles, blades and towers for wind energy, and polysilicon, wafers, solar cells, modules and inverters for solar energy. The benefits of creating local manufacturing jobs in particular have a compounding effect on the socioeconomic benefits of renewable projects. China, the world's largest renewable energy employment market, employs 3.4 million in renewable energy, and 80% of those jobs are in manufacturing.² And although the U.S. manufactures a significant percentage of onshore wind energy components, very few solar components are manufactured domestically.³ This leaves the U.S. reliant on foreign supply chains for solar, some of which have been implicated in the use of forced labor of China's Uighur minority.⁴

With this context in mind, BGA strongly believes that incentivizing domestic manufacturing of renewable energy supply chains is a central component of any viable climate strategy, and we were accordingly encouraged by Minnesota Power's commitment in this docket to using locally produced solar panels. The DOC and OAG downplay the economic benefits of local manufacturing in this instance, encouraging the Commission to ignore this factor and urging a view of utility procurement that would close its eyes to everything but the absolute lowest cost bidder. While cost and ratepayer affordability certainly are important factors, there are benefits to encouraging local manufacturing that are not captured in traditional economic impact metrics, including the ones used in this docket. Building a community's belief that clean energy holds

¹ J. Rand & B. Hoen, *Thirty years of North American wind energy acceptance research: What have we learned?*, 29 Energy Res. & Soc. Sci. 135 (2017) (socioeconomic impacts of wind development are strongly tied to acceptance).

² Rabia Ferroukhi, *et al.*, Int'l Renewable Energy Agency (2017), *Renewable Energy Benefits: Measuring the Economics*, available at https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2016/IRENA_Measuring-the-Economics_2016.pdf.

³ U.S. Energy Information Administration. (2020). *Form EIA-63B, Annual and Monthly Photovoltaic Module Shipments Report*, available at https://www.eia.gov/renewable/monthly/solar_photo/

⁴ A. Swanson & C. Buckley, *Chinese solar companies tied to use of forced labor*, The New York Times, Jan. 8, 2021, available at <https://www.nytimes.com/2021/01/08/business/economy/china-solar-companies-forced-labor-xinjiang.html>.

promise for local residents is not something that can be quantified by any model, but nonetheless plays an essential role in any decarbonization strategy. Similarly, the value of declining to use extremely low-cost solar panels produced by forced labor is not something that can be found in any utility procurement spreadsheet, but is absolutely something that the PUC can and should consider.

Meeting the challenge of net-zero emissions is an 'all hands on deck' moment, and because Minnesota Power's proposal in this docket takes an important step in mobilizing local workforces and local manufacturing in that fight, we ask the Commission to approve the affiliated interest agreements in this matter.

Sincerely,



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