

7/19/2024

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

**RE: Minnesota Local Governments' Comments in the Matter of a Commission Investigation into Gas Utility Resource Planning**

Docket Numbers G008, G002, and G011/CI-23-117

Dear Executive Secretary Seuffert,

We appreciate the opportunity to provide comments as the Public Utilities Commission works to formally establish planning requirements for Minnesota's three largest gas utilities. This letter represents the views of seven Minnesota local governments within Xcel Energy and/or CenterPoint Energy's gas service territories.

We commend the Commission's proactive approach to addressing the volatility in gas prices and ensuring reliable and affordable utility service for all Minnesotans. However, as local government staff and representatives, we believe that the integration of local climate and equity goals, enhanced engagement of local governments, and coordination of infrastructure projects are essential for the successful and equitable planning of the future of gas.

In 2022, the Commission issued an order approving Xcel Energy's electric integrated resource plan with modifications and establishing requirements for future filings under Docket Number E-002/RP-19-368. In the Order, the Commission directed Xcel Energy to "account for the aggregate clean energy goals of local units of government in the forecasting and modeling for its next resource plan. In particular, Xcel's calculation of needed distributed generation should include consideration of the generation goals of local communities."<sup>1</sup>

Like the production and delivery of clean electricity, planning for future gas supplies should be completed in consideration of the interaction between gas distribution and local climate and infrastructure objectives, ensuring an equitable transition to clean thermal energy for all our residents and businesses. This will require intentional engagement of local leaders and thoughtful inclusion of local goals.

The undersigned communities recommend the following suggestions for inclusion in the scope of gas resource planning.

**1. Inclusion of Local Climate and Equity Goals in Resource Planning**

Our cities have committed to ambitious, equitable climate goals to reduce greenhouse gas emissions and promote sustainable energy solutions. Achieving these goals will result in a reduction and potential elimination of gas usage; without adequately planning for this loss, utilities may make unnecessary

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<sup>1</sup> In the Matter of the 2020-2034 Upper Midwest Integrated Resource Plan of Northern States Power Company d/b/a Xcel Energy, Docket No. E-002/RP-19-368, Order Approving Plan with Modifications and Establishing Requirements for Future Filings at 22 (Apr. 15, 2022).

investments resulting in loss and higher costs for rate payers. It is crucial that these local climate objectives are incorporated into the broader framework of gas resource planning. We urge the Commission to:

- Require, in utilities' resource plan filing, a narrative discussion of how the plans consider the climate goals of local governments within the utilities' service territories. This includes evaluating the impact of gas utility decisions on local emissions reduction targets, the impact of electrification targets on the gas supply, and supporting the transition to cleaner energy alternatives.
- Require utilities to consult with local governments in their service territories so that cities may contribute data and insights on local climate initiatives, ensuring that utility resource plans reflect our community-specific environmental priorities.

## **2. Engagement of Local Governments in the Planning Process**

Local governments have a deep understanding of the unique needs, challenges, and opportunities within our communities. Effective engagement with local governments can enhance the relevance and effectiveness of utility resource plans. We recommend that the Commission:

- Encourage regular consultations between gas utilities and local governments to discuss community-specific concerns and priorities throughout the planning process.
- Establish a process for utilities to provide periodic regulatory updates and educational opportunities to local governments in their service territories.
- Develop a structured process for local governments to provide input on proposed utility gas plans, including mechanisms to address how this input is or is not incorporated into final decisions.

## **3. Coordination of Infrastructure Projects**

Infrastructure development and improvements are critical to ensuring reliable and resilient energy service. However, without coordination, these projects can lead to unnecessary costs and disruptions for our communities. Further, as our communities transition away from reliance on the gas system for heating needs, we want to avoid investment in stranded assets and situations where a shrinking customer base bears increasing costs. To optimize infrastructure investments and minimize negative impacts, we suggest that the Commission:

- Promote coordinated planning among gas utilities and local governments to align infrastructure projects with community capital improvement plans and climate objectives, prioritizing city timelines to the extent possible. This will help avoid redundant investments and leverage opportunities for integrated solutions.
- Though they are not required, we encourage gas utilities to consider the use of emerging technologies and innovative approaches that can defer or replace traditional infrastructure projects and help meet local goals.
- Include local government representatives in stakeholder engagement to gather input from their communities and provide feedback on ways to minimize the cost burden of stranded assets and a shrinking customer base, especially on those who can least afford to shoulder them.

We believe that a comprehensive and inclusive approach to gas resource planning, which integrates local climate goals, engages local governments, and coordinates infrastructure projects, will better serve the interests of Minnesotans and contribute to a more sustainable and resilient future.

Thank you for considering our recommendations.

Sincerely,

Tim Busse  
Mayor  
**City of Bloomington**

Marisa Bayer  
Sustainability Manager  
**City of Edina**

Mike Mornson  
City Manager  
**City of Hopkins**

Katie Rodriguez  
City Manager  
**City of Richfield**

Patrick Hanlon  
Deputy Commissioner  
Sustainability, Healthy Homes, and Environment  
Health Department  
**City of Minneapolis**

Russ Stark  
Chief Resilience Officer  
**City of Saint Paul**

Emily Ziring, CEM  
Sustainability Manager  
**City of St. Louis Park**