

September 9, 2025

Mike Bull
Acting Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

RE: In the Matter of a Commission Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structures to Meet State Greenhouse Gas Reduction Goals: Docket No G999/CI-21-565

The City of Minneapolis (“Minneapolis”), a municipality as defined in Minn. Stat. § 216B.02, subd. 2b, appreciates the opportunity to comment regarding line extension policies for natural gas utilities.

I. Background

In 2023, the City of Minneapolis adopted a Climate Equity Plan. The plan calls for a 35 percent reduction in “emissions from fossil gas citywide by 2030”. The document also envisions city participation in policy making and regulatory convenings (such as NGIA deliberations) on emerging gaseous alternatives to fossil gas, “advocating for sound deliberations and decision-making regarding both climate and health impacts.” Finally, the Climate Equity Plan prioritizes, “entirely electric and/or district thermal infrastructure over new replacement gas infrastructures”

Therefore, the City of Minneapolis opposes line extension policies that run counter to the goals and strategies contained in the Minneapolis Climate Equity Plan.

II. Legislative Intent

Under Minn Statute 216 B.05, the Public Utilities Commission has the authority to establish reductions in the use of fossil fuels as a focus on of the State’s energy planning. Furthermore, State Law stipulates a goal of net zero greenhouse gas emissions by 2050. Expanding fossil fuel infrastructure runs counter to goals in State law as well as Minneapolis policies and the Minneapolis Climate Equity plan, which calls for net-zero greenhouse gas emissions by 2050.

III. Burden

The City of Minneapolis is moving to invest in weatherization and clean energy technologies that move us towards our climate goals. Significantly more investment will be needed to move our community off of natural gas, our largest and hardest to reduce source of emissions. Without more clear and rapid commitments to natural gas system decarbonization, the City needs to take broad action and to focus investments on a clean energy future. Automatic line extensions do not align with the focusing of these investments, but instead will require Minneapolis ratepayers to pay twice for new infrastructure.

Further, the City of Minneapolis concurs with comments submitted by Emily Ziring et al. regarding the risks of stranded assets. In their letter (docket 21-565) dated July 8, 2025, local governments state, “As we move away from fossil fuels there is an increased risk of stranded assets that will place an undue cost burden on ratepayers and may result in inequities within and between communities. Any modifications should consider the impact of costs on income qualified households who are more likely impacted by stranded assets.”

IV. Alternatives

Rather than subsidizing line extensions, the Public Utilities Commission should encourage alternatives and investment in the infrastructure of our future instead of the expansion of fossil fuel infrastructure.

The City of Minneapolis agrees with August 8, 2025 comments submitted by the Minnesota Center for Environmental Advocacy and Fresh Energy that state how it is “significantly more cost-effective to electrify new construction than to decarbonize at a later date”. Proven and cost-effective alternatives are available today and include air source heat pumps, geothermal technologies, and conservation strategies. These options avoid the risk of future stranded assets.

In pursuit of advancing alternatives and shifting us away from *business as usual* investment in our natural gas networks, in winter 2025/2026 the City of Minneapolis will be initiating a study to analyze the potential for geothermal (geoexchange) and water-exchange technology across the community. Advancement of alternatives is not a distant future, but the time is here, and the reality of stranded assets is imminent.

IV. Conclusion

The City of Minneapolis appreciates the opportunity to comment on the utilization of alternatives to gas line extensions to achieve the state’s greenhouse gas emission goals. If the State is to reach its statutory climate goals, and the City of Minneapolis is to properly implement its Climate Equity Plan, electrification of the state’s energy infrastructure, use of ground-source heat, and conservation strategies should be implemented now as alternatives to gas line expansions.

Sincerely,



Megan Hoyer
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City of Minneapolis

Frank Hornstein
Intergovernmental Relations Coordinator, Sustainability
City of Minneapolis