



Becker ♦ Cohasset ♦ Granite Falls ♦ Fergus Falls ♦ Hoyt Lakes ♦ Monticello ♦ Oak Park Heights ♦ Red Wing

October 15, 2021

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

Supplemental Comments: In the Matter of Xcel Energy's 2020-2034 Upper Midwest Integrated Resource Plan, Docket No. E002/RP-19-368

These supplemental comments are respectfully submitted on behalf of the Coalition of Utility Cities ("CUC"), an organization of eight member cities that host Minnesota's largest power plants. The organization's membership includes five communities that host or have hosted power plants owned and operated by Xcel Energy, including the cities of Becker, Granite Falls, Monticello, Oak Park Heights, and Red Wing.

As the Commission is aware, the CUC's interest in these proceedings is unique from some other stakeholders. CUC is primarily focused on the interests and well-being of the communities that host Xcel Energy's largest baseload power plants and will be deeply impacted by their retirement. From that perspective, the CUC is disappointed by the decision to remove the Sherco combined cycle natural gas plant from Xcel's preferred plan. As we have detailed in previous comments, with the full retirement of Sherco coal units 1, 2, and 3, the City of Becker already stands to be one of the most deeply impacted power plant communities in the entire Midwest. Sherco CC plant would have provided a bridge to Becker's economic future by supporting jobs and tax base in the region, while also bridging the state's transition to new energy technology.

Relatedly, the CUC reiterates its support for the proposed extension of the Monticello Nuclear Plant. Again, previous comments have detailed the deep impact the Monticello Plant has on the community and its residents, and organizations representing workers at the plant have also filed substantial, compelling comments on this subject. With the removal of Sherco CC from the preferred plan, a fact that deserves repeating is that the Monticello and Sherco plants are located just a few miles apart. Likewise, the cities of Monticello and Becker, along with Sherburne and Wright Counties, share a border along the Mississippi river and are a single economic region. If the Monticello Plant is not extended, the complete, simultaneous retirement of the Sherco and Monticello plants would have devastating effects on the region.

Finally, the future of the Prairie Island Nuclear Generating Plant ("PINGP") is not addressed in this resource plan. The CUC understands that the City of Red Wing will be submitting its own supplemental comments that more thoroughly articulate the impacts that this delay has on the city. However, we are compelled to reinforce a key points the city is likely to make.

First, the decision to wait until a future date to address the future of the PINGP plant is not a neutral action. Delay has serious negative consequences on the city. Certainty is essential for any community facing the possibility of plant retirement, and this already lengthy resource planning process has gotten

Red Wing no closer to it. Not only does the delay put the city closer possible plant retirement without the full ability to plan, but it also has consequences on the city's day-to-day operations and ability to plan for their eventual transition. Red Wing is working actively to plan for every possible scenario, but uncertainty surrounding the fate of the plant inhibits their ability to make and finance certain strategic investments.

Second, the plant's uncertain future puts the city in limbo when it comes to outside resources for transition planning. This was already seen when Red Wing was unable to take advantage of the Community Energy Transition Grant Program created by the Minnesota Legislature in 2020 because the plant is not addressed by this resource plan. Other cities—including Red Wing's nuclear host community peers in Monticello—received grants of up to \$500,000 to support planning, economic development, and transition work in advance of potential plant retirements.

Energy Transition Office

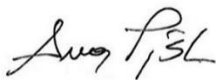
In June of this year, the Minnesota State Legislature took the extraordinary step of creating a new state office, housed within the Department of Employment and Economic Development (“DEED”) that will be specifically focused on ensuring a successful transition for communities and workers that will be impacted by the retirement of major power plant facilities. The creation of this office would not have happened—and may not have even been proposed—if not for the work of the CUC and its member cities.

The CUC was drawn to this concept in part due to the encouraging early results of a similar concept by the State of Colorado, but also due to our recognition that Minnesota's existing tools to support communities leave significant gaps, and many mechanisms needed for communities and workers to successfully withstand such a massive transition simply do not exist.

There is a specific role for the Commission in that office's operation. The executive secretary of the PUC is appointed as an ex officio member of the advisory committee that is currently being assembled and will guide the work and planning of the office in the first year. Given the recent experience of our members in this and other dockets, we cannot urge the commission strongly enough to participate actively in this process. Specifically, in order for the commission to make good on past statements it has made regarding the importance of protecting host communities, it must come to the table ready to provide clarity and collaboration regarding what the PUC's current authority allows it to do in support of communities and workers, where that authority comes up short, and specific recommendations for enhancements.

As always, thank you for your service to our state.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Greg Pruszinske".

Greg Pruszinske
Becker City Administrator
President, Coalition of Utility Cities