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Phone: 763.200.4239 12060 Sherburne Ave.
Fax: 763.261.4411 P.O. Box 250
www.ci.becker.mn.us Becker, MN 55308

April 30, 2021



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Pebble Creek
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Public Works

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

VIA ONLINE SUBMISSION ONLY

**RE: In the Matter of Xcel Energy’s Petition for Approval of the Sherco Solar Project
PUC Docket No. E-002/M-20-891.**

Dear Mr. Seuffert and Commissioners:

The City of Becker, Minnesota (“the City”) submits the following comments to the Minnesota Public Utilities Commission (“PUC” or “the Commission”) on the above referenced docket and petition for approval for the Sherco Solar Project (“the Project”). Xcel Energy (“Xcel” or “the Company”) has owned and operated energy generation facilities in and near our community since the early 1970s. Specifically, and most notably, are the Sherburne County Generating Station, a three-unit coal-fired power plant (“Sherco Plant”) currently slated for retirement and de-commissioning, and the Monticello Nuclear Generating Plant, located in neighboring Monticello. As a long-time host to Xcel’s facilities and accompanying infrastructure, we have long been interested in the various dockets to which Xcel is subject. We take additional interest in the Sherco Solar Project docket due to its proposed location within our community, and our long-standing relationship with Xcel.

We are submitting comments today in response to the Commission’s third major inquiry in its initial request for comments in this docket: “Are there other initial concerns or procedural issues that the Commission should consider at this time?” The City’s primary concern regarding this Project as currently filed is the proposed location of the Project, currently before the Commission in three separate dockets: The West 345 kV transmission line, Docket No. E-002/TL-21-189, The East 345 kV transmission line, Docket No. E-002/TL-21-190, and the Site Permit for 460 MW solar installation, Docket No. E-002/GS-21-191. While the City recognizes these are not the dockets the Commission is currently seeking public comment on, the City wants to be very clear about its interest in the above-referenced docket and all related dockets concerning the Project.

The City values its longstanding relationship with Xcel and broadly supports Xcel’s efforts to diversify its energy generation to more efficient and equally sufficient sources while taking advantage of its existing interconnection facilities, including Xcel’s proposed combined cycle natural gas plant and solar project. As the host community to Xcel’s Sherco



Plant, however, the City stands to lose as much as 75 percent of its property tax base with the decommissioning of the Sherco coal-fired units and has been implementing a strategy of replacing this loss in tax revenue with tax revenue generated by private redevelopment. Toward that end, the City, with significant financial support from the state,¹ has made considerable preparations and investments in serving portions of the Sherco site and nearby areas with municipal utilities and infrastructure to ready the area for private development. As a specific example of such investments, the City is installing new water and sewer mains and related infrastructure around the City's planned Business Park on the west side of the Sherco site at an expense of more than \$22 million to serve the Business Park and anticipated future development in the area. Similarly, the City has planned for and invested approximately \$8 million in developing the capability to serve commercial and industrial development along Energy Drive on the eastern side of the Sherco site.

The City is concerned that, as proposed, the Project includes properties abutting the City's new infrastructure that would easily and logically be expected to develop and connect thereto. If these areas are instead included in the Project, the Project would have the effect of blocking industrial growth and development in those areas and wasting much of the benefits that could be expected from these significant state and local infrastructure investments to the detriment of the City's residents and businesses.

As the Commission is aware, Xcel and its partner on this project, National Grid Renewables, are seeking site permitting under the alternative process pursuant to Minn. Stat. § 216E.04, subd. (4) and (8). The City requests that the Commission ensure that adequate procedural safeguards be afforded to all interested parties, of which the City is one, in any process it establishes for its consideration of Xcel's site and transmission line permit applications. Specifically, the City requests that the PUC ensure that such processes allow the City a full opportunity to address its concerns with the Project's proximity to the City's existing and planned municipal infrastructure and its impact on future development in the City to the Commission. The City expects to participate in any public processes established by the Commission in this and related dockets in order to protect the City's investments and assets and promote the best interests of its residents, all of whom are Xcel ratepayers.

The City of Becker has a longstanding history of cooperation with Xcel and appreciates the work both parties have accomplished together. The Commission should be aware that the City and Xcel are actively engaged in discussions on the issues identified by the City herein. The City looks forward to the Commission's decisions in these dockets and, until such time as an agreement with Xcel is reached, intends to continue to participate in the ongoing processes with regard to the Project, specifically including the siting applications and permits.

If the Commission has any questions, please do not hesitate to contact me at gpruszinske@ci.becker.mn.us or our legal representatives in this matter, Robert Scott at rtscott@flaherty-hood.com and Gretel Lee at gllce@flaherty-hood.com.

¹ The City of Becker was awarded \$20.5 million in General Obligation bonds as a part of the state bonding package passed last fall. In addition, the state has invested money in Becker's economic growth through the issuance of grants; the City has received both a Business Development Public Infrastructure grant and a Community Energy Transition Grant.



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Sincerely,

Greg Pruszinske
City Administrator
City of Becker, Minnesota