

# Minnesota's electric cooperatives are leaders in the state's energy transition



The landmark 2040 carbon-free bill set Minnesota on an aggressive path toward eliminating carbon emissions from our energy production. It is imperative we do not risk reliability and increase costs by imposing more mandates. Let the energy experts chart our course toward achieving our carbon reduction goals.

## ► Slow down the shutdown

It is crucial to recognize that our transition to cleaner energy is a gradual process and cannot occur overnight. Rushing the elimination of existing gas power plants will actually impede our clean energy objectives and compromise reliability. The Midcontinent Independent Systems Operator (MISO), who oversees our part of the grid, recently released a report saying, "The fastest way to a low-carbon future is actually more gas not less in the short run."

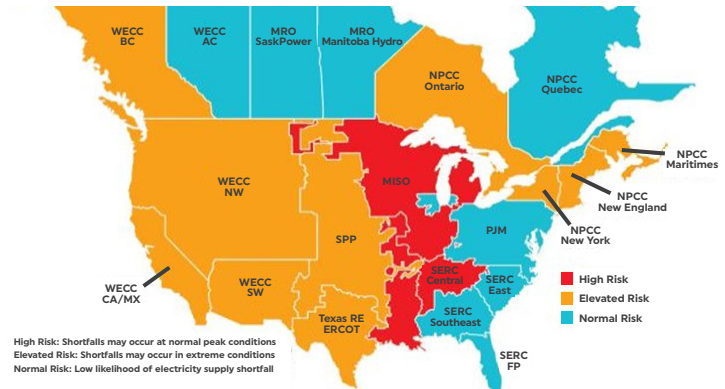
The National Electric Reliability Corporation, who oversees the reliability of the entire electric grid, warns of "clear evidence of growing resource adequacy concerns over the next 10 years." They cite the early retirement of existing power plants without properly replacing them with other energy sources as the main culprit. We need to heed the warnings of the experts and slow down the shutdown.

Minnesota's electric cooperatives are leaders in the transition to cleaner energy sources. The most detrimental impact to Minnesotan's positive views about clean energy and to achieving our clean energy goals would be if we started to experience grid reliability issues and blackouts. We stress the need for a smart and deliberate green energy transition, so we can achieve a clean, reliable and affordable energy future.

## ► Lift Minnesota's outdated nuclear moratorium

Minnesota's electric cooperatives advocate for an "all-tech-on-deck" approach to achieving our carbon reduction goals. To be successful, we must unlock the potential of all means of generating electricity without carbon, including using nuclear power. Minnesota's current nuclear moratorium restricts our ability to have a conversation about what new carbon-free nuclear could mean to our state's energy portfolio.

Today, emerging technology like small modular reactors (SMRs) are changing the way we think about nuclear. Illinois recently lifted their nuclear moratorium with strong bipartisan support. Furthermore, the



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Biden administration is actively pursuing nuclear as a solution to combat greenhouse gas emissions and joined other nations at the COP28 climate conference in pushing to triple nuclear energy by 2050. Now is the time for Minnesota to join other leaders and have this important conversation.

## ► End regressive distributed solar mandates

As not-for-profit electric cooperatives our focus is always on keeping electricity affordable for our members. Distributed solar mandates raise costs for consumers because they ensure a profit for those who can afford to install their own systems, a dynamic that is antithetical to our core values as not-for-profit cooperatives. Distributed solar costs are roughly twice as expensive to install as utility scale solar and largely benefit wealthier landowners at the expense of lower-income consumers. With the electrical grid required to be carbon-free by 2040, unjust distributed generation mandates are no longer necessary to ensure a cleaner energy grid.

Other states, such as California, have reformed their policies to stop these regressive subsidies that cost ratepayers billions. We oppose making the problem worse with more mandates and support common sense reforms to save consumers money while continuing to expand our solar energy portfolio.



► **Focusing on beneficial electrification**

The path to reducing carbon emissions will require using more electricity to displace fossil fuels in other parts of the economy such as transportation, and space and water heating. Electrification will play a major role to Minnesota being able to meet its decarbonization goals. More information can be found at [www.be-league.org](http://www.be-league.org).

► **Leading on carbon capture technology**

Cooperatives serving Minnesota have long been leaders in developing carbon capture technology, including operation of one of the largest coal-based CO2 sequestration projects in the world. More recently, a cooperative supplying electricity to Minnesota is implementing new carbon capture technology at one of its largest power plants with their "**Project Tundra**" initiative. These innovative carbon capture projects are making great strides at balancing the need for reliable power and protecting our environment.

► **Storage - Mandates would threaten a good thing**

Minnesota cooperatives are leading the way in implementing new battery storage technology making a big impact on our grid. Connexus Energy built the Midwest's first large scale solar-plus storage project and Great River Energy is pioneering long duration batteries. The potential of this technology is exciting and could be a gamechanger.

However, we should not create unnecessary mandates that dictate which clean energy solutions we must use. Doing so will needlessly force sub-optimal deployments, raise costs and restrict our potential to meet carbon-free goals. Let's allow grid planners to decide where energy storage makes the most sense and how to apply the most effective configurations. In the end, energy storage mandates would raise costs and hamper the innovation necessary for us to deliver a clean, reliable and affordable grid.



Minnesota Rural Electric Association

**Who is MREA?**

The Minnesota Rural Electric Association (MREA) is the statewide organization representing electric cooperatives serving the state of Minnesota. We foster unity among and provide service to all of Minnesota's 50 electric cooperatives. Our mission is serving our members through collaborative leadership and expertise.