

# Clean Energy:

## Minnesota's Legacy and Economic Future

Minnesota has strong, nation-leading clean energy laws on the books. Rolling back these important laws would hinder economic development and hurt our clean energy future.

### Minnesota has renewable resources in abundance.

Every year, Minnesota spends more than \$1 billion to import coal, natural gas, oil, and uranium – the fuels that generate almost 90 percent of our state's electricity. Why are we continuing to drain the state's GDP when we could be investing in local communities and creating jobs at the same time?

In particular, Minnesota has ample wind and solar resources with significant development potential. Minnesota already has over 2,500 megawatts of installed wind energy – enough to power 700,000 homes. Fully developing these resources will enhance the state's GDP by reaping Minnesota's energy resources and keeping those dollars circulating in local communities.



### Diversifying our energy mix with renewables is important for the robustness of the electricity generation sector.

Minnesota, like most Midwestern states, is far too dependent on coal plants. Diversifying our energy supply is essential for four main reasons:

1. It keeps economic benefits local, creating jobs and building communities by utilizing Minnesota's energy resources.
2. By employing a more modular system of energy production it reduces the risk of major service interruptions when large plants go down.
3. It adds security to the system by diversifying energy generation.
4. It maximizes the flexibility of renewables, which can more easily respond to our global society's fluctuating and evolving electricity needs.

**Renewable electricity generation protects consumers against volatile fuel prices and future environmental and health costs.** Fuel for wind and solar is free. The entire expense for a wind or solar project's 30-year life can be anticipated and planned for in advance.

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### Minnesota's Renewable Energy Standard (RES) uses market forces to develop the most cost-effective renewable electricity.

The RES, Minn. Stat. Section 216B.1691, gradually increases the amount of required renewable electricity through 2025, when the aggregate amount for all utilities will be 27.5 percent of retail electricity sales (Xcel Energy is required to meet 30 percent while all other electric utilities must meet 25 percent of their sales with renewable energy).



- In 2012, the RES benchmark requires 12 percent of retail sales to be from renewable energy for most utilities and 18 percent for Xcel Energy.
- All utilities in Minnesota are currently on track to meet or exceed the RES.
- The law gives utilities flexibility in developing renewable electricity if too few planned projects, transmission problems, or excessive costs would create significant barriers.

### Utilities show no or very little cost increase on retail electricity rates as a result of the RES.

- Even comparing the costs for these new assets with the overall costs for the old, depreciated assets show no or very little retail rate impact.
- Three wholesale utilities whose customers serve less than 5 percent of the retail customers in the state found a price increase from adding renewables, but they did not show an increase in retail rates (for retail utilities, the total price of electricity is less than 50 percent of the retail rate paid by customers/members).
- The wholesale utility with the largest price increase did not report what it cost to comply with the 12 percent by 2012 requirement, but instead reported the price increase from adding 30 percent renewables all at once.

According to Xcel Energy's 2010 Integrated Resource Plan, its early action to add renewable resources provides "reduced environmental regulatory risk and a hedge against volatility in fuel markets."

### There is overwhelming public support for renewable energy.

In a 2012 telephone survey conducted by a bipartisan research team on behalf of the Minnesota Environmental Partnership,\* Minnesota voters overwhelmingly prefer solar (87 percent) and wind (84 percent) as sources of energy for the state's future. Minnesota voters support expanding solar renewable energy in our state because it will reduce our dependence on fossil fuels, create more clean energy jobs here in Minnesota, and reduce our electricity costs in the long run.

*\*From a statewide telephone poll of 500 registered Minnesota voters, conducted Jan. 9-11, 2012, for the Minnesota Environmental Partnership by the bipartisan research team of Fairbank, Maslin, Maullin, Metz & Associates and Public Opinion Strategies. The margin of sampling error for the full statewide samples is 4.4 percentage points, plus or minus; margins of error for subgroups within the sample will be larger.*