



Legislative Energy Commission

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Minnesota's Energy Future Framework

With no fossil fuel resources of its own, Minnesota spends \$13 billion a year importing the coal, natural gas, and petroleum that fuels three-quarters of our energy economy. Minnesota does, though, have abundant wind, solar and biomass resources. We have a successful renewable energy standard – which the state's largest utilities are meeting ahead of schedule – and an energy efficiency requirement that the largest utilities regularly exceed. We have strong and growing clean energy industries, and a multi-sector project underway in partnership with the National Governor's Association to spur industry development, so that Minnesota businesses can jump on the growing clean energy market in the state, the country, and worldwide.

And Minnesota has some big decisions to make about the future of our energy systems. Our infrastructure is aging and requires updates and replacements. We can't not make decisions. Minnesota's two nuclear plants will retire in the 2030s unless relicensed, for example, and half of our coal plants will be 40 or more years old by 2017. Further, this past winter's propane crisis was due in part to limited infrastructure for transporting supplies. To build and invest in infrastructure we need to know what path we are on and where we want to be headed. New federal regulations severely limit the viability of new coal plants, and rules on their way are likely to impact existing plants as well.

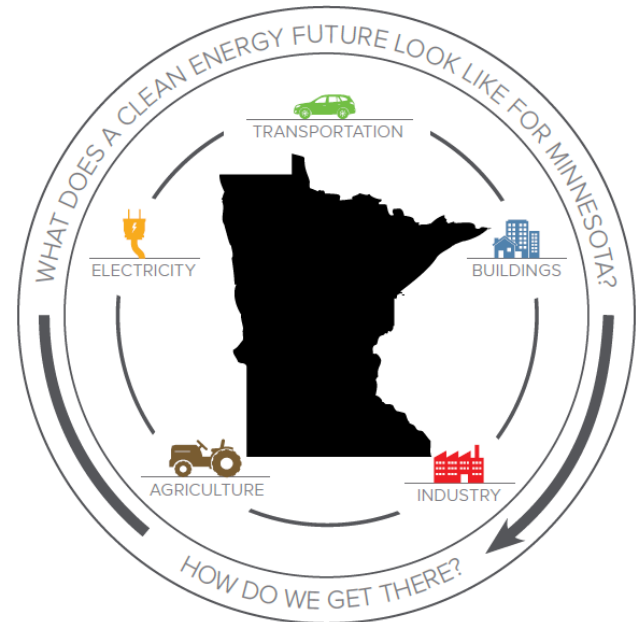
We don't know exactly how our energy systems will change, but we know the status quo won't last.

The framework

With this knowledge, the legislature has directed the Legislative Energy Commission to develop a framework for the state's energy future that would eventually **transition the state to all clean energy, protect the economy, and bolster clean energy industries** in the state. The Framework will look at all energy sectors, including electricity, transportation, industry, buildings, and agriculture. The LEC must work with stakeholders in all of these fields and other areas in order to come up with pathways that will work for Minnesota.

As the first step, the Department of Commerce hired Rocky Mountain Institute to scope out how to approach such a large task. That report was published in January 2014 and is available at <http://bit.ly/1mgCg5Y>.

Based on the recommendations of that scoping report, the Energy Future Framework will develop options for Minnesota to reach 80% or 100% clean energy by the year 2030 or 2050 – always keeping an eye on the 100% goal.



To do so, the Framework will examine **various potential resource scenarios**, including:

- Renewable energy and energy efficiency only,
- Including large hydropower generation,
- Including nuclear power generation, and
- Including fossil fuel use with carbon capture and sequestration.

In examining these scenarios, the Framework will try to **maximize**:

- Affordability and cost-competitiveness;
- Reliability, resilience and risk mitigation;
- Economic development; and
- Environmental quality and public health.

The process

Clearly, there's a lot of work to do. This kind of transformation is going to require changes across the state over time. So Minnesotans and Minnesota businesses and utilities need to be involved from the start: defining priorities and objectives, identifying "no regrets" strategies as well as challenges we'll need to deal with, and implementing changes over the course of time.

The Energy Future Framework, when fully funded, will include:

- A core team of **stakeholders and technical working groups** of experts in specific sectors.
- **Public workshops** around the state, so that Minnesotans' values and priorities frame pathways to a clean energy future, and to set the foundation for an open and transparent process.
- An **analytical study** to examine the feasibility and impacts of various energy options.

The Framework will also leverage great work being done by others, including the Minnesota Renewable Energy Integration Study, clean energy industry development work, the Environmental Quality Board's Climate Solutions and Economic Opportunities report, and other projects in and outside of government.

When it comes to Minnesota's energy future, **there is no such thing as doing nothing**. Profound changes are already underway. We have a great opportunity today to grow businesses and protect the health of our environment and citizens by transitioning to a clean energy economy, and Minnesota is ready to seize this opportunity.

About the LEC

The Legislative Energy Commission evaluates the energy policies of the state, assessing the impact on the future of the environment and the economy. It monitors the state's progress in achieving goals to develop renewable sources of electric energy; evaluates progress in reducing greenhouse gas emissions; reviews and recommends proposed energy legislation and takes testimony on energy issues. You can find a list of members, upcoming meetings, and other information at www.lec.leg.mn.