

## Climate Change

### Need

Flexibility, not mandates and deadlines, to address climate-related issues while still being able to meet the needs of customers for reliable and affordable energy.

### Background

Public power utilities recognize the threats climate change poses. For over a decade, utilities have been working to reduce their greenhouse gas emissions and respond to the increasing market demand for cleaner, renewable sources of energy. Energy production is no longer the number one source of greenhouse gas emissions in Minnesota, but public power utilities remain committed to continue efficient and effective efforts to further reduce emissions.

However, utilities continue to be the target of more mandates, higher reduction standards, and deadlines for further reducing greenhouse gas emissions. There is no “one-size-fits-all” answer to the issues faced by the utility industry in dealing with climate issues. There is also no set timeline by which all utilities can guarantee being able to achieve a set greenhouse gas emissions level or that all sources of energy will be from renewable/carbon-free/clean energy. Most, however, have pledged to take meaningful steps to continue reducing their carbon footprint by relying more and more on renewable/clean/carbon-free sources of fuel. But, as the events of Valentines’ week 2021 demonstrated, there will be a need for natural gas and possibly other sources of fuel as a back-up source of energy production for some time.

Factors including the size of the utility, the location of the utility, and the availability of transmission all play a role in how an individual utility can best address climate related issues. Further, a MISO study indicates that transformational change in planning, markets, and operations will be required when the electric system moves beyond the system-wide 30% renewable level. And since nearly 80% of the system’s renewable resources are in the northwest region of MISO, when MISO reaches 30% renewable energy penetration, some Local Resource Zones in the region that includes Minnesota are likely to be approaching 100% renewable energy penetration. Most sources agree that the technology and infrastructure does not yet exist to allow everyone to have simultaneous dependable access to renewable energy. Sources such as natural gas will be necessary to ensure the stability of the services at peak times, during extreme weather events, etc. Even utilities that have pledged to be 100% renewable will admit that they can only currently account for getting to around 80%, and most are talking about the energy side and not the capacity side.

### MMUA Position

Public power utilities are already responding to climate-related issues and are working hard to meet the demands of customers for increased use of renewable/clean/carbon-free energy, while also ensuring the energy source is dependable and affordable. Congress and federal

agencies should resist the urge to adopt artificial standards and deadlines and instead work with the utility industry to identify new technologies and strategies for further reducing greenhouse gas emissions from utilities and their consumers.

