

MEMO

To: Docket No. E,G-999/CI-20-425

From: Commissioner Joseph K. Sullivan

Date: May 5, 2020

Subject: Additional issues for discussion at May 7, 2020 Public Utilities Commission Agenda Meeting.

In the Matter of an Inquiry into the Financial Effects of COVID-19 on Natural Gas and Electric Utilities

In addition to the four issues raised in the Staff Briefing Papers I would like to raise an additional issue to be discussed at our May 7, 2020 Public Utilities Commission Agenda Meeting.

As we are all aware, the economic downturn resulting from COVID 19 is already severe. Nationally, more than thirty million people have claimed unemployment insurance since March 2020 and according to the Department of Employment and Economic Development there have been 605,702 unemployment insurance applicants in Minnesota since March 16. Counties throughout the state are currently reporting anywhere from 6% to 30% of the eligible workforce has claimed unemployment benefits since the outbreak in March. This has happened extremely fast. On March 12, 2020 Minnesota reported a seasonally adjusted unemployment rate of 3.1%.

Given this backdrop I think it is imperative the Commission hear from the utilities on how near term, planned for, and prudent utility infrastructure investments or other programs can aid in Minnesota's economic recovery from COVID 19. For example, it may be possible to accelerate investments that are planned in the next few years, focus on particular types of investments that could maximize benefits, or develop pilots or other rate mechanisms that could assist in economic recovery.

In addition to those issues discussed in comments, I request that the parties consider this issue and be prepared to answer questions during the hearing. To assist parties in preparing for the discussion, I put forth the following draft decision options, and welcome the input of my fellow Commissioners and the parties:

5. The Commission will open a docket to request information from the regulated electric and gas utilities on the possibilities for investments that would assist in Minnesota's economic recovery from the COVID-19 pandemic.

6. The Commission delegates to the Executive Secretary the authority to open the docket and create a notice requesting information on this topic, including but not limited to requesting that the utilities identify utility projects that could satisfy these criteria:

The identified investments must:

1. Provide significant utility system benefits;
2. Be consistent with approved resource plans, approved natural gas distribution infrastructure or pipeline safety plans, triennial conservation plans, and existing Commission orders;
3. Reduce carbon or other pollutant emissions in the power sector or across economic sectors;
4. Increase access to conservation and clean energy resources for all Minnesotans;
5. Create jobs or otherwise assist in economic recovery for Minnesotans.

The notice should request information on a broad range of projects, including but not limited to:

1. Energy efficiency
2. Rate design or other pilot projects
3. Electric vehicle infrastructure
4. Additional or accelerated gas infrastructure upgrades
5. Renewable natural gas pilot programs/investments
6. Rooftop solar deployment on public facilities, buildings, residences
7. Grid modernization
8. Transmission upgrades or expansions

The notice should clarify that the purpose of the docket is to gather information and not to approve projects and determine prudence of investments.