

BASE LOAD ENERGY & CAPACITY

ISSUE

Should Minnesota policies enable us to prepare for our future base load capacity needs, ensuring that all options are available to ensure that our economic growth is not hindered by a lack of competitively priced, reliable electricity?

POLICY

- Remove the outdated ban on issuing a Certificate of Need for a new nuclear power facility.
- The Minnesota Legislature should address the question of long-term storage of waste as best it can, but should not wait for Congress to resolve the issue before removing the ban on consideration of new generation.
 - The Legislature also should make recycling of spent nuclear fuel legal in Minnesota. While an act of Congress is likely necessary to provide the proper legal incentive to adopt spent fuel recycling, states should lead by encouraging the practice.
 - When it removes the ban on new nuclear generation, the Legislature also should pass a resolution urging Congress to fully fund the development of a long-term waste storage facility at Nevada's Yucca Mountain or an alternative facility, and encourage a national nuclear waste recycling/reprocessing program.
 - The Legislature should use whatever leverage it has regarding Minnesotans' contribution toward the "Nuclear Waste Fund," which is paid for by ratepayers of utilities with nuclear generation.
- Remove the requirement for legislative oversight for Certificates of Need related to additional storage of spent nuclear fuel.
- Fund the Renewable Development Fund directly from the general fund, instead of linking its funding to spent nuclear fuel storage.
- Minnesota's prohibition on constructing, importing or purchasing generation which contributes to statewide power sector carbon emissions should be amended to include a provision for utilizing and adding generation resources that are needed for state or regional reliability or for technologies that may reduce carbon intensity of abundant generation resources (e.g., coal).

BUSINESS IMPACT

Minnesota's business and residential customers' electricity needs are steadily growing, and energy infrastructure is linked to economic development. Even taking into consideration new laws increasing conservation targets and mandating major investments in renewable energy, and assuming these efforts are successful, the need for additional "base-load" electricity – generated by plants that run 24 hours a day, seven days a week – is likely to occur within the next 10-15 years. Until a statewide carbon emissions plan is enacted, new fossil-fuel based resources face an uncertain future to help meet that need, but fossil-fuel based resources should not be entirely "off the table" as a means to ensure reliability and sustain economic growth, if the resources are necessary and emissions are minimized. The link between a commitment to base load power and economic development is illustrated by Iowa's success in recruiting data centers (e.g., the new Google facility in Council Bluffs), which rely on base load energy infrastructure to operate.

Minnesota is among a minority of states in the country that has adopted a state policy banning new nuclear energy. This policy, in concert with other state policies including a moratorium on greenhouse gas-emitting resource, effectively limits new base-load resource options to natural gas-based generation and exposing customers to an expensive, volatile regional market. Eliminating Minnesota's outdated nuclear ban would give customers a clean, safe, reliable option to fill the eventual need for new power with a technology that doesn't contribute to global climate change.

Any serious attempt by the Legislature to address Minnesota's contribution to climate change must include the possibility of new nuclear generation into our base-load energy profile. Without this option, meeting the state's greenhouse gas reduction goals will be much more difficult, if not impossible, to achieve.