

Minnesota Senate



Minnesota House of Representatives

July 21, 2021

Dakota Electric Cooperative
4300 220th St W
Farmington, MN 55024

Re: Prospective Closure of Coal Creek Power Plant

Dear Board Members,

As supporters of clean and sustainable energy, we welcomed the news from May 2020 when Great River Energy announced it would close the Coal Creek Power Plant. As state legislators from your service area, we are writing to express our serious concerns about the news that, instead, the plant is to be sold and member co-ops obligated to a 10-year contract to purchase this expensive and dirty energy.

Transparent governance

We have serious concerns about the governance aspect, ensuring that members have the information they need and are empowered to drive co-op decision making. Member owned cooperatives are, by their very nature, supposed to be democratically run organizations. The non-transparent process that has been underway flies in the face of this principle. Concerned members who learned of the upcoming vote by the Dakota Electric board members have tried to contact directors and been told that due to a nondisclosure agreement, they cannot discuss details of the proposed sale. Some directors in fact have not been willing to talk to members at all. This lack of transparency is causing legislators to rethink whether more oversight is needed as would be required for a privately owned company. *At the very least, we urge Great River Energy to delay the vote and seek input from the membership.*

Financial stewardship

Minnesota ratepayers stand to lose financially. The high voltage direct current transmission line that is part of the deal has a replacement value of more than \$900 million dollars and is planned to be sold for a mere fraction of that to Rainbow (\$225 million). How is this a good use of member investments on this unique, highly efficient line that has been paid for by GRE members? We understand that North Dakota politics currently pose a challenge for the wind energy that GRE planned to tap in to. But we also understand county officials plan to lift the ban as soon as the sale is final. Rather than fighting this, GRE has chosen to basically give the member-funded transmission line away and prolong the certain death of the coal industry by buying energy back from Rainbow LLC for the next 10 years.

Moreover, when GRE originally announced the retirement of Coal Creek, the utility said it would likely reduce electricity costs for its member-owners by 13 percent. The economics of coal haven't changed since then.

Climate impact

Finally, we are facing a devastating climate emergency. The plan to retire Coal Creek and invest in clean sources of energy helped move us forward—this is a grave step backward.

As elected representatives of the Dakota Electric service area, we call on you to vote NO to this sale. Stand firm on behalf of your members and the good of the community.

Sincerely,



Representative Liz Reyer
District 51B



Representative Sandy Masin
District 51A



Representative Kaela Berg
District 56B



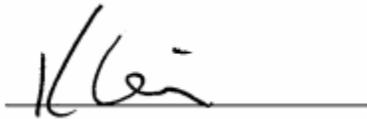
Representative Todd Lippert
District 20B



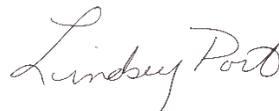
Representative Jess Hanson
District 56A



Representative Robert Bierman
District 57A



Senator Matt Klein
District 52



Senator Lindsey Port
District 56