



The energy transition is the term for the energy sector's shift from fossil-based energy production and consumption (including oil, natural gas and coal) to renewable energy sources like wind and solar, as well as energy storage that includes batteries, distributed and local energy resources, and the electrification of loads.

The issue

In February 2023, the state of Minnesota passed a law establishing a goal for all utilities to provide 100 percent carbon-free electricity by the year 2040. Milestones include utilities having 80 percent of retail clean energy sales to consumers by 2030, increasing every five years to reach 100% for all electric utilities by 2040.

Our view

MVEC believes in a common-sense approach to the energy transition, while staying true to providing the safe, reliable and affordable electricity that our members have come to expect from their cooperative.

Making drastic changes (such as decreasing carbon emissions derived during electrical generation) in a short amount of time needs to be discussed, studied and determined to show proven results. This doesn't mean MVEC is opposed to clean energy. Our position is to work toward a balanced, responsible and integrated approach that recognizes both our obligation of maintaining reliable energy while making sure members have affordable energy costs.

It is important to be open-minded and understand members have different perspectives regarding renewable options. Just like many things in life, our members have varying opinions on how the energy transition should look. It is important that we provide options.

The cooperative business model is different than investor-owned and municipal utilities. We are not-for-profit, autonomous and take great fiscal responsibility to look out for the best interests of our member-owners.

Our Mission:

**To create exceptional member experiences,
while safely providing reliable energy at cost.**

**As a cooperative, every decision we make
is with our entire membership in mind.**

As a not-for-profit utility, any margins, also known as Capital Credits, are fairly and equitably returned to our member-owners after all operating costs are paid. It is important for us to balance the impact of decisions we make with the reliability and cost-effectiveness of the electricity we deliver. In other words, our members' interests are always in the forefront.

“ MVEC is a critical partner in the renewable energy transition and our board continues to encourage and support the use of renewable energy sources. As reliability is both valued by our member owners and essential to the public health and safety of Minnesota, we seek a responsible energy transition. Power available 24/7 is essential, and we support a balanced mix of available fuel sources which provide the reliability and affordability we all need.
- MVEC Board of Directors

To see how our energy mix and how our portfolio has shifted over the years, visit www.mvec.net/green-energy-options

MVEC

MINNESOTA VALLEY ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative 

Safe • Innovative • Accountable • Connected – cooperatively since 1937

A responsible energy transition will take time.

Energy policy and regulations will impact everyone directly or indirectly

Ensuring sufficient generation for future needs requires careful consideration in many areas:

- **We believe in transparency for our members:**

As legislators, media, and communities learn about renewables, MVEC is obligated to inform our member-owners about the differences between readily available generation and intermittent generation resources.

- **Some renewable energy options are intermittent:** Wind and solar do not consistently produce energy at all hours of the day, and potential output can be difficult to predict.

- **Transmission infrastructure is key:** Energy policy transitioning away from fossil fuels will impact the transmission power lines of today. Some progress has been made in this area, but traditional transmission infrastructure is not always located where new renewable options are needed to meet various environmental goals. We need to realize this new infrastructure will take time to build, especially when considering timelines for necessary permits.

- **We advocate for a balanced approach:** MVEC prioritizes reliability and affordability.

We do not want to compromise our members' power quality by quickly reacting to legislative initiatives. A well-thought-out plan balancing environmental goals with reliable and affordable electricity is key. We are always open to innovation.

- **Fuel diversity is essential:** Fossil fuels continue to play a critical role in member reliability and affordability. They have been dependable and easily accessible energy sources that have successfully provided electricity since the 1930s.

- **Decisions now affect the future:** Policymakers need to consider long-term certainty, flexibility, and grid impacts when looking to develop energy policy proposals.

We support traditional and renewable energy sources

- **Base-load power plant closures can have a detrimental effect:** New government



regulations can prematurely force closures of reliable and affordable base-load power plants that still have useful life in favor of intermittent and costly renewables.

- **Sure and steady baseload resources are reliable:**

Since 1937, we've powered the Minnesota River Valley with reliable, base-load resources like coal and natural gas. These dispatchable plants are readily available when needed, independent of weather conditions.

- **We need a gradual transition:** Older generation methods should be phased out gradually, alongside the development of demonstrably viable alternatives and proven technology.

- **Renewables have great potential:** Wind and solar are valuable renewable options, but their capacity and reliability need to be carefully considered. Their resilience and lack of output predictability are concerns compared to fossil fuels.

- **It's a balancing act:** As reliance on renewables increases, prioritizing an adequate supply of always-available power resources is crucial to maintain grid stability and affordability. Fuel diversity remains the best approach to keep the lights on at a price members can afford.



Partnering Together

In addition to member input via our nine-member Board of Directors, MVEC respects the research and knowledge of the Minnesota Rural Electric Association and National Rural Electric Cooperative Association, among other industry experts.

Collaborative Transition:

"Minnesota cooperatives advocate for a practical pathway to a clean energy future. We believe overly prescriptive carbon mandates risk increasing costs and degrading service reliability for our members. Rural Minnesotans already face a disproportionate energy burden, and rising costs further exacerbate this issue. To ensure safe, reliable, and affordable electricity for our members, we need sustainable policies that support a broad range of technologies and solutions while maintaining grid reliability."

– Minnesota Rural Electric Association

"Diversity of power supply is the best approach for keeping the lights on at a price consumers can afford. Insufficient transmission capability has stymied the delivery of new electric generation across the country and will only get worse as the U.S. continues to electrify its economy. Meaningful National Environmental Policy Act reform could speed the construction and maintenance of electric transmission and other critical grid infrastructure. More broadly, federal agencies are permitting new energy technologies using decades-old regulatory processes that have not kept pace with high-tech advances." – National Rural Electric Cooperative Association

Our Vision: To be a trusted energy partner loyal to the community – now and for future generations.

MVEC

MINNESOTA VALLEY ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative 