

Aug. 31, 2020

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: Docket 20-492

Dear Executive Secretary Seuffert:

We congratulate the PUC for its vision in asking Minnesota's investor-owned utilities to accelerate infrastructure investments to respond to the COVID-19 economic downturn. Those investments have the potential to provide important benefits, including:

- Reducing carbon and other pollutants
- Increasing access to conservation and clean energy resources
- Creating jobs or otherwise assisting in economic recovery for Minnesotans
- Using women, veteran, or minority-owned businesses as much as possible

The undersigned climate justice and community organizations and community leaders write asking you and other Minnesota Public Utilities Commissioners to adopt strong evaluation criteria for these proposed projects that reflect Minnesota's current context and needs. **We urge you to ensure the benefits generated by accelerated investments by these publicly accountable utilities accrue to the frontline groups that have been disproportionately harmed by three simultaneous pandemics:**

- COVID-19 and resulting economic hardships
- A decades-long climate crisis
- A centuries-long history of racist oppression, illustrated graphically most recently by the police killing of George Floyd in Minneapolis.

Xcel Energy says its proposed projects will provide 5,000 jobs and a "multi-year pipeline of job creation and needed infrastructure investment to support what is likely to be an extended recovery period." Xcel also says its proposed investments will lead to nearly 500,000 tons of annual CO₂ reductions.

While those projections are laudable, they are also inadequate by themselves. Black, Indigenous and People of Color (BIPOC) Minnesotans make up 20 percent of our population. They have been hit "first and worst" by the COVID-19 pandemic and resulting economic downturn -- the latest manifestations of centuries of systemic racism and inequities. Any sincere

economic development initiative must recognize that remedying the effects of those inequities requires that the portion of economic benefits realized by BIPOC communities far exceed 20 percent. In other words, a 20 percent threshold might produce *equality* in economic development but would be grossly inadequate to further *equity*. **That is why our organizations write today urging the PUC to ask utilities to develop equitable models for accelerated projects in which at least 40 percent of benefits accrue to BIPOC communities to account for historic and ongoing marginalization.**¹

That target should be distinct from the “veterans, women and minority” classification. We expect any racial equity metrics to be measured separately.

BACKGROUND

The killing of George Floyd and weeks of protests demanding racial justice have made Minnesota the epicenter of an overdue reckoning with America’s structural racism. BIPOC communities have suffered for generations under those structures and systems, leaving them acutely vulnerable to the pandemic’s health and economic effects while privileging white Minnesotans.

Minnesota is among the worst states in the country when it comes to racial disparities. Our state has the second largest racial income disparity in the country. The Black poverty rate in the Twin Cities is four times higher than the white poverty rate and much higher than the national average. Our state’s racial disparities in high school graduation rates are the worst in the nation. These inequities did not occur randomly but are due to systemic racism.²

The pandemic is compounding these disparities because the coronavirus infects and kills people of color at much higher rates than whites. The four zip codes in the metro with the highest COVID-19 rates have populations that are at least 45 percent people of color.³ This is not surprising because in the Twin Cities, BIPOC households disproportionately live in pollution hot spots. A recent Harvard study demonstrated that increases in pollution correlate with high infection rates for COVID-19.⁴ BIPOC workers also tend to work in industries that bring them in close contact with the virus.⁵

Higher infection rates among BIPOC Minnesotans translate into higher mortality rates. In the 30-64 age group, for example, people of color make up 63 percent of the COVID-19 deaths but account for only 16 percent of the population.⁶

The same communities also are confronting the devastating economic impacts of COVID. The state of Minnesota found that BIPOC workers are more likely to hold jobs that are vulnerable to layoffs.⁷ The Star Tribune recently reported that half of Black Minnesotans have lost work due to the pandemic.⁸

Any COVID-19 recovery effort must prioritize concrete and measurable investments in communities most affected by the economic downturn. Given the lack of racial diversity in the construction and electric utility industries,⁹ the historical tendency to prioritize expediency in crisis situations and the inertia of centuries of power imbalances, any economic development ambitions of the Commission will not adequately benefit BIPOC Minnesotans without explicit and diligent intervention by the Commission.

If the commission simply fast-tracks investor-owned projects without adopting thoughtful, ambitious and specific criteria for *where and how* capital is dispensed, it will not support economic recovery for BIPOC communities but instead risks deepening existing racialized disparities.

PROCESS & EVALUATION CRITERIA

That background provides a compelling basis for our request for the Commission to require that Xcel Energy and other investor-owned utilities develop a collaborative process with BIPOC communities that guarantees those communities realize a 40 percent share of the economic benefits from any projects meant to accelerate economic recovery. We also recommend that the collaborative process adopt these general evaluation categories for those projects:

- Wealth building and ownership opportunities for communities
- Equity in high quality, family sustaining employment opportunities
- Lowered energy cost burden for households
- Equitable environmental health of neighborhoods

More specifically, we ask the Commission to require the utilities solicit input from BIPOC community members and to set quantifiable targets in these job, wealth, health, and cost-burden areas:

1. Number of dollars invested in businesses either owned by members of BIPOC communities or whose BIPOC workforce, including leadership and management, significantly exceeds the BIPOC makeup of Minnesota's general population
2. Number of BIPOC workers from Minnesota the projects employ, including how many of those workers have leadership or management roles
3. Number of BIPOC workers promoted into higher pay grades and classifications (e.g. moving apprentices to journeyman classifications)
4. Number of BIPOC workers provided with path to ownership opportunities (e.g. paying for workers to attend worker-cooperative trainings and small business trainings)
5. Participation rates of BIPOC workers *before* and *after* transportation and lodging are provided to BIPOC workers for projects that are not in proximity to BIPOC communities
6. Reduction in energy costs in zip codes with high BIPOC populations that face increasing energy insecurity and pay a greater share of their incomes for energy

7. Reduction in particulate emissions in zip codes where BIPOC populations significantly exceed state averages

Next, we ask the Commission to require utilities to dedicate funding for key elements of employment equity:

8. Geographically-accessible and culturally-grounded, renewable energy and conservation career training (ie. solar installers, engineers, energy efficiency auditors, etc.) within BIPOC, in particular Black and Indigenous, communities.
9. Funding particularly for Black and Indigenous graduates (and qualified non-graduates) of these programs to assist them in establishing their general contracting license, worker cooperative, or other small energy business in order to organize their own teams to develop and rebuild their own communities
10. Ensuring jobs created by these investments are high quality jobs with family sustaining wages, a safe workplace, and health care, sick leave, child care and family leave benefits;
11. Transportation and lodging for BIPOC workers for projects that are not in proximity to BIPOC communities
12. Recruiting for training in green jobs for formerly incarcerated community members who, because of legacies of racist criminalization, are disproportionately BIPOC

Finally, we urge the Commission to require that utilities include activities to ensure access and wealth-building opportunities within clean energy and energy-efficiency programs, including:

13. Providing grants or no-interest funding pools for individuals and organizations implementing community-based projects to increase access to conservation and clean energy in BIPOC communities
14. Adopting tariffed on-bill financing or "Inclusive Financing," to provide a mechanism for low-income and BIPOC communities -- historically excluded from programs that benefit homeowners more than renters -- to fund cost-effective efficiency upgrades without burdensome upfront expense or significant debt
15. Providing interpreters and culturally-competent ambassadors from local communities who can help ensure that BIPOC communities realize the benefits of renewable energy and energy conservation programs that are funded by all Minnesotans but that leave many without meaningful access

We look forward to further dialog to ensure that the state's most marginalized communities are not bypassed by an approach to economic development that ignores historical context and current needs.

Sincerely yours,

Alliance for Metropolitan Stability

COPAL (Communities Organizing Latinx Power and Action)

Community Members for Environmental Justice
Roxanne O'Brien

Community Power

Minneapolis Climate Action

Minnesota Environmental Partnership

MN Renewable NOW
Kristel Porter Executive Director

MN350

Native Sun Community Power Development
Robert Blake Executive Director

National Association of Minority Contractors
Upper - Midwest Chapter

Saint Paul 350

Sierra Club North Star Chapter

TakeAction MN

Union of Concerned Scientists

Clean Energy Economy Minnesota

Health Professionals for a Healthy Climate

Growth & Justice

Jewish Community Action

Project Sweetie Pie

Cooperative Energy Futures

Ecolibrium3

1. The 40 percent requirement is also consistent with New York’s Climate Leadership and Community Protection Act
<https://www.nyrenews.org/news/2020/7/15/biden-climate-plan-includes-ny-renews-frontline-community-investment-frameworknbsp>
2. <https://www.npr.org/sections/money/2020/06/02/867195676/minneapolis-ranks-near-the-bottom-for-racial-equality>
3. <https://www.startribune.com/people-of-color-in-twin-cities-continue-to-bear-brunt-of-coronavirus/571982452/?refresh=true>
4. https://medium.com/@shalini_14405/mn-governor-leaders-must-act-to-save-lives-of-states-most-vulnerable-bd7abb42a590
5. <https://mn.gov/covid19/data/data-by-race-ethnicity/index.jsp>
6. <https://www.startribune.com/people-of-color-in-twin-cities-continue-to-bear-brunt-of-coronavirus/571982452/?refresh=true>
7. <https://mn.gov/covid19/data/data-by-race-ethnicity/index.jsp>
8. <https://www.startribune.com/half-of-black-workers-in-minnesota-have-lost-work-during-pandemic/571820441>
9. <https://mn.gov/deed/data/research/workforce-diversity/industry/>