

CEE report: Minnesota's "power plant communities" plan for an uncertain future as nuclear and coal plants retire

Local economies, identities face challenges in approaching closures

February 26, 2020 — Center for Energy and Environment (CEE) has published a report on looming challenges faced by six Minnesota communities. Each is home to a large coal or nuclear power plant that is likely to be retired in the next 20 years in response to changing economics and customer demand. *[Note: Retirement dates are estimated based on proposed date; approved date; or depreciation date, if no specific retirement plan has been made.]*

[REPORT LINK: Minnesota's Power Plant Communities: An uncertain future](http://bit.ly/hostcommunities)
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Drawing extensively from more than 100 interview participants and survey responses, the report emphasizes the historical impact that each plant has had on the economy, identity, and general well-being of the surrounding community. Most communities in the study attribute a large portion of their tax base and jobs to their local plant and expect dramatic changes when the plant is retired.

The report also captures planning under way to help each "host community" transition as closure dates approach. Some communities are preemptively investing in environmental assets with a focus on recreation and tourism. Others are pursuing infrastructure renewal and proactive debt servicing before their tax base shifts. Across the board, most have sights set on local talent, often partnering with schools and utility plant owners to attract new employers and train the future workforce. Among the report's key findings:

- As power plants have played an important role in building vibrant and stable communities across Minnesota, **each closure will have a direct economic impact** on its host community, with ripple effects on many others.
- **Transparency and advanced planning now is needed** to help mitigate the most negative effects of plant closures.
- Not all of Minnesota's host communities **receive equal benefits** from their local power plant.
- Plant workers and their unions share common interests and urgency with host communities, and unions and communities would **benefit from closer coordination and communication** in transition planning.

"CEE's mission compels us to report on this issue, while understanding that these are the *communities'* stories to tell," explained lead author Audrey Partridge. "In their own words, each contributor's insights help weave together narratives that are unique to their own community, while still echoing many central themes from story to story."

In Greater Minnesota, power plant jobs are notably high quality. Among workers at the five plants in CEE's study, 2018 wages averaged nearly \$100,000, in stark contrast to Minnesota's \$68,000 median household income. There are no easy industry replacements that would be uniformly similar in terms of pay, benefits,

stability, and location. Juxtaposed with the closures' impact on local jobs, the report also stresses considerations for land use and eventual site redevelopment.

"Decommissioning these large scale power plants creates diverse challenges unique to each host community," emphasized Greg Pruszinske, city administrator of Becker, Minnesota, home to a three-unit coal plant set to close by 2030, "but we can conquer the challenges of this national trend through regional and statewide collaboration."

Pruszinske continued, "We can remain sustainable as long as we plan for the change, and that means taking action as soon as possible, investing in infrastructure, and developing strong partnerships."

Through the lens of the Prairie Island Indian Community, the study also reveals that not all communities receive equal benefits from hosting a power plant. Distinctly different from other communities studied, Prairie Island's tribal members expressed deep concerns about living in proximity to a nuclear power plant and its stored fuel, intensified by a painful history with the plant's development and operations.

"Our shift to clean energy is crucial for future prosperity — but we also need to remember these towns that are part of that transition," explained Partridge. "More collaboration and state-level support could make the difference in how these vibrant communities either participate in, or are left behind by, a clean energy transition that's already in motion around them."

Funding for "[Minnesota's Power Plant Communities: An uncertain future](#)" was provided by the Just Transition Fund; the Coalition of Utility Cities; Initiative Foundation, a regional foundation; West Central Initiative Fund; and Xcel Energy; in addition to co-funding from Center for Energy and Environment in support of its nonprofit mission.

Sample report quotes

"This is almost a death sentence if we lose the power plant."

—Greg Hagy, Mayor of Cohasset

"At 76% [of the City budget], it's probably easier to point to stuff [the Sherco plant] *didn't* pay for. It's a much shorter list."

— Tim Dolan, Sherburne County Commissioner

"How do we even talk about the transition without making people feel fearful? This is just a process and we want to move through as responsibly as possible."

—Rachel Leonard, Monticello communications coordinator

"The effects that this community feels are greater than any other community in this nation."

—Shelley Buck, Prairie Island Tribal Council President

About CEE

Center for Energy and Environment is a clean energy nonprofit with special expertise in energy efficiency stretching back nearly 40 years. Working in homes, businesses, and communities, CEE discovers and deploys the most effective energy solutions to strengthen the economy and improve the environment. Learn more at mncee.org.