

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: January 30, 2014Agenda Item *2

Company: Pleasant Valley Wind, LLC

Docket No. IP-6828/CN-09-937

In the Matter of the Application of Pleasant Valley Wind, LLC for a
Certificate of Need for up to 301 MW at the Pleasant Valley Project in Dodge
and Mower Counties in Southeastern Minnesota.

Issue(s): Should the Commission amend Pleasant Valley Wind LLC’s certificate of
need to specify a reduced nameplate capacity for the project?

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Relevant Documents

Order Granting a Certificate of Need.....October 27, 2010
Order Extending Certificate of Need In-Service Date February 19, 2013
Petition for Changes to Certificate of NeedNovember 25, 2013
Notice of Comment Period on Petition for ChangesNovember 27, 2013
Department of Commerce Initial Comments December 12, 2013

The attached materials are work papers of the Commission staff. They are intended for use by the Minnesota Public Utilities Commission and are based upon information already in the record unless noted otherwise.

I. STATEMENT OF THE ISSUE

Should the Commission amend Pleasant Valley Wind LLC's certificate of need to specify a reduced nameplate capacity for the project?

II. PROJECT DESCRIPTION

The project as defined in the site permit is an up to 301 megawatt nameplate capacity large wind energy conversion system consisting of up to 188 General Electric 1.5 megawatt wind turbines and associated facilities. The project is located in Dodge and Mower counties on a site of approximately 70,000 acres.

III. PROCEDURAL BACKGROUND

On October 27, 2010, the Minnesota Public Utilities Commission (Commission) issued a certificate of need and a site permit to Pleasant Valley Wind, LLC (Pleasant Valley Wind) for the construction of a 301 megawatt wind farm.

On February 19, 2013, the Commission issued an Order Extending Certificate of Need In-Service Date from fall of 2012 to October 27, 2014.

On November 25, 2013, Pleasant Valley Wind filed a petition requesting that the Commission amend the certificate of need to specify a reduced nameplate capacity of 200 megawatts for the project.

On November 27, 2013, the Commission issued a notice of comment period on Pleasant Valley Wind's Petition for Changes to the Certificate of Need.

On December 12, 2013, the Minnesota Department of Commerce Division of Energy Resources (Department) filed comments on the petition to amend the certificate of need nameplate capacity.

IV. STATUTES AND RULES

Changes to the size, type or timing of a proposed facility before the facility is placed into service that do not conform to the provisions in Minn. R. 7849.0400, subp. 2(A) – (G), require an applicant to notify the Commission of the proposed change and the reasons for the change. The Commission must then determine within 45 days whether the delay is acceptable without recertification or whether further hearings are necessary.

Because the proposal to reduce the nameplate capacity for the project by 101 megawatts does not fall within the nameplate capacity reduction specified in Minn. R.7849.0400, subp. 2(B), Pleasant Valley Wind must inform the Commission of the desired change in accordance with Minn. R 7894.0400, subp. 2(H).

V. PLEASANT VALLEY WIND PETITION

Pleasant Valley Wind indicated in its petition that it has agreed to a power purchase agreement to develop and sell a 200 megawatt project to Xcel Energy.¹ As a result, Pleasant Valley Wind is proposing to construct the wind facility project to meet, but not exceed, the terms of that agreement. Because the nameplate capacity of the project would no longer be 301 megawatts, Pleasant Valley wind has requested an amendment to the certificate of need to specify a reduced nameplate capacity of 200 megawatts for the project.

VI. SUMMARY OF COMMENTS ON PETITION

Initial comments on Pleasant Valley Wind's petition for changes to the certificate of need were accepted until December 12, 2013, reply comments were accepted until December 19, 2013. Initial comments were filed by the Department and were the only comments received during the prescribed comment period.

A. Department of Commerce Division of Energy Resources Comments

On December 12, 2013, the Department filed initial comments on Pleasant Valley Wind's petition. The Department's comments provided an evaluation of the proposed change to the size of the project and whether the change could reasonably have resulted in a different decision under the criteria specified in Minn. R. 7849.0120.

The Department explained that because the Minnesota renewable energy standard² requires an increasing percentage of renewable resources through 2025, a size decrease, if known at the time of the need decision, could not reasonably have resulted in a different decision. Therefore, the Department recommended that the Commission determine that the change is acceptable without further hearings.

¹ Under Section 10.2 of the site permit for the Project the Permittee must obtain a power purchase agreement or some other enforceable mechanism for sale of the electricity to be generated by the Project.

² Minn. Stat. § 216B.1691 subd. 2a.

STAFF DISCUSSION

Staff has reviewed the documents and comments relevant to Pleasant Valley Wind's petition. Staff agrees with the recommendation of the Department that the Commission should determine that a reduction in the certificate of need nameplate capacity from 301 megawatts to 200 megawatts is acceptable without further hearings.

COMMISSION DECISION ALTERNATIVES

A. Petition to Reduce the Certificate of Need Nameplate Capacity

1. Determine that a reduction in the certificate of need nameplate capacity from 301 megawatts to 200 megawatts is acceptable without further hearings.
2. Determine that the change, if known at the time of the need decision, could have resulted in a different decision and order additional hearings.
3. Take some other action deemed appropriate.

Staff Recommendation: A1