

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

121 7th Place East, Suite 350
St. Paul, MN 55101-2147

In the Matter of an Investigation into
Implementing Changes to the Renewable
Energy Standard and Newly Created Carbon
Free Standard Under Minn. Stat. § 216B.1691

PUC Docket No. E999/CI-23-151

REPLY COMMENT

The Minnesota Large Industrial Group (“MLIG”), a continuing ad hoc consortium of large industrial end-users of energy in Minnesota spanning multiple utilities and functioning to represent large industrial interests before regulatory and legislative bodies, submits the following comment pursuant to the Notice of Comment Period (“Notice”) issued by the Minnesota Public Utilities Commission (“Commission”) in this matter on September 12, 2025.¹ The Commission’s Notice identified the following topics open for comment:

1. In light of the statutory changes made by H.F. 7, are any additional clarifications necessary regarding the off-ramp process outlined in the Commission’s March 19, 2010 Order in Docket No. E-999/CI/03-869?
2. Are there other issues or concerns related to this matter?

MLIG submits this brief reply comment to restate its prior comments in this docket and to respond to comments submitted by the Minnesota Department of Commerce (“Department”) on October 28, 2025.

A. MLIG Reiterates Its Recommendation for Uniform Reporting

MLIG restates and reasserts the request contained in its filings in this docket to date, including its June 28, 2024, comment that uniformity in cost reporting is critical to evaluate resource planning dockets. MLIG reasserts its recommendation that the Commission require utilities to file certain information in their integrated resource plans (“IRPs”), including:

¹ Notice of Comment Period on Compliance Filings (Sep. 12, 2025) (eDocket No. 20259-222948-01) (“Notice”) (establishing November 18, 2025, as the deadline for reply comments).

1. the average current rate for each customer class as of the year of the IRP filing,
2. projected rate increases (in dollars and percentages) by customer class for each year of the five-year IRP action plan, and
3. the net present value of the utility's revenue requirement over the life of the IRP action plan, under various scenarios, while separately identifying the environmental costs.²

MLIG reiterates its support for these requirements as a method to uniformly track implementation costs of the 2040 legislation. Additionally, MLIG restates its request that the Commission require utilities to file:

4. a reference case scenario, detailing the least cost plan, from a ratepayer impact perspective,³ for meeting the CFS by 2040, even if the intermediate benchmarks for 2030 and 2035 set out in Minn. Stat. § 216B.1691, Subd. 2g(1) and (2) are missed; and
5. a reference case scenario, detailing the least cost plan, from a ratepayer impact perspective,⁴ to meet the CFS by 2050, which were goals incorporated in recent resource planning dockets of Xcel Energy and Minnesota Power.⁵

MLIG believes this information, when provided in IRP dockets could inform discussions, if any, on an off-ramp proposal consistent with the Commission's March 19, 2010, Order in Docket No. E-999/CI-03-869.⁶ Additionally, the Department's comments appear to support resource plans as one appropriate venue for such discussions,⁷ and MLIG members look forward to productive discussions in those dockets.

² See MLIG Comment at 5-7 (Aug. 2, 2023); MLIG Comment at 5 (Jun. 28, 2024).

³ In other words, exclusive of the various modeling assumptions built into statute. E.g., Minn. Stat. § 216B.2422, Subd. 3.

⁴ In other words, exclusive of the various modeling assumptions built into statute. E.g., Minn. Stat. § 216B.2422, Subd. 3.

⁵ See *In the Matter of the 2020-2034 Upper Midwest Integrated Resource Plan of Northern States Power Company d/b/a Xcel Energy*, Docket No. E-002/RP-19-368, Order Approving Plan with Modification and Establishing Requirements for Future Filings at 30, P 2.A. (Apr. 15, 2022) (eDocket No. 20224-184828-01); *In the Matter of Minnesota Power's 2021-2035 Integrated Resource Plan*, Docket No. E-015/RP-21-33, Order Approving Plan and Setting Additional Requirements at 13, P 1 (Jan. 9, 2023) (eDocket No. 20231-191970-01).

⁶ *In the Matter of Detailing Criteria and Standards for Measuring an Electric Utility's Good Faith Efforts in Meeting the Renewable Energy Objectives Under Minn. Stat. § 216B. 1691*, Docket No. E-999/CI-03-869, Order Clarifying Criteria and Standard for Determining Compliance Under Minn. Stat. § 216B.1691 at 7 (Mar. 19, 2010) (eDocket No. 20103-48177-01).

⁷ Department Comment at 5 (Oct. 28, 2025) (eDocket No. 202510-224333-01).

B. MLIG Requests Clarity Regarding the Process for Off-Ramp Petitions

1. The Statute Allows Any Party to Bring a Petition to Delay, Not Just a Utility

MLIG notes that Minn. Stat. § 216B.1691, subd. 2b, allows any party to bring a petition to delay, not just utilities. MLIG believes the customer barometer of rates is one of the most important arbiters of whether a delay in implementation of the CFS is required. In fact, the language of Minn. Stat. § 216B.1691, subd. 2b(a)(1) lists cost and competitiveness as the first factors for evaluating a petition to modify or delay implementation of the standard. Some of the initial comments seem to imply that only utilities could bring petitions for delay, but MLIG believes the process is open to anyone impacted by the implementation of the CFS.

2. EAC Procurement Could be Cost Prohibitive

The Department's comments assert that although it "prefers that a utility meet its CFS obligation with its own generation, the Department, as stated above in section A.1., favors an energy attribute certificates ("EAC") procurement plan as an alternative to the delay or modification of a utility's CFS obligation."⁸ The Department's position concerns MLIG as an EAC procurement plan could also be cost prohibitive and it is possible that the cost of CFS compliance through the procurement of EACs would not sufficiently mitigate the overall cost of compliance. MLIG agrees that the viability and impact of EACs should be addressed as part of any petition for delay, but does not agree that EAC procurement plans should definitively be the default alternative to modification or delay and each petition must be evaluated under the circumstances existing at that time.

C. Commission Should Delay Decision Regarding Department Proposal for Cost Cap

The Department also raised an issue regarding the compliance cost cap, asserting that the Social Cost of Carbon ("SCC") "should establish the maximum amount that should be paid to satisfy compliance requirements."⁹ MLIG respectfully disagrees with the Department's assertion for three reasons. First, ratepayer impacts and related cost factors have not received sufficient evaluation in the IRP process. To be sure, the lack of sufficient evaluation is one of the reasons MLIG requests the Commission order uniform reporting requirements for IRPs in this

⁸ *Id.* at 5.

⁹ *Id.* at 6.

docket. Second, the legal interaction between developments at the current federal administration and the current language in Minn. Stat. § 216B.2422, subd. 3 raises questions as to precisely how resource plans should model the SCC, an issue the Commission has not yet developed. Finally, MLIG finds the Department's proposal unclear because the SCC is a dollar per ton metric, but compliance costs will presumably be measured on a dollar per kWh basis. Therefore, MLIG respectfully requests that the Commission delay any decision on the Department's proposal until the record can be developed regarding the concerns set forth above, presumably in a subsequent or pending resource plan.

D. Conclusion

MLIG thanks the Commission for noticing these important topics for comment. MLIG requests the Commission adopt the uniform reporting proposal and reject the Department's compliance cost cap proposal until further record development can occur.

Dated: November 18, 2025

Respectfully submitted,

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