

Docket No. E017/M-24-404

In the Matter of Otter Tail Power Company's Petition for Approval of the Solway and Abercrombie Solar Projects

In the Matter of the Petition of Otter Tail Power Company for Exemption from Certificate of Need for the 50 MW Solway Solar Project in Beltrami County, Minnesota

Commissioner Sullivan Compiled Decision Options

1. Approve Otter Tail Power's investments in the Solway and Abercrombie solar projects. (OTP, Department)
2. Determine that the Projects qualify toward OTP's Eligible Energy Technology Standard and Carbon-Free Standard obligations. (OTP, Department)
3. Determine that Solway Solar is exempt from the certificate of need requirement of Minn. Stat. § 216B.243. (OTP, Department)

OTP 4.1 Authorize future cost recovery of the Projects in accordance with the allocation methodology described in OTP's May 23, 2025, Supplemental Information filing, through the Renewable Resources Cost Recovery Rider under Minn. Stat. § 216B.1645, subd. 2a, subject to Commission review and approval of specific costs to be presented in a future petition. (OTP Preferred 6/4/2025).

Sullivan Modified 5: Limit cost recovery to an aggregate ~~symmetrical~~ capital cost cap for the Projects, with the capital cost recovered being set at the costs bid by OTP for Solway Solar and Abercrombie Solar combined.

Sullivan Modified 6: Authorize OTP to request Commission approval to exceed the ~~symmetrical~~ cost cap if it can show that any costs it incurred above the cap are the result of a government action (e.g. tariff, trade investigation, etc.) that causes a meaningful disruption to solar panel supplies and market prices.

a. In any request to exceed the cost cap, require OTP to show a direct causation between a specified government action and every dollar for which it asks to exceed the cap. (OAG alternative)

If actual costs are less than the current estimates, require Otter Tail to allocate 90% of the savings to ratepayers. (From OAG-RUD 7)

NEW Sullivan 9: In its future RRCR recovery filings and rate cases, the Company shall:

A. Report on the extent to which the projects result in the estimated 6.4 percent savings comparing revenue requirements with projected energy market value, with and without capacity credit.

B. Reflect the allocation of costs and credits among all jurisdictions, including but not limited to reconciliation of MISO settlements. The Company shall describe with particularity the basis for

the reconciliation, including any reduced peaking plant revenues that are charged to Minnesota customers as described in the Company's December 9 petition.