



September 17, 2025

Via Electronic Filing

Ms. Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: Supplemental Comments

*In the Matter of a Commission Investigation into a Fuel Life-Cycle Analysis Framework for
Utility Compliance with Minnesota's Carbon Free Standard*
Docket No: E999/CI-24-352

Dear Ms. Bergman:

Central Minnesota Municipal Power Agency, d/b/a Central Municipal Power Agency/Services (CMPAS) submits these enclosed Supplemental Comments responding to the Public Utilities Commission's Notice of Comment issued on January 22, 2025, regarding a fuel life-cycle analysis framework and related issues for utility compliance with Minnesota's Carbon Free Standard.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact me at (763) 710-3932 or jaya@CMPAS.org with any questions.

Sincerely,

Jay D Anderson
Chief Executive Officer
Central Minnesota Municipal Power Agency/Services
Enc. Reply Comments of CMPAS
cc: Service List

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie J. Sieben
Joseph Sullivan
Hwikwon Ham
John A. Tuma
Audrey Partridge

Chair
Vice Chair
Commissioner
Commissioner
Commissioner

IN THE MATTER OF A COMMISSION
INVESTIGATION INTO A FUEL LIFE-CYCLE
ANALYSIS FRAMEWORK FOR
UTILITY COMPLIANCE
WITH MINNESOTA'S CARBON-FREE STANDARD
Docket No. E-999/CI-24-392

Supplemental Comments of
Central Municipal Power
Agency/Services

Introduction

Central Minnesota Municipal Power Agency, d/b/a Central Municipal Power Agency/Services (CMPAS) submits these enclosed Supplemental Comments responding to the Public Utilities Commission's ("Commission") Notice of Comment issued on January 22, 2025, regarding a fuel life-cycle analysis framework and other related questions regarding Minnesota's Carbon Free Standard. CMPAS appreciates the chance to submit these comments and looks forward to future opportunities for input.

Additionally, CMPAS notes that its members include the City of Blue Earth, City of Fairfax, City of Glencoe, City of Granite Falls, City of Janesville, City of Kasson, City of Kenyon, City of Mountain Lake, City of Sleepy Eye, City of Springfield, City of Windom and/or their affiliated utilities.

Topic(s) Open for Comment:

1. What actions, if any, should the Commission take regarding the issues stated on pages 5-7 of the Commission's November 7, 2024 Order in Docket No. E-999/CI-23-151:

- *Definitions of the sources of and requirements for a life-cycle analysis when interpreting the statutory definition of "carbon free" for combusted fuel generation resources without carbon capture that are considered carbon free or receiving partial credit consistent with the November 7, 2024 Order.*

As detailed in earlier comment rounds, CMPAS does not have a position as to whether life-cycle analysis (LCA) should be used for the purpose of CFS eligibility or

compliance; rather it advocates for consistency in the decision to allow LCAs for all fuel types. In the case that the Commission does approve the use of LCAs, please see CMPAS Initial and Reply Comments¹ on this matter for detailed technical positions and recommendations regarding LCAs, as well as Appendix A submitted in its Reply Comments. Beyond what it submitted in earlier comment rounds, CMPAS has three additional recommendations based upon Reply Comments from other entities.

Recommendation: Amend the Department's recommendation B.8 in Reply Comments to allow utilities the option of either developing their own avoided emissions base case scenarios or using common baseline scenarios periodically updated and maintained by state agencies.

CMPAS believes that while the original recommendation B.8 may be intended to provide flexibility for utilities and to allow a framework for baselines to evolve, it is open-ended enough to also lead to some unintended impacts, such as:

- Only generation facilities serving larger utilities will be able to use this pathway for compliance. It will be cost prohibitive for small utilities to hire technical experts necessary to create customized avoided emissions base cases for their facilities, which are likely significantly smaller than generators serving larger utilities.
- Potential for inconsistency. CMPAS assumes the Department and/or the MPCA would be the parties reviewing and approving any avoided emissions base case scenarios proposed by utilities. The recommendation B.8², in which the onus is purely on utilities without Department or MPCA guidance, gives too much latitude and may lead to contradictions (i.e., utilities with similar generation assets proposing different baselines during the same analysis period). Based on the example of evolving baselines given on page 14 of the Department's Reply Comments, it is clear that the Department and/or MPCA would have opinions and expertise regarding appropriate baselines at the time they review any utility proposals. It is an inefficient outcome for the utilities to be required to guess what the MPCA and Department might see as reasonable baselines. Instead, it would be more efficient for utilities to have the option of leveraging the MPCA and/or Department's preferred baselines if they wish to do so.

Recommendation: If utilities are ordered to develop their own avoided emissions base case scenarios, then reject the Department's recommendation B.7. to include the biogenic emission carbon cycle for all relevant LCA studies.

¹ Docket No. E-999/CI-24-352. In the Matter of a Commission Investigation into a Fuel Life-Cycle Analysis Framework for Utility Compliance with Minnesota's Carbon Free Standard. CMPAS Initial and Reply Comments. June 6, 2025 (Initial) and August 20, 2025 (Reply).

² Docket No. E-999/CI-24-352. In the Matter of a Commission Investigation into a Fuel Life-Cycle Analysis Framework for Utility Compliance with Minnesota's Carbon Free Standard. MN Department of Commerce Reply Comments. August 20, 2025.

As CMPAS indicated in its Reply Comments, it does not believe a 100-year LCA study period is appropriate in all cases. If utilities end up already being ordered to define their own avoided emissions base cases and provide their own quantification methodologies, then they should also have the flexibility to reflect study period lengths appropriate to their resources as part of their analyses.

CMPAS Position: Support recommendation to require LCA re-evaluation for existing assets only if there is a significant operational change.

CMPAS supports Xcel Energy's recommendation in its Reply Comments³ to require an LCA review or re-evaluation for fully depreciated facilities only in the event of a significant operational change, instead of every five years. CMPAS would extend that recommendation further to include all existing assets, not just those that are fully depreciated. Since CMPAS and its members have power purchase agreements for many facilities instead of direct ownership, it is not always possible to tell the depreciation status of facilities they do not directly own.

- *Definitions of the sources of and requirements for a fuel to qualify as sustainable and waste biomass.*

CMPAS has no Supplemental Comments on this matter; please see CMPAS Reply Comments for its final position.

- *The Partnership on Waste and Energy's recommendations regarding the scope of the instant docket.*

Please see the CMPAS Initial Comments as CMPAS is not aware of new or expanded details on these recommendations that have emerged in Docket CI-24-352 (i.e., comments refer to recommendations in 2024 Reply Comments in Docket CI-23-151).

- *Development of an accounting methodology to consider energy withdrawn from short-, medium-, and long-duration storage assets.*

CMPAS respectfully disagrees with the Department's recommendation E.1. in Reply Comments that allows storage assets to qualify for CFS eligibility by substantiating hourly matching requirements. Since hourly matching was not adopted at this time in Docket No. CI-23-151 and may be legally impermissible (as indicated in CMPAS Initial Comments), it is premature to set any hourly matching conditions on this matter.

³ Docket No. E-999/CI-24-352. In the Matter of a Commission Investigation into a Fuel Life-Cycle Analysis Framework for Utility Compliance with Minnesota's Carbon Free Standard. Xcel Energy Reply Comments. August 20, 2025.

CMPAS's final recommendations on this matter (overriding any Initial or Reply Comments) are:

Recommendation: No accounting methodology is necessary to consider energy withdrawn from short-, medium-, and long-duration storage assets.

Recommendation: At this time, storage assets may not qualify for CFS eligibility or any hourly matching substantiation.

- *Calculating partial compliance based on the net annual generation defined as “carbon-free”.*

CMPAS has no Supplemental Comments on this matter.

- *Calculating partial compliance for fossil fuel generation with carbon capture and sequestration/storage (CCS) by estimating the total direct carbon dioxide emissions per megawatt-hour (MWh) reduced by the CCS to determine its carbon-free generation.*

CMPAS has no Supplemental Comments on this matter; please see its Initial Comments for its final position.

- *Whether biomass, renewable natural gas, and solid waste should be eligible as fully or partially carbon-free generation resources based on a fuel life-cycle analysis.*

As indicated in Initial and Reply Comments, CMPAS has no position on these resources' eligibility, but rather simply that the eligibility is consistent for all of them.

Finally, as also indicated in its Initial and Reply Comments CMPAS does request that clear operational definitions are ultimately provided for all of these resource types. In particular, for facilities that are owned by a third party providing power to the utility under a power purchase agreement, it will be critical for utilities to be able to provide clear definitions when communicating with these facility owners to confirm which fuel(s) are being used or considered, as some facilities may have the ability to use or provide more than one of these fuels.

CMPAS continues to agree with the statute referenced by the Minnesota Department of Commerce (“Department”) and Minnesota Pollution Control Agency (“MPCA”) in their Joint Initial Comments to define solid waste (Minn. Stat. § 116.06 subd. 22). While CMPAS agrees with this definition, additional operational clarification would help clarify where various resources fall in the compliance pathway(s) chosen by the Commission. Specifically:

- Confirming how exactly both landfill gas and renewable natural gas meet the definition of solid waste in Minn. Stat. § 116.06 subd. 22; and
 - Clarifying at what point renewable natural gas would cease to meet this definition, if ever. For example, once renewable natural gas is a commodity in a natural gas pipeline, does it still also continue to be a “waste” product under Minn. Stat. § 116.06 subd. 22? Since resources would need to meet Minn. Stat. § 116.06 subd. 22 to use an LCA study, as proposed by MPCA and MN DOC, CMPAS believes the answer to this question also addresses whether the solid waste definition proposed by MPCA and MN DOC needs additional clarification or not if the definition is intended to fully include renewable natural gas.
- *Calculating partial compliance by generators burning waste materials based on a fuel cumulative life-cycle basis considering greenhouse gas benefits relative to alternative waste management methods.*

Specifically regarding the mention of “greenhouse gas benefits” in this topic, CMPAS has two recommendations:

Recommendation: Reject the Department proposal for 0 g CO₂e/MWh to be used as the cutoff for carbon-free status for all resources.

Recommendation: Reject the Department proposal to quantify all relevant greenhouse gases in fuel LCA studies.

CMPAS considers the phrase “greenhouse gas benefits” to include proposals that involve converting other greenhouse gas (“GHG”) emissions to “carbon dioxide equivalent” (CO₂e). CMPAS requested clarification from MPCA and the Department in its Reply Comments on whether they intended to convert any other GHG emissions to CO₂e.

Based on the Department’s Reply Comments, it does appear that conversions to CO₂e are part of their proposed framework for carbon-free eligibility. CMPAS appreciates this clarity and finds this to be an interesting and comprehensive concept but does not believe it is supported by Minn. Stat. § 216B.1691, as indicated in more detail in the CMPAS Reply Comments.

Likewise indicated in its Reply Comments, CMPAS does not oppose optionally quantifying other types of GHG emissions but does not see that the statute mandates quantification of other GHGs in all cases, nor is CMPAS sure of the basis for which greenhouse gases are relevant and which are not.

Finally, for review purposes, as indicated in more detail in its Initial and Reply Comments, CMPAS has no position on whether life-cycle analysis (LCA) should be used

for CFS eligibility or compliance.

- *The definition and calculation of net market purchases.*

CMPAS has multiple recommendations on this matter as seen below.

CMPAS Recommendation: CFS compliance reporting forms should provide sample calculations of net market purchases for utilities of all sizes, including:

- 1) how to calculate net market purchases; and*
- 2) how to calculate the MISO system mix that will be applied to the net market purchases to identify the amount of carbon free energy from the utility's net market purchases that can be used for CFS compliance.*

Sample calculations will be provided in advance of adoption of final compliance reporting form with chances for parties to comment and/or ask questions.

There were multiple Reply Comments submitted in this docket that appeared to suggest that the definition and calculation of net market purchases are entirely addressed by the written order Commission's July 17, 2025 agenda meeting for Docket No. E999/CI-23-151⁴. CMPAS disagrees with this; as the Order issued on September 16, 2025 reads, CMPAS is of the understanding that the net market purchase issues addressed concern 1) how they would be used for compliance and; 2) what MISO fuel mix would be used to estimate the amount of carbon free energy the total volume of utility's net market purchases have.

It appears to CMPAS that the Department may have had a similar understanding of what net market issues the CI-23-151 Order focused on because they have proposed a definition in this docket for what net market purchases are and how to calculate them, in addition to using the fuel mix calculation process approved by the Commission in Docket CI-23-151. CMPAS appreciates that the Department has proposed a distinct definition of net market purchases in this docket and has provided an example calculation; it proposes the Commission add examples at a similar level of detail to CFS compliance reporting forms in future years

If it is indeed the case that the Commission intended for the September 16, 2025 Order in Docket CI-23-151 to entirely resolve the matter of net market purchases, CMPAS would appreciate confirmation from the Commission of that intent or additional clarification and support to determine how to actually calculate the amount of net market purchases its members have under that definition. This is necessary since some of its power supply

⁴ Docket No. E-999/CI-23-151. In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. 216B.1691. Order, September 16, 2025.

and environmental attribute credit (EAC) contracts for its small utility members are of a different structure than those at many larger utilities. This issue is one of the main reasons CMPAS had asked for a workgroup in Docket CI-23-151⁵.

Recommendation: Affirm that net market purchases are “an electric utility’s annual purchases from a regional transmission organization net of the electric utility’s sales to the regional transmission organization”.

CMPAS expressed concern about the use of phrases such as “specified purchases” and “power purchase agreements” in its Initial and Reply Comments regarding the definition and calculation of net market purchases. CMPAS’s reason for this is that there are some contract types that involve multiple generators, or that bundle EACs from one asset with physical energy from other assets; these types of contracts run the risk of being defined differently by various entities in CFS compliance calculations if terms are too narrowly defined⁶.

CMPAS had also indicated in Reply Comments that there was no need to define net market purchases beyond statutory language and had shown an operational example of how they could be calculated by a utility without needing further terminology. Finally, CMPAS proposed a broader definition of “power purchase agreement” in its Reply Comments that would cover all contract types involving physical energy and it now understands that the Department’s use of the phrase “specified resources” is referring to the identical set of resources covered under CMPAS’s proposed definition.

The easiest and most practical way to avoid confusion is to simply affirm the statutory language, without including additional phrases. In the absence of that, CMPAS proposes that the definition it referenced in Reply Comments for “power purchase agreement” is incorporated or that if the Department’s proposal for net market purchase definition is ultimately adopted, the Department’s phrase “specified purchases” is amended to refer to “any contracted purchase of physical energy”, not just contracted purchases of physical energy from specific generators.

2. Are there any other issues or concerns related to this matter?

None at this time.

⁵ This proposal was not adopted in Docket CI-23-151, as explained further in Briefing Papers. To be clear, CMPAS is **not** proposing a workgroup in this docket. Briefing Papers at: Docket No. E-999/CI-23-151. In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. 216B.1691. Commission Staff Briefing Papers, July 17, 2025.

⁶ Although CMPAS is not seeking a workgroup in this docket, these sorts of contracts were part of the reason CMPAS sought a utility implementation work group in its Round 3 comments for Docket No. CI-23-151.