

Staff Briefing Papers

Meeting Date October 9, 2025

Agenda Item 1**

Company All Electric Utilities

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

Issues Should the Commission amend its August 7, 2025 Order Extending Credit Duration for Expedited Projects and Requiring Filings?

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✓ **Relevant Documents**

Date

Order Extending Credit Duration for Expedited Projects and Requiring Filings, Minnesota Public Utilities Commission

August 7, 2025

Petition for Amendment, Central Minnesota Municipal Power Agency d/b/a Central Municipal Power Agency/Services (CMPAS)

August 27, 2025

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

BACKGROUND

Minn. Stat. § 216B.1691, the Renewable Energy Objectives statute, was amended in 2024 to include the state's Carbon-Free Standard ("CFS"). To provide guidance concerning the CFS, the Minnesota Public Utilities Commission ("Commission") opened 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* ("CFS Docket").

The Commission has established four rounds of investigation for this docket, categorized by topic. In Round 3, the Commission took comments and issued an Order on August 7, 2025, establishing a filing requirement for utilities and clarifying the expiration date or "shelf life" of certain Renewable Energy Credits ("RECs"), Alternative Energy Credits (AECs), and Energy Attribute Credits ("EACs") for particular renewable projects.

On August 27, 2025, Central Municipal Power Agency/Services (CMPAS) filed a Petition for Amendment on the Order ("Petition").

I. CMPAS' Petition

CMPAS clarified it understood why Order Points 1 and 2 were expedited and stated they are not requesting a rehearing. CMPAS did, however, clarify that it was filing its Petition under Minn. Rules part 7829.3200, which states in relevant part:

7829.3000 PETITION AFTER COMMISSION DECISION.

§Subpart 1. **Time for request.** A party or a person aggrieved and directly affected by a commission decision or order may file a petition for rehearing, amendment, vacation, reconsideration, or reargument within 20 days of the date the decision or order is served by the executive secretary.

Specifically, CMPAS requested the following amendment (noted in red) to the Commission's August 7, 2025 Order:

2. Prospectively, if a utility meets its obligations under the Renewable Energy Objectives of Minn. Stat. Sec. 216B.1691 using Renewable Energy Credits, Alternative Energy Credits, or equivalent Environmental Attribute Credits from a facility that--
 - A. began construction after July 4, 2026, and was placed in service by December 31, 2027, or
 - B. began construction before July 5, 2026, and was placed in service within four years after construction began, or

C. is smaller than 20 MW that was originally placed in service prior to 2008 and: is repowered, has a battery energy storage system installed, is acquired by a utility specifically for the purpose of serving end use customers, or enters into a new power purchase agreement with a term exceeding 10 years, that is executed by December 31, 2027.

Then those credits will not expire until four years after generation, and in no event before January 2034.

CMPAS offered several reasons for the amendment. Full details are in CMPAS' Petition and are only summarized here:

1. Extended wait times in MISO's interconnection queue, supply chain constraints, and changes to federal tax credits are all causing hurdles to new wind projects. Keeping existing projects in operation should be a priority.
2. Many smaller, older wind farms are owned by long-time Minnesotans located in Greater Minnesota, not from large publicly traded companies.
3. Smaller wind projects are well suited for the smaller utilities subject to the CFS.
4. Older wind projects are not always able to repower to the standards required for tax credits.
5. It is unclear whether repowered projects that qualify for tax credits meet Order Point 2.
6. Older wind farms that cannot be repowered can be excellent candidates for storage.
7. There was not enough time for small utilities to introduce this issue.

CMPAS concluded its Petition by stating:

Small utilities must also come up with ways to meet the Carbon Free Standard. Their solutions may look different than those of larger utilities, but they offer unique benefits and opportunities. CMPAS hopes the Commission wants to encourage these utilities to come up with potential and proactive solutions instead of solely using unbundled renewable energy credits purchased years from now to close any gaps required for CFS compliance. Adding this amendment, or something materially similar, provides an actionable option for all utilities, including Minnesota's smallest utilities, to execute feasible projects now.¹

¹ CMPAS Petition at 7.

II. Answers to Petition

No commenters filed Answers to CMPAS' Petition.

STAFF ANALYSIS

This Commission has taken extra care to listen to and accommodate the needs of the small utilities subject to the CFS. However, the Commission can only consider the needs of small utilities if those needs are articulated during record development where all parties are given sufficient time for comment and the Commission can look to the record in its deliberations. Reconsideration allows matters/issues that have already been considered by the Commission to be brought back to the Commission for reconsideration based on the record that was before the Commission at the time of the original decision. Here, CMPAS raises an entirely new issue which needs full record development and a comment period for other utilities and stakeholders to meaningfully analyze and respond. The record did not include, nor did the Commission consider, the issue or question of whether the size of a system with the additional characteristics suggested by CMPAS should be the basis for meeting obligations under Minn. Stat. sec. 216B.1691.

Staff recommends the Commission deny the reconsideration; instead, CMPAS may refile its request under Ordering Paragraph 1.C, which states that each electric utility shall file a plan in this docket by October 15, 2025, detailing the following:

What supportive actions the Commission or other state regulatory bodies could take to mitigate negative impacts of recent federal energy policy changes.

DECISION OPTIONS

1. Grant reconsideration.

OR

2. Deny reconsideration.

OR

3. Deny reconsideration and clarify that CMPAS may refile its Petition pursuant to Ordering Paragraph 1.C of the Commission's August 7, 2025 Order in this docket. (Optional)