

The Commission met on **Thursday, October 3, 2024**, with Chair Sieben and Commissioners Sullivan, Means, and Tuma present.

The following matters were taken up by the Commission:

E-112,E-016/SA-24-255

In the Matter of the Joint Request of East Central Energy and Northwestern Wisconsin Electric Co. to Update Electric Service Territory Records

Commissioner Tuma moved that the Commission approve the joint request of East Central Energy and Northwestern Wisconsin Electric Company, for Northwestern Wisconsin Electric Company, to discontinue and transfer electric service to customers in the Affected Area to East Central Energy, and request MNGEO update the service territory map to reflect the changes on the map as provided.

The motion passed 4-0.

E-299,E-132/SA-24-257

In the Matter of the Joint Request of Rochester Public Utilities and People's Energy Coop. to Update Electric Service Territory Records

Commissioner Tuma moved that the Commission approve the joint request of Rochester Public Utilities and People's Energy Cooperative, for People's Energy Cooperative, to discontinue and transfer electric service to customers in the Affected Area to Rochester Public Utilities, and request MNGEO update the service territory map to reflect the changes on the map as provided.

The motion passed 4-0.

E-002, E-017, ET2, E-015, ET10/CN-22-538

E-002, E-017, ET2, E-015, ET10/TL-23-159

In the Matter of the Application for a Certificate of Need for the Big Stone South-Alexandria-Big Oaks Transmission Project; In the Matter of the Application for a Route Permit for the Alexandria to Big Oaks 345-kV Transmission Project in Central Minnesota

Commissioner Sullivan moved that the Commission:

1. Determine that the Environmental Assessment and the record created in this matter address the issues identified in the Scoping Decision and that the Environmental Assessment is adequate.
2. Grant a certificate of need for the Big Stone South—Alexandria—Big Oaks Transmission Project, finding that:
 - a. the factors set forth in Minn. R. 7849.0120(A), have been met and that denying the application would likely have an adverse effect upon the future adequacy, reliability, or efficiency of energy supply to the applicant, to the applicant’s customers, or to the people of Minnesota and neighboring states;
 - b. the factors set forth in Minn. R. 7849.0120(B), have been met and that a more reasonable and prudent alternative to the project has not been demonstrated by a preponderance of the evidence in the record;
 - c. the factors set forth in Minn. R. 7849.0120(C), have been met and that the preponderance of the evidence in the record demonstrates that the project will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health; and
 - d. the factors set forth in Minn. R. 7849.0120(D), have been met and that the record does not demonstrate that the design, construction, or operation of the proposed facility, or a suitable modification of the proposed facility, will fail to comply with relevant policies, rules, and regulations of other state and federal agencies and local governments.
3. For the eastern segment, utilities subject to the Commission’s ratemaking authority will be limited to recovery of capital expenditures in the amount estimated in Xcel’s May 28, 2024, reply comments. The utility bears the burden of proof in any future regulatory proceeding related to the recovery of costs above this estimate. For the western segment, the utilities shall provide an updated cost estimate in their future route permit application (subject to Department review) and the Commission will limit recovery of capital expenditures to the reasonable, forecasted amounts determined in that docket based on the route selected. The utility bears the burden of proof in any future regulatory proceeding related to the recovery of costs above this estimate.
4. Adopt the administrative law judge's findings of fact, conclusions of law, and recommendations to the extent consistent with the decisions below.
5. Adopt the following corrections and clarifications suggested by EERA in its Exception Letter:
 - a. Amend the title of ALJ Report Section IV.C to “Mississippi River Crossing Options,” to correctly reflect the content of the section.

- b. Correcting Finding 334 to include the full and correct name of the recommended alternative: “Proposed Route with the Western Crossing Option B (Double- Circuit) Modified.”
6. Grant a route permit for the Alexandria to Big Oaks 345-kV Transmission Project (aka Eastern Segment) specifying variable route widths as follows:
 - a 150-foot route width for collocated portions on existing infrastructure;
 - a 1,000-foot route width for portions that will deviate from the existing right-of- way;
 - a 500-foot route width for areas around the Alexandria, Riverview, and Quarry substations; and
 - an up to 1-mile route width for the Big Oaks Substation interconnection and the Mississippi River crossing.

Designate in the route permit the Applicants’ Proposed Route with the following Mississippi River crossing option: Western Crossing Option 2B (Double-Circuit) Modified

- a. Authorize an approximately 1,300-foot by 1,300-foot expansion of the route width north of the Big Oaks Substation; and
 - b. require side-by-side H-frame structures at the Mississippi River Crossing.
7. Incorporate the special permit conditions and EERA modifications recommended by the administrative law judge in Section XI of the ALJ Report and summarized in Table 1 attached to these briefing papers.

- a. Labor Statistic Reporting

The Permittee shall file quarterly Labor Statistic Reports with the Commission within 45 days of the end of the quarter regarding construction workers that participated in the construction of the Project. The Labor Statistic Reports shall:

- i. detail the Permittee’s efforts and the site contractor’s efforts to hire Minnesota workers; and
 - ii. provide an account of:
 1. the gross number of hours worked by or full-time equivalent workers who are Minnesota residents, as defined in Minn. Stat. § 290.01, subd. 7;
 2. the gross number of hours worked by or full-time equivalent workers who are residents of other states, but maintain a permanent residence within 150 miles of the Project; and

3. the total gross hours worked or total full-time equivalent workers.

The Permittee shall work with its contractor to determine the suitable reporting metric. The report may not include personally identifiable data.

b. Prevailing Wage

The Permittee, its contractors, and subcontractors shall pay no less than the prevailing wage rate as defined in Minn. Stat. § 177.42 and shall be subject to the requirements and enforcement provisions under Minn. Stat. §§ 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45. The Permittee shall keep records of contractor and subcontractor pay and provide them at the request of Commerce or Commission staff.

8. Authorize Commission staff to modify the route permit to correct typographic and formatting errors and ensure agreement with the Commission's final order in the matter, as necessary.

The motion passed 4-0.

E-002/CN-22-532

E-002/TL-23-157

In the Matter of the Application of Xcel Energy for a Certificate of Need and Route Permit for the Mankato - Mississippi 345 kV Transmission Line Project in Southeast Minnesota

Commissioner Tuma moved that the Commission:

1. Adopt the system alternatives recommend by EERA for inclusion in the EIS scope.
2. Adopt the route alternatives recommended by EERA for inclusion in the EIS scope.
3. Also include the following in the EIS scope:
 - a. Expand Route Segment 9 from EERA's September 19, 2024 comments by also studying a continuation of a straight line Southwest of that proposed alternative from the point where that proposed alternative turns West to reconnect with Route Option 1 such that that line would continue straight to connect with 230th St. W. to the south where it would then turn West to reconnect with Route Option 1. Thus, moving the line further away from Cannon Lake.

The motion passed 4-0.

E-002/M-21-590

In the Matter of Xcel Energy's Petition for Approval of a Power Purchase Agreement between Northern States Power Company and St. Paul Cogeneration, LLC

Chair Sieben moved that the Commission:

1. Approve the electrification proposal with a 30 MW electric boiler.
 - a. Approve with the condition that Xcel Energy does not invest any capital in the electrification project and, therefore, does not receive cost recovery for any investments associated with the electrification proposal.
2. Require Xcel to file the electrification progress reports required under Minn. Stat. §216B.2424, subd. 5c(g), every six months if SPC does not do so.
 - a. Include an update on market and technology readiness to transition the electrification project to a grid-managed storage asset to maximize actual renewable energy use rather than using renewable energy credits.
3. Approve Xcel's request to extend the current power purchase agreement (PPA) from January 1, 2025, through May 31, 2028, and require Xcel to modify the terms of the existing PPA to require Xcel to pay \$98 per MW through the end of the existing PPA. Xcel must file an extension of the PPA on or before August 1, 2027.
4. Require Xcel to file the updated PPA as a compliance filing within 14 days of the Commission's written order regarding the PPA extension.
5. Require the Company to report, no later than the end of 2026, on the MPCA's wood-waste stakeholder group discussion on appropriate tipping fees and the implementation of these fees by St. Paul Cogeneration. Require Xcel to include in this report a discussion of what portion of tipping fees, or other financial incentives supporting continued utilization of wood waste, is feasible for St. Paul Cogeneration to return to Xcel, for refund to Xcel's customers through the Company's fuel clause or other appropriate mechanism.

Commissioner Sullivan recused himself from this matter.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: November 27, 2024

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

Will Seuffert, Executive Secretary