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June 5th, 2025

- Via Electronic Filing -

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

RE: Great River Energy Initial 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 Mr. Seuffert:

Pursuant to the Minnesota Public Utilities Commission's ("Commission") January 22, 2025, Notice Comment Period ("Notice"), Great River Energy ("GRE") submits the following Initial Comments on questions related to implementation of, and compliance with, the new carbon free standard ("CFS") set forth in Minn. Stat. § 216B.1691.

Issue: *What actions, if any, should the Commission take to establish the criteria and standards necessary for utilities to calculate partial compliance with the Carbon Free Standard?*

Topic(s) Open for Comment: *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:*

Development of an accounting methodology to consider energy withdrawn from short-, medium-, and long-duration storage assets.

GRE's Initial Comments: The CFS is a load-based standard that incorporates the definition below of generation in Minnesota statute.

Generation is defined under MN 216.1691 Subd. 1b:

> *"Carbon-free" means a technology that generates electricity without emitting carbon dioxide*.

Load is defined under Minn. Stat. § 216B.1691 Subd. 1f:

> *"Total retail electric sales" means the kilowatt-hours of electricity sold in a year [emphasis added] by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility.*

Grid interconnected energy storage operated by an electric utility is not a technology that generates electricity. Energy storage operated by retail customers of the electric utility or a distribution utility for distribution to the retail customers, and located behind the meter will be accounted for under the definition of "total retail electric sales." Therefore, no action is needed from the Commission pertaining to development of an accounting methodology to consider energy discharged from short-, medium-, and long-duration storage assets.

The definition and calculation of net market purchases.

GRE's Initial Comments: The definition and calculation of net market purchases if clearly defined in the MN CFS.

The Commission's directive in in Minn. Stat. § 216B.1691, Subd. 2d (ii) is clear and unambiguous:

> *an electric utility's annual purchases from a regional transmission organization net of the electric utility's sales to the regional transmission organization, <u>but only for the percentage of annual net purchases that is carbon-free</u>, which percentage the commission **must** [emphasis added] calculate based on the regional transmission organization's systemwide annual fuel mix **or** [emphasis added] an applicable subregional fuel mix.*

In its current form, the Statute provides only two options for determining the carbon-free percentage of net market purchases: 1) a systemwide fuel mix, or 2) an applicable subregional fuel mix. Any other interpretation runs counter to the plain language of the CFS as established by the Legislature. GRE recommends that the Commission take action to confirm that the carbon-free percentage of net market purchases should be calculated based on the regional transmission organization's (MISO's) systemwide annual fuel mix or an applicable subregional fuel mix.

GRE advocates for the use of a Midcontinent Independent System Operator (MISO) North subregional fuel mix – specifically, Local Resource Zone (LRZ1) highlighted in Figure 1 below.

LRZ 1 includes the majority of Minnesota, and this region of MISO North most accurately reflects the mix of resources serving load in Minnesota. In determining the historical and projected annual

fuel mix, GRE recommends the Commission direct utilities to utilize the MISO Grid Emissions Map application powered by Singularity[1] as illustrated in Figure 1 below.

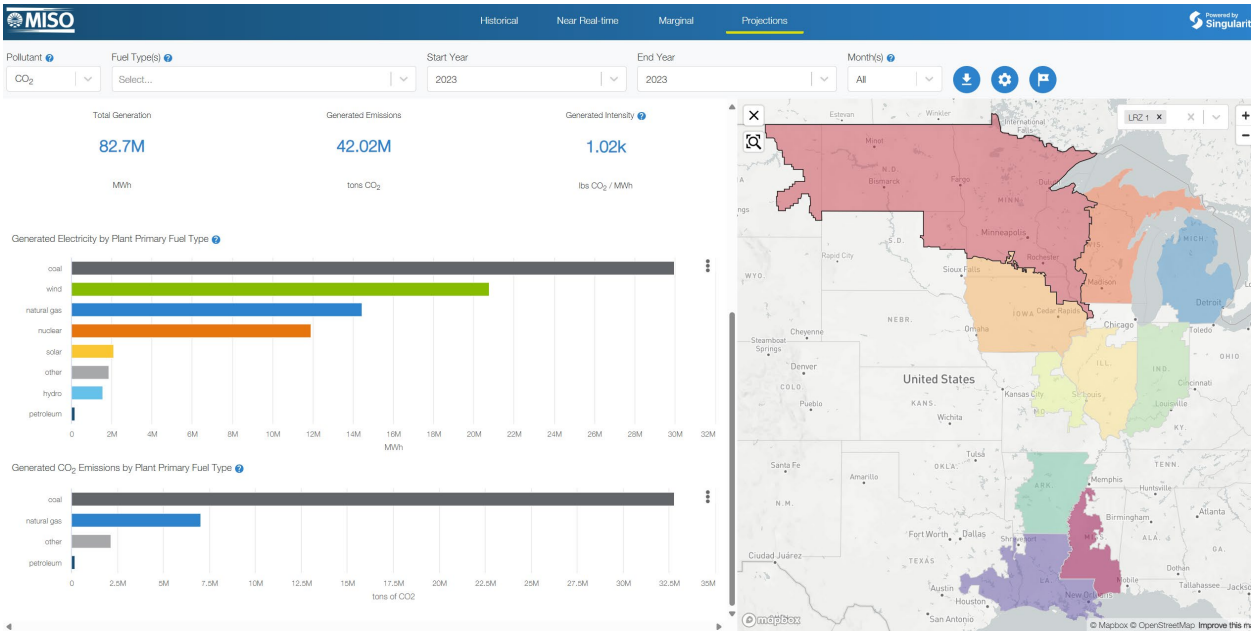

Figure 1 LRZ 1 highlighted within the MISO Grid Emissions Map application powered by Singularity

The MISO Grid Emissions Map application is a tool developed in 2022 to provide insights into grid operations. It includes the historical, real-time, and projected carbon intensity and resource mix of MISO electricity generation. GRE contends that, although no data source or application will be 100 percent accurate, this application will provide increasingly accurate data as it evolves. The tool leverages historical emissions data from the United States Energy Information Administration (EIA) and the United States Environmental Protection Agency (EPA), near real-time/marginal emissions data from MISO's website, and projected emissions data informed by member-provided resource plans combined with MISO-modeled future capacity.[2]

Employing this tool will ensure all utilities are utilizing consistent and high-quality data, provided directly from MISO. This data will allow the Commission to interpret the carbon intensity of net market purchases in Minn. Stat. § 216B.1691, Subd. 2d (ii) and its contribution to utilities' overall compliance demonstrations for the CFS.

[1] https://miso.singularity.energy/

[2] https://help.misoenergy.org/knowledgebase

Respectfully Submitted.

GREAT RIVER ENERGY

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Cc: Service List