

March 18, 2025

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

RE: Comments of the Minnesota Department of Commerce
Docket No. E015/M-24-344

Dear Mr. Seuffert:

Attached are the supplemental comments of the Minnesota Department of Commerce (Department) in the following matter:

In the Matter of a Petition for Approval of investments and Expenditures in the Boswell Solar Project for Recovery through Minnesota Power's renewable Resource Rider under Minn. Stat. §216B.1645 and Related Tariff Modifications.

The Petition was filed by Minnesota Power on November 13, 2024. Reply Comments were filed by Minnesota Power on February 24, 2025.

The Department recommends approval with conditions and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Dr. SYDNIE LIEB
Assistant Commissioner of Regulatory Analysis

AB/RW/ar



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

Docket No. E015/M-24-344

I. INTRODUCTION

On November 13, 2024, Minnesota Power filed its *Petition for Approval of Investments and Expenditures in the Boswell Solar Project for recovery through Minnesota Power's Renewable Resource Rider* (Petition). The Boswell Solar Project is an 85 MW solar energy facility that will be near the Boswell Energy Center (BEC) in Itasca County, Minnesota and will cost approximately \$163.5 million to build. The Petition requests that the Commission:

- Approve investments and expenditures related to Boswell Solar Project and the Boswell Interconnector pursuant to Minn. Stat. § 216B.1645.
 - Minnesota Power claims development of this 85 MW solar project will facilitate compliance under the requirements of Minn. Stat. § 216B.1691.
- Approve the costs associated with the project in the existing Renewable Resources Factor under the Renewable Resources Rider.

On February 11, 2025, the Minnesota Department of Commerce (Department) filed initial comments recommending approval with conditions. The Department recommended the Commission limit MP's cost recovery to a "capital cost cap with the costs recovered set at the costs bid by Minnesota Power for the Boswell Solar Project."¹

On February 24, 2025, MP filed reply comments addressing a few of the Department's recommendations. MP, in replies, "requests Commission approval to recover the additional costs associated with the Boswell Interconnector transmission line that were not included in the bid based on prudent utility planning principles."²

Pursuant to Minn. Rules 7829.1250 subp. 2 the Department requests the Commission allow this supplemental comment to address an issue raised by Minnesota Power in reply comment.

¹ *In the Matter of a Petition for Approval of investments and Expenditures in the Boswell Solar Project for Recovery through Minnesota Power's renewable Resource Rider under Minn. Stat. §216B.1645 and Related Tariff Modifications*, Department, Initial Comments, February 11, 2025, Docket No. E015/M-24-344, (eDockets) [20252-215264-01](#) (hereinafter "Department Initial Comments") at 10.

² *In the Matter of a Petition for Approval of investments and Expenditures in the Boswell Solar Project for Recovery through Minnesota Power's renewable Resource Rider under Minn. Stat. §216B.1645 and Related Tariff Modifications*, MP, Reply Comments, February 24, 2025, Docket No. E015/M-24-344, (eDockets) [20252-215721-01](#) (hereinafter "MP Reply Comments") at 2.

II. PROCEDURAL BACKGROUND

January 9, 2023	The Commission issued its <i>Order Approving Plan and Setting Additional Requirements</i> (IRP Order). ³ The IRP Order ordered Minnesota Power to acquire up to 300 MW of regional/in-service territory or net-zero solar by 2026, as practicable. The order also approved a bidding process for Minnesota Power.
November 13, 2024	Minnesota Power filed a petition for approval of investments and expenditures in its Boswell Solar Project for recovery through its Renewable Resources Rider. ⁴
February 11, 2025	The Department filed initial comments recommending approval of the Boswell Solar Project with conditions. ⁵
February 24, 2025	MP filed reply comments in response to Department recommendations. ⁶

III. DEPARTMENT ANALYSIS

A. MINNESOTA POWER'S BIDDING PROCESS

In initial comments, the Department recommended the following:

B.2. The Department recommends the Commission limit cost recovery to a capital cost cap with the costs recovered set at the costs bid by Minnesota Power for the Boswell Solar Project.

In replies, MP requests additional clarity:

While the Company understands this recommendation, Minnesota Power also respectfully requests Commission approval to recover the additional costs associated with the Boswell Interconnector transmission line that were not included in the bid based on prudent utility planning principles.⁷

³ *In the Matter of Minnesota Power's 2021–2035 Integrated Resource Plan*, Order Approving Plan and Setting Additional Requirements, Docket No. E015/RP-21-33, July 22, 2024, (eDockets) [20231-191970-01](#), (hereinafter, "IRP Order").

⁴ On the same day, Minnesota Power also filed for approval of the Regal Solar Project – a 119.5 megawatt ("MW") solar energy facility that will be located in Benton County near Royalton, Minnesota – to comply with the IRP Order. *In the Matter of the Petition of Minnesota Power for Approval of Investments and Expenditures in the Regal Solar Project for Recovery through Minnesota Power's Renewable Resources Rider under Minn. Stat. § 216B.1645*, Docket No. E015/M-24-343, November 13, 2024, (eDockets) [202411-211895-01](#).

⁵ Department Initial Comments.

⁶ MP Reply Comments.

⁷ MP Reply comments at 2

The Company's Petition did not disclose that the Boswell Interconnector was not included in the Company's bidding process. The Boswell Interconnector was nonetheless included in the capital costs proposed by the Company in its Petition.⁸ The Department concluded, based on the information presented in the Company's petition, that the total costs of \$163.5 million were the result of a Commission approved bidding process as required by the Company's most recent IRP Order.⁹

However, MP states in replies that the Boswell Interconnector was not included as part of the bid for this project. The Department concludes that this exclusion of the Boswell Interconnector's costs may have materially impacted the bidding process. The costs associated with the Boswell Interconnector may have been a distinguishing factor between the bids received by the Company.

Further, the Department disagrees with the Company's assertion that omission of the Boswell Interconnector in the bid was based on prudent utility planning principles. In order to appropriately evaluate bids, all costs must be included in the evaluation. In this case, the exclusion of interconnection transmission costs from the bidding process creates an incentive to ignore such costs when developing and proposing a project. A cap of cost recovery at the price where it was bid and evaluated will protect the integrity of the bidding process.

The Department concludes that the bidding process was not properly executed. Without a proper bidding process, inclusive of all project costs, a comparison of alternatives would be incomplete and could result in unnecessary costs to ratepayers. The Department continues to recommend that the Commission cap the Boswell Solar Project's capital costs at the level bid by MP.

IV. DEPARTMENT RECOMMENDATIONS

Based on analysis of MP's Reply Comments and the information in the record, the Department's recommendation remains unchanged from its initial comments as stated below. The recommendations correspond to the subheadings of Section III above.

A. MINNESOTA POWER'S BIDDING PROCESS

A. The Department continues to recommend that the Commission cap the Boswell Solar Project's capital costs at the level bid by MP.

⁸ *In the Matter of a Petition for Approval of investments and Expenditures in the Boswell Solar Project for Recovery through Minnesota Power's renewable Resource Rider under Minn. Stat. §216B.1645 and Related Tariff Modifications*, Petition, MP, November 13, 2024, Docket No. E015/M-24-344, (eDockets) [202411-211891-01](#) at 19.

⁹ *In the Matter of Minnesota Power's 2021-2035 Integrated Resource Plan, Order Approving Plan and Setting Additional Requirements*, Docket No. E015/RP-21-33, January 9, 2023, (eDockets) [20231-191970-01](#) at 14.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. E015/M-24-344

Dated this **18th** day of **March 2025**

/s/Sharon Ferguson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		No	Official 24-344
2	MP Regulatory	Compliance	mpregulatorycompliance@mnpower.com	Minnesota Power		30 W Superior St. Duluth MN, 55802 United States	Electronic Service		No	Official 24-344
3	George	Damian	gdamian@cleanenergyeconomymn.org	Clean Energy Economy MN		13713 Washburn Ave S Burnsville MN, 55337 United States	Electronic Service		No	Official 24-344
4	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	Official 24-344
5	Jennifer	Kuklenski	jkuklenski@mnpower.com	Minnesota Power		30 West Superior Street Duluth MN, 55082 United States	Electronic Service		No	Official 24-344
6	Discovery	Manager	discoverymanager@mnpower.com	Minnesota Power		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	Official 24-344
7	Kevin	Pranis	kpranis@liunagroc.com	Laborers' District Council of MN and ND		81 E Little Canada Road St. Paul MN, 55117 United States	Electronic Service		No	Official 24-344
8	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		No	Official 24-344
9	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		No	Official 24-344
10	Tammy	Sundbom	tsundbom@mnpower.com	Minnesota Power		null null, null United States	Electronic Service		No	Official 24-344
11	Analeisha	Vang	avang@mnpower.com			30 W Superior St Duluth MN, 55802-2093 United States	Electronic Service		No	Official 24-344
12	Sarah	Whiting	swhiting@mnpower.com	Minnesota Power		30 W Superior St.	Electronic Service		No	Official 24-344

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						Duluth MN, 55802 United States				
13	Sarah	Whiting	swhiting@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	Official 24-344