

The Commission met on **Thursday, April 4, 2024**, with Chair Sieben and Commissioners Means, Ham, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

G-011/M-23-489

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Renewable Natural Gas Interconnection Tariff

Commissioner Tuma moved that the Commission

1. Approve MERC's Interconnection Tariff, which allows for the establishment of a new RNG interconnection service.
2. Approve MERC's Interconnection Agreement with the additional requirements that MERC:
 - A. Ensure that any RNG interconnection or service is consistent with MERC's obligations to provide safe and reliable service.
 - B. Maintain on MERC's website the most up-to-date RNG quality standards and testing requirements for those injecting RNG into the distribution system under MERC's RNG interconnection program.
 - C. Continuously evaluate its gas quality standards in accordance with the best available science and propose future updates, as appropriate, after consulting with stakeholders, the Minnesota Department of Commerce, and the Minnesota Office of Pipeline Safety.
 - D. Notify the Commission when it changes its service quality standards.
 - E. In its annual reports, report on any discussions with stakeholders and/or MNOPS on its gas quality standards.
 - F. The price will be the monthly average of Demarc and Ventura, and, if either does not have a reported or available price, the price shall be the one that is reported.
 - G. The agreement must be contingent upon any RNG interconnection or service being consistent with MERC's obligations to provide safe and reliable service and any

applicable federal and state standards.

- H. The agreement must contain a request to initially disclose and provide updates of all anticipated programs and tax credits the producer will be participating in to approve the value proposition of the production of their RNG along with a request that MERC receive a carbon copy of reports required under these programs.
- 3. Approve MERC's corrected Natural Gas Purchase Agreement (PGA), filed in Reply Comments on February 16, 2024.
 - 4. Allow MERC to recover the cost of RNG purchased under the tariff through the PGA mechanism.
 - 5. Require MERC to make a compliance filing within 30 days with the following items to be supplied by the interconnecting RNG producer at the interconnecting RNG producer's sole responsibility and expense each time MERC accepts another producer's renewable natural gas into its system:
 - A. The producer's feedstock or feedstocks.
 - B. The total amount of RNG expected to be provided by the producer.
 - C. The mix of end-uses of the digestate.
 - D. If known, the state(s) in which the entity or entities purchasing the RNG from the producer are located and the end-use for which the RNG is being purchased.
 - E. Methane leakage control and mitigation measures employed by the producer at the production and upgrade facility.
 - F. Estimated amount of methane leakage for the producer and a description of the methodology used to develop that estimate.
 - G. Analysis of the lifecycle greenhouse gas emissions, including emissions associated with the upgrade facility, of RNG volumes provided by the producer based on the Argonne GREET model as approved by the Commission in Docket No. G-999/CI-21-566, or based on a methodology that is comparable to GREET that is required by programs or tax credits that the producer is participating in.
 - 6. Require MERC to make a compliance filing annually by February 1 each year with the following items to be supplied by the interconnecting RNG producer at the interconnecting RNG producer's sole responsibility and expense:
 - A. The total number of interconnected RNG producers supplying RNG to the MERC system in the previous calendar year.

- B. The amount of RNG volumes taken onto the MERC system each year in total and from each of those producers.
 - C. The mix of feedstock used by RNG producers connected to MERC's system and volumes provided to the system broken out by primary feedstock for the previous calendar year.
 - D. The mix of end-uses of the digestate for each producer interconnected to MERC's system.
 - E. The estimated methane emissions associated with the total amount of RNG received on MERC's system in the previous calendar year and by primary feedstock.
 - F. Analysis of the lifecycle greenhouse gas emissions, including emissions associated with the upgrade facility, of RNG volumes provided by the producer based on the Argonne GREET model as approved by the Commission in Docket No. G-999/CI-21-566, or based on a methodology that is comparable to GREET that is required by programs or tax credits that the producer is participating in.
 - G. Updated information for each interconnected RNG producer using the same data points as included in the per-producer compliance filing described above.
 - H. A description of the various programs or tax credits producers are participating in to improve the value of their RNG production if known.
 - I. A comparison of the Platt's Inside FERC ("IFERC") average of Demarc and Northern Ventura First-of-Month ("FOM") index price to the cost of gas identified in MERC's PGA over 12 months of the prior year of the report.
7. Require MERC to:
- A. Separately track the costs MERC incurs for each RNG producer or developer that interconnects with MERC's distribution system, and the total RNG received from each RNG producer or developer.
 - B. Track and identify all customers added to lines built to accommodate interconnecting RNG developers, along with associated costs and revenues, and provide an analysis and discussion of these matters in MERC's next rate case.
 - C. If any affiliates of MERC are or become involved in any RNG interconnection project:
 - i. Inform the Commission and the Department

- ii. Explain whether any proposed interconnection project implicates Minn. Stat. § 216B.48 and Minn. R. 7825.1900–7825.2300; the relevance of the affiliated interest laws to all applicable projects; and how any transactions with its affiliates would comply, and
 - iii. Seek Commission approval of transactions governed by the affiliated interest laws.
- 8. Delegate Authority to the Executive Secretary to open a docket to establish standardized reporting requirements for any gas utility providing RNG interconnection services.
- 9. Require MERC to submit a compliance filing within 30 days of the date of the Commission’s order with tariff sheets, MERC’s RNG Interconnection Agreement, and MERC’s Natural Gas Purchase Agreement, consistent with the decisions in the Commission’s order.

The motion passed 5-0.

E-002/CI-23-335

E-002/M-13-867

In the Matter of Implementation of Legislative Changes to Xcel Energy’s Community Solar Garden Program

Commissioner Sullivan moved that the Commission:

1. Determine for non-legacy CSGs that Xcel must use its Distributed Generation portal for Interconnection Applications. Xcel may use or modify its existing CSG-specific portal once projects are allocated capacity in the program by the Department.
2. Approve Xcel’s proposed redlined changes to tariff sheet 9-99.16 for redefining the timeframe for payment of the \$4,125/MW program application fee so that the fee will only be required after a project has been approved by the Department to participate, as set forth above on page 18 of the Xcel’s March 1, 2024 reply comments.
3. Require Xcel and interested stakeholders to develop and file a standard contract governing the terms and conditions for the purchase of power exported by the CSG operator to Xcel under the Non-Legacy CSG program for Commission approval within 30 days of the order.
4. Order the Company to use reasonable efforts to have the bill credit functionality of its IT systems available by the time Non-Legacy Program CSGs begin generating power, and to make the proposed edits to Tariff Sheet No. 99.01 and 99.15 so they read as follows:

99.01: Available to Subscriber Organizations that have a signed Interconnection Agreement and have been Approved by the Department to be in the Non-Legacy Community Solar Garden Program.

99.15: The Bill Credit Rate is only paid when the Department has informed the Company that the application has been approved for the Non-Legacy CSG Program.

In the event the Company's IT systems for the payment of bill credits has not been developed before the CSG begins generating power, the Company shall track earned credits for allocated production for each month power is generated, which will be payable upon completion of IT system upgrades.

5. Approve Xcel's proposed redline changes to paragraph B of tariff sheet 9-99.09 which specify how a CSG may maintain its queue position if requesting to switch programs.
6. Require Xcel Energy to file compliance tariffs reflecting the Commission's decisions herein within 30 days of the order. These tariffs shall be effective upon filing. In the event that any party disputes any provision of these compliance tariffs, that party can file a motion under Minn. R. 7829.0410 and seek to modify the language in the compliance tariffs.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: June 12, 2024



Will Seuffert, Executive Secretary