

**Request for Comments  
July 9, 2019**

**RE: In the Matter of Establishing an Updated Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation Under Minn. Stat. § 216H.06**  
Docket No. E999/DI-19-406, Docket No. E999/CI-07-1199

The Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Commerce, Division of Energy Resources (Department) (together, the Agencies) invite comments on the range of cost estimates for the future cost of carbon dioxide (CO<sub>2</sub>) regulation on electricity generation. To ensure consideration, written comments must be received by:

**4:30 p.m. on September 6, 2019.**

Please file comments under Docket No. E999/DI-19-406 using the eDockets system at <https://www.edockets.state.mn.us/>.

**Because the Minnesota Public Utilities Commission (Commission) is not required to provide an additional opportunity for interested parties to provide written comments after the final recommendation to the Commission has been submitted, the Agencies encourage those who are interested in commenting to do so in response to this notice.**

#### **BACKGROUND**

Minnesota Statutes § 216H.06 states:

By January 1, 2008, the Public Utilities Commission shall establish an estimate of the likely range of costs of future carbon dioxide regulation on electricity generation. The estimate, which may be made in a commission order, must be used in all electricity generation resource acquisition proceedings. The estimates, and annual updates, must be made following informal proceedings conducted by the commissioners of commerce and pollution control that allow interested parties to submit comments.

The Commission's June 11, 2018 *Order Establishing 2018 and 2019 Estimate of Future Carbon Dioxide Regulation Costs* determined the following:

1. The Commission hereby quantifies and establishes the range of regulatory costs of carbon dioxide emissions as \$5 to \$25 per short ton effective 2025 and thereafter.
2. In all electricity generation resource acquisition proceedings during 2018 and 2019, utilities shall analyze potential resources under a range of assumptions about environmental values, including scenarios that--

- A. Incorporate, for all years, the low end of the range of environmental costs for carbon dioxide as approved by the Commission in its January 3, 2018 Order Updating Environmental Costs in Docket No. E-999/CI-14-643, *In the Matter of the Further Investigation into Environmental and Socioeconomic Costs Under Minnesota Statutes Section 216B.2422, Subdivision 3*.
- B. Incorporate, for all years, the high end of the range of environmental costs for CO<sub>2</sub> as approved by the Commission in its January 3, 2018 order.
- C. Incorporate the low end of the range of environmental costs for CO<sub>2</sub> but substituting, for planning years after 2024, the low end of the range of regulatory costs for CO<sub>2</sub> regulations, in lieu of environmental costs.
- D. Incorporate the high end of the range of environmental costs for CO<sub>2</sub> but substituting, for planning years after 2024, the high end of the range of regulatory costs for CO<sub>2</sub> regulations, in lieu of environmental costs.

Consistent with the Commission decision in the Order Updating Environmental Costs, utilities shall include at least one scenario that excludes consideration of CO<sub>2</sub> costs.

3. This order shall become effective immediately.

#### **TOPICS OPEN FOR COMMENT**

The Agencies request that stakeholders provide comment on:

- whether the currently established range of regulatory costs of CO<sub>2</sub> emissions of \$5 to \$25 per short ton remains reasonable, and if not, what range should be established and why;
- whether 2025 is the appropriate threshold year for the application of the value range;
- whether the application scenarios listed in the Commission's June 11, 2018 Order remain reasonable and appropriate; and
- whether the Commission's update should apply to electricity generation resource planning and acquisition proceedings initiated in 2020 only, or in both 2020 and 2021.

## **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  
Request for Comments**

**Docket No. E999/DI-19-406 and E999/CI-07-1199**

Dated this 9<sup>th</sup> day of July 2019

**/s/Sharon Ferguson**

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