



August 27, 2025

Via Electronic Filing

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

Re: Petition for Reconsideration

*In the Matter of an Investigation into Implementing Changes to the Renewable Energy
Standard and the Newly Created Carbon-Free Standard under Minn. Stat § 216B.1691*
Docket No: E999/CI-23-151

Dear Mr. Bull:

Central Minnesota Municipal Power Agency, doing business as Central Municipal Power Agency/Services (CMPAS) submits the enclosed Petition for Amendment brought pursuant to Minn. Stat. § 216B.27, Subd. 3, and Minn. R. 7829.3000 requesting the Minnesota Public Utilities Commission amend its August 7, 2025, ORDER EXTENDING CREDIT DURATION FOR EXPEDITED PROJECTS AND REQUIRING FILINGS in the above-referenced matter.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the service list for this docket. Please contact me at (763) 710-3932 or jaya@CMPAS.org with any questions regarding this filing.

Sincerely,

Jay D Anderson
Chief Executive Officer
Central Minnesota Municipal Power Agency/Services
Enclosures
cc: Service List

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie J. Sieben
Joseph Sullivan
Hwikwon Ham
John A. Tuma
Audrey Partridge

Chair
Vice Chair
Commissioner
Commissioner
Commissioner

IN THE MATTER OF AN INVESTIGATION
INTO IMPLEMENTING CHANGES TO THE
RENEWABLE ENERGY STANDARD AND THE
UTILITY COMPLIANCE
WITH MINNESOTA’S CARBON-FREE STANDARD

DOCKET NO. E002/CI-23-151

Pursuant to Minnesota Statutes § Section 216B.27 and Minnesota Rules 7829.3000, Central Minnesota Municipal Power Agency, doing business as Central Municipal Power Agency/Services (CMPAS) submits this Petition for Amendment of the Minnesota Public Utilities Commission’s (Commission) August 7, 2025 ORDER EXTENDING CREDIT DURATION FOR EXPEDITED PROJECTS AND REQUIRING FILINGS in the above-referenced matter¹. The Petition seeks to amend Order Point 2 to include extended credit duration for additional types of expedited projects that increase the amount of clean energy and provides new information describing these additional types of expedited projects.

Additionally, CMPAS notes that its members include the City of Blue Earth, City of Fairfax, City of Glencoe, City of Granite Falls, City of Janesville, City of Kasson, City of Kenyon, City of Mountain Lake, City of Sleepy Eye, City of Springfield, City of Windom and/or their affiliated utilities.

INTRODUCTION

Order Point 1 stemmed from a Decision Option (“Partridge NEW 1”) filed on July 11, 2025², after the close of the supplemental comment period in Docket CI-23-151. The intent of the Decision Option was fully clarified verbally by the Commission during the Opening Arguments in the July 17, 2025, Agenda Meeting on Docket CI-23-151.

¹ ORDER EXTENDING CREDIT DURATION FOR EXPEDITED PROJECTS AND REQUIRING FILINGS (August 7, 2024) (eDocket No. 20258-221862-01) (Order).

² New Decision Options Proposed by Commissioner Partridge. Partridge Response to Federal Legislation. *In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691*, Docket No. E-999/CI-23-151. July 11, 2025. Partridge NEW 1.

CMPAS greatly appreciated the clarified intent to bring forward new projects at this time, particularly those that are intending to qualify for tax credits. That said, CMPAS has recent clean energy project opportunities – small, locally-owned, end of life wind farms facing expiring power purchase agreements (PPAs) with other utilities. But for CMPAS or their members offering new, 10 – 20-year PPAs, these smaller facilities would retire now or very soon, after any short-term extension opportunities of existing PPAs have been exhausted. As detailed further in the petition, many of these projects have technical or financial issues that preclude the wind turbines from repowering to the degree required to qualify for tax credits affected by passage of the federal 2025 Budget Reconciliation Bill (“Public Law 119-21”). While adding storage that qualifies for the federal tax credits is an option and may increase output from these wind farms that is ultimately delivered to the grid or shift wind energy use to on-peak periods, much or all of energy injected into the grid from a storage asset would originate from the existing wind farm. The language of the order indicates that because of this, increased output from the wind farm would not receive extended duration for their additional renewable energy credits.

Keeping these wind farms from retiring and/or adding new technologies to them to extend their operational life and make them more efficient still has the effect of adding long-term clean energy facilities to Minnesota’s grid. These smaller wind farms are a viable part of the solution for Carbon Free Standard (CFS) compliance for many utilities, including some of Minnesota’s smallest utilities, for whom new greenfield wind projects are not always a realistic option, as many are larger than 100 MW. Utilities that act now to keep these older projects in operation should be able to receive extended credits for them, similar to newly constructed projects during this time period.

CMPAS respectfully requests consideration of this new issue with respect to the benefits of extending credits to smaller, vintage wind facilities because it believes Order Point 2 should be amended to allow additional facility types capable of bringing additional sources of clean energy onto Minnesota’s grids.

ANALYSIS

Standard for Amendment.

Petitions for amendment are governed by Minn. Stat. § 216B.27 and Minn. R. 7829.3000. Pursuant to Minn. R. 7829.3000, “[a] petition for rehearing, amendment, vacation, reconsideration, or reargument must set forth specifically the grounds relied upon or errors claimed. A request for amendment must set forth the specific amendments desired and the reasons for the amendments.” Upon review of a petition for rehearing, “[i]f in the Commission’s judgment ... it shall appear that the original decision, order, or determination is in any respect unlawful or unreasonable, the Commission may reverse, change, modify, or suspend the original action accordingly.” In making that determination, the Commission typically reviews petitions to determine whether they (1) raise new issues, (2) point to new and relevant evidence, (3) expose errors or ambiguities in the underlying order, or (4) otherwise persuade the Commission that it should rethink its previous order.

Specific Amendment Desired

CMPAS understands Order Points 1 and 2 were expedited for a variety of reasons. As such, CMPAS does not request rehearing. Likewise, CMPAS has no issues with the rest of Order Points 1 and 2; it thus does not request reconsideration of what was passed. Instead, CMPAS seeks an amendment to simply add text to the existing order in order to minimize the Commission's time spent on consideration. Specifically, CMPAS requests the following amendment to Order Point 2 from the August 7, 2025, ORDER EXTENDING CREDIT DURATION FOR EXPEDITED PROJECTS AND REQUIRING FILINGS:

2. Prospectively, if a utility meets its obligations under the Renewable Energy Objectives of Minn. Stat. § 216B.1691 using Renewable Energy Credits, Alternative Energy Credits, or equivalent Environmental Attribute Credits from a facility that —
 - A. began construction after July 4, 2026, and was placed in service by December 31, 2027, or
 - B. began construction before July 5, 2026, and was placed in service within four years after construction began, or
 - C. is smaller than 20 MW that was originally placed in service prior to 2008 and: is repowered, has a battery energy storage system installed, is acquired by a utility specifically for the purpose of serving end-use customers, or enters into a new power purchase agreement with a term exceeding 10 years, that is executed by December 31, 2027,

then those credits will not expire until four years after generation, and in no event before January 2034.

Reasons for the Amendment

There are several reasons for the desired amendment, including but not limited to:

Recent Events Have Increased the Value of Existing Projects and Interconnections

Given the extended wait facing new projects entering MISO's interconnection queue, recent supply chain constraints and changes to the rules around federal tax credits, new wind projects are facing many hurdles. The potential additional cost and scarcity of new wind projects make it more critical to keep each existing project site in operation, even those that are older and smaller than the newest wind projects.

Many of the Affected Wind Farms Are Owned by Citizens Located in Greater Minnesota

Many of the owners of these smaller, older wind farms are long-time Minnesotans located in Greater Minnesota, as are many of the individuals and small companies that service and insure them. They are not from large, publicly traded development companies and do not own

substantial additional wind farms or plan to build additional wind farms. Keeping these projects in operation provides benefits to these local Minnesotans and the counties these turbines are located in. CMPAS member utilities, which are also in Greater Minnesota, also place a premium on using locally owned resources, including wind where possible and practical, to serve their customers.

Smaller Wind Projects are Well Suited for Smaller Utilities

CMPAS appreciates and supports the many utilities that are prioritizing and possibly expediting substantial greenfield wind projects at this time. CMPAS assumes that these options are the best suited for those utilities given their requirements and load and resource portfolios. Smaller utilities also seek to find the best options given their size and needs; indeed, CMPAS believes access to Minnesota-based wind power is necessary to meet and sustain the amount of carbon free energy that will be required for CFS compliance.

Existing older wind farms, many of which are less than 20 MW, are perfectly suited for small utilities, some of whom have peak demands smaller than 5 MW. In contrast, nearly every greenfield, newly constructed wind project in Minnesota, especially those owned by independent power producers, are larger than 100 MW. Smaller utilities may not have the rate base to absorb contracts for substantially larger resources than their load and their business model revolves around serving their communities, not serving as large net exporters into the MISO market.

This reality in essence means that small utilities have more limited ability to access the newest greenfield Minnesota-based wind resources that qualify for Order Point 2. For this reason, the proposed amendment would facilitate or incentivize the ability of small, rural-based utilities to acquire or enter into PPAs with existing small wind farms and thereby access wind resources for the benefit of end use customers over the long-term. For example, a utility that acquires or contracts with a small wind farm can continue to operate and maintain or refurbish the wind farm for the remaining term of the PPA or the facility's anticipated useful life while at the same time exploring the possibility of budgeting for the potential repowering of the facility to extend its use for the long-term in future years. The utility together with its wind farm partner can also explore the feasibility of developing and incorporating the use of battery energy storage systems in order to further enhance the use of the facility as a long-term renewable energy resource.

CMPAS believes that amending Order Point 2 provides an incentive and opportunity for these utilities to act now, instead of waiting several years and only using unbundled renewable energy credits purchased at that time to cover any gaps, or failing to comply because they cannot find small Minnesota-based wind projects at that time (as many of Minnesota's smallest, oldest wind farms will have otherwise retired by 2035).

Older Wind Projects are Not Always Able to Repower to the Standards Required for Tax Credits

CMPAS interprets repowering as the process of replacing existing wind turbine components or the entire wind turbine with advanced models that increase original output of the turbine by more than 10% of the existing model. In order to qualify for tax credits via repowering, CMPAS is

aware that repowers must meet the 80/20 rule at minimum:³ meaning that 80% of the total fair market value comes from new equipment.

Extensions of existing PPAs for a few years or months are often not long enough to provide sufficient financial incentive or meet permit requirements⁴ necessary for this level of repowering. Rather, only long-term ownership or entry into longer term PPAs – 10 years or more in duration – make this possible.

Even if ownership or longer contract periods are in place, in some cases technical issues will still prevent repowering. For example, the original manufacturer of these older facilities may no longer be in business or no longer operate in the United States,⁵ or their construction makes it difficult to repower, as they were designed and built before MISO required these resources to register as Dispatchable Intermittent Resources (i.e. some are only designed to operate at a fixed number of speeds, making it hard to increase output by simply installing larger blades, some have foundations that are incompatible with new turbines, etc). In other cases, if output is increased substantially, new transmission upgrades, at additional expense and taking additional time, must be made to allow deliverability or accommodate increased power. Finally, even if these repowerings are technically feasible, some of these older and smaller existing wind farms are located in highly congested areas and may not be prioritized if the developer owns multiple facilities; these facilities may not be as financially attractive for repowering as compared to wind facilities located in less congested areas or significantly larger in size.

Given that many of the technical issues above are unique to each older wind farm; given that in some cases there is limited opportunity for repowers at some older wind farms; and given that a long term PPA or an acquisition may be necessary to help complete and provide funding for such repowers, CMPAS believes it is critical that the proposed amendment includes language that encompasses both repowering *and* entering into a long-term PPA, *or* acquisition of these projects by utilities solely for the purpose of serving end-use customers prior to December 31, 2027.

It is Ambiguous Whether Repowered Projects that Qualify for Tax Credits Meet Order Point 2

The way Order Point 2 is written, it appears to refer to new, yet-to-be constructed projects that may qualify for these tax credits. But during the hearing, when explaining the intent of Partridge NEW 1, Commissioner Partridge noted an intent to incent utilities to “move any projects forward they can” and to provide “a two-year bonus window for those projects that would receive the tax credits under the current legislation that will be terminated based on the 2025 budget

³ Facilities may alternatively undergo an even more comprehensive, full repower, involving significant items such as new foundations and new underground electrical systems.

⁴ For example, a PPA must be obtained as a condition for some Large Wind Energy Conversion System (“LWECS”) site permits, even for the repowering of a small existing project (Example: DOCKET NO. IP-7065/WS-21-643 Rose Creek, 17 MW). This is further proof that it often requires a PPA, not a short-term PPA extension, to repower.

⁵ One example of this is Suzlon, who provided many turbines of this vintage but is not currently operating in the United States.

reconciliation bill”⁶. Repowered projects appear to meet this intent; utilities and independent power producers have agency to expedite repowering projects that may meet tax credit qualifications.

Older Wind Farms that Cannot Be Repowered Can Be Excellent Candidates for Storage, Which May Also Qualify for Tax Credits and Which Can Increase Wind Farm Output

For older wind facilities, even those that cannot be repowered, adding storage can increase the financial standing of these facilities, making them more worthwhile to keep operational. By charging on wind power that would have been curtailed otherwise, they can increase output of the wind energy farm if a substantial amount of its power is currently being curtailed and ultimately provide a net increase of renewable energy credits that can be used for CFS compliance. Even in projects that do not currently experience a high level of curtailment, installing energy storage can still offer benefits to the grid by shifting wind energy use to peak periods, when the power is needed and more likely to displace fossil energy electric production.

Since Order Point 2 is focused on wind and solar projects themselves, it provides no incentive for utilities to make this type of project a priority, even if the storage projects do indeed qualify for tax credits and may still need to be expedited to minimize impacts of Foreign Entities Objects of Concern (FEOC) restrictions⁷. Furthermore, the terms of older, original PPAs for the existing wind facilities or their short-term extensions may not allow storage to be added.

There was not Sufficient Time for Small Utilities to Introduce this Issue

There was not sufficient time to comment on this matter once the intent of Partridge NEW 1 was clarified during the July 17, 2025, Agenda Meeting. Had CMPAS staff thought of this issue during that meeting, they would have brought this matter forward for the Commission’s consideration while Partridge NEW 1 was being discussed. Additionally, neither CMPAS nor its members are subject to the fall 2025 filings in Order Point 1 from the same document, otherwise it would have provided this recommendation in a filing at that time.

CONCLUSION

Small utilities⁸ must also come up with ways to meet the Carbon Free Standard. Their solutions may look different than those of larger utilities, but they offer unique benefits and opportunities. CMPAS hopes the Commission wants to encourage these utilities to come up with potential and proactive solutions instead of solely using unbundled renewable energy credits purchased years

⁶ *In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691*, Docket No. E-999/CI-23-151. July 17, 2025 Agenda Meeting. During eighth and ninth minutes of the meeting.

⁷ Energy storage project costs located at smaller wind projects are higher on a \$/kW basis, because of economies of scale. The federal tax credits may be more critical driver for some of these smaller projects.

⁸ Those utilities that meet the definition of an “electric utility” under Minn. Stat. § 216B.1691 subd. 1(d) but not the definition of a “utility” under Minn. Stat. § 216B.2422 subd. 1(b).

from now to close any gaps required for CFS compliance. Adding this amendment, or something materially similar, provides an actionable option for all utilities, including Minnesota's smallest utilities, to execute feasible projects now.

Dated: August 27, 2025

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

Jay D Anderson
Chief Executive Officer
Central Minnesota Municipal Power Agency/Services
7550 Corporate Way, Suite 100
Eden Prairie, MN 55344
jaya@cmpas.org