

NEW and REVISED DECISION OPTIONS
Proposed by Commissioner Partridge
July 17, 2025

DOCKET NUMBER E-999/CI-23-151

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DATE/TIME SUBMITTED July 11, 2025 at 1:00 p.m.

TITLE Partridge CFS Framework

SUBJECT 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.

REC (or Equivalent) Retirement to Substantiate Compliance

1. The Commission authorizes utilities to demonstrate compliance with the Carbon-Free Standard by retiring Renewable Energy Credits, Alternative Energy Credits, or equivalent Environmental Attribute Credits registered with the Midwest Renewable Energy Tracking System.

Partially Carbon-Free Facilities

5. All matters concerning partially compliant facilities will be discussed in the Life-Cycle Analysis Docket, Docket No. E-999/CI-24-352.

Net Market Purchases: Credit Tracking

Partridge NEW 7A: To calculate the percentage of annual net market purchases that are carbon-free under Minn. Stat. §216B.1691, subd. 2d(b)(2)(ii), each electric utility shall use the average annual fuel mix associated with the MISO North, Zones 1-7, or the applicable regional fuel mix, after removing from the calculation the carbon-free electricity generated directly by the utility or procured by the utility through power purchase agreements in that year. The utility shall use this calculation to show partial compliance with the CFS and is not required to retire RECs/AECs for this purpose.

Reporting: Annual REO Reports

Partridge Modified 11. Beginning in 2026, each electric utility shall file a report on June 1st with its Renewable Energy Objectives compliance report in Docket No. E-999/PR-YR-12 that includes the following information detailing its efforts toward complying with Minnesota's Carbon-free Standard:

- A. Annual Minnesota retail sales for the previous calendar year.

B. Annual net market purchases from the previous year.

C. Annual purchases of unbundled Renewable Energy Credits (or other equivalent Energy Attribute Credits) for the purpose of CFS compliance.

~~E-D.~~ Annual qualifying carbon-free generation procured or generated by the electric utility in the previous calendar year, including the total number of facilities registered in M-RETS to that utility and eligible Renewable Energy Credits (or other equivalent Energy Attribute Credits) generated in the past year from those facilities.

~~D-E.~~ A list of facilities determined to be partially compliant with the CFS, including the name of the facility, the facility fuel type, and the percent of that facility's output determined to be carbon-free.

~~E-F.~~ From 2026-2030, electric utilities must also report the following:

- i. Estimated amount of carbon-free generation (expressed as capacity) a utility would ~~require-need~~ to obtain ~~in~~ by 2030.
- ii. Estimated carbon-free requirements, on a MWh basis, to meet the CFS in 2030.
- iii. A short summary of ongoing efforts to obtain carbon-free energy, including a brief summary of the anticipated resource mix for CFS compliance.
- iv. Any considerations, such as those outlined in Minn. Stat. § 216B.1691, subd. 2b, that may create challenges with achieving compliance, and which under Minn. Stat. § 216B.1691, subd. 2h(f), may allow the Commission to modify or delay implementation.

12. The Commission delegates authority to the Executive Secretary to work in conjunction with the Department of Commerce and utilities to update the Renewable Energy Objectives reporting template to incorporate the reporting requirements approved in this docket and modify them as necessary based on the results of the LCA Docket, Docket No. E-999/CI-24-352.

Hourly Matching in IRP

Partridge Modified 14. In future resource plans, and to the extent practicable, IRP-filing utilities shall incorporate one or more ~~contingencies-sensitivities~~ that use an hourly matching construct to achieve the state's CFS. Utilities shall accompany this with a discussion of the potential costs, benefits, possibilities, and limitations of a potential future regulatory hourly matching requirement.

Shelf Life of RECs

Partridge Modified 21. The Commission affirms that, at this time, for purposes of Renewable Energy Objective compliance substantiation, Renewable Energy Credits, ~~and~~ Alternative Energy Credits, and equivalent Environmental Attribute Credits from carbon-free, non-renewable facilities will be eligible for use in the year of generation and for four years following the year of generation.

Partridge NEW 21 A: To further inform the Commission, each electric utility subject to the CFS shall make a compliance filing by June 1, 2026, in this docket providing information about how the utility would utilize its existing and anticipated bank of RECs, AECs or equivalent EACs if the Commission were to reduce the shelf life of credits in 2035 to:

- 2 years
- 1 year

- No shelf life (The removal of the shelf life means that credits are only eligible for compliance in the year they were generated, [example, a credit generated in 2026 would be eligible for 2026 compliance].)

Each utility shall provide a discussion of the costs and benefits of the different shelf lives noted above, including but not limited to potential costs or benefits to ratepayers and impact on greenhouse gas emissions resulting from the utility's owned and contracted generation.