

**Jamie Overgaard**  
*Rates Load and Planning Manager*  
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**February 3, 2015**

Mr. Alexius M. Hofschulte  
Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 500  
St. Paul, MN 55101-2198

RE: Minnkota Power Cooperative, Inc.  
Docket No. ET6,ET6132/RP-14-526  
Reply Comments

Dear Mr. Hofschulte,

Enclosed for e-filing with the Minnesota Public Utilities Commission, please find Minnkota Power's Reply Comments in the above-referenced docket.

Copies of this filing have been served upon the attached service list.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jamie Overgaard", written in a cursive style.

Jamie Overgaard

## **I. Introduction/History**

On June 26, 2014, Minnkota Power Cooperative, Inc. (Minnkota) filed its 2014 Integrated Resource Plan (IRP) covering the period 2014 to 2028.

On July 18, 2014, Information Request (IR) 1 and 2 regarding Coincidental Peak (CP) and Non Coincidental Peak (NCP) demand data were sent to Minnkota via email. Minnkota's response via email was sent July 31, 2014.

On October 10, 2014, Minnkota received a phone call looking for a response to IR 3, which was filed September 15, 2014. IR 3 was sent as a hard copy via mail. For reasons unknown, the hard copy did not reach its intended recipient. On November 3, 2014, Minnkota provided Reply Comments in response to IR 3 filed by the Department.

On October 27, 2014, Minnesota Department of Commerce Comments were filed.

## **II. Department Recommendations**

The Department recommends that the Commission consider accepting the Joint System Resource plan for planning purposes, but puts the Joint System on notice that its future IRPs must explain how the Cooperative used the Commission-approved externality values.

The Department recommends that the Joint System provide the following in Reply Comments:

- The comparison between forecasted and actual winter demands (energy sales and peak demand) from 2013 and 2014;
- An update on the Joint System's plans to comply with MATS;
- Any other information that the Joint System believes is important for the Commission to consider.

The Department will provide written comments on the Joint System's progress toward meeting the State's greenhouse gas emissions reduction goal in Reply Comments. If any material issues surface based on the information in the Joint System's Reply Comments, the Department may request the opportunity to provide additional comments.

### III. Minnkota Reply Comment

As requested in the Department Recommendations the following is a table depicting the 2013 Load Forecast sales versus actual sales as well as the 2013 forecasted peak demand versus actual peak demand. The 2014 Joint System sales are taken from the member systems Form 7 worksheets. Minnkota has not received all of these worksheets therefore 2014 Actual Joint System Sales are not available.

	2013 Forecasted Joint System Sales	Actual Joint System Sales	2013 Forecasted Peak Winter Demand	Actual Peak Winter Demand
2013	3,987,899	4,201,326	931	960
2014	4,065,997		950	919
2015	4,119,803	-	960	

The following is an excerpt from the Minnkota IRP. It has been edited to include details of the Joint System's plans to comply with MACTS.

"One particular difficulty Minnkota faces in meeting the MACT standards is with regard to mercury. Mercury takes several different forms, from elemental mercury to oxidized forms. North Dakota lignite predominately contains elemental mercury, which is particularly difficult to remove. To meet that challenge, Minnkota is installing a halogen injection system and an activated carbon injection system at the Milton R. Young Station. The halogen oxidizes the elemental mercury, allowing it to be more readily captured by activated carbon. The Milton R Young Station will meet the MACT mercury emission standard of 4 lb/Tbtu (an approximate 55-60 percent reduction) by the compliance date. Coyote Station will be using an activated carbon system to capture the required amount of mercury necessary for it to meet the MACT standard. "