

November 15, 2019

**PUBLIC DOCUMENT**

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

RE: **PUBLIC Compliance Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. PL9/CN-13-153

Dear Mr. Wolf:

Attached are the **Public** Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department), in the following matter:

Application of Enbridge Energy, Limited Partnership (Enbridge or the Applicant), for a Certificate of Need for Line 67 Station Upgrade Project—Phase 2.

The *Neutral Footprint Program Compliance* was filed on October 1, 2019 by:

John R. Gasele  
Attorney  
Fryberger, Buchanan, Smith & Frederick, P.A.  
700 Lonsdale Building  
302 W, Superior Street  
Duluth, Minnesota 55802

Based on its analysis, the Department recommends that the Minnesota Public Utilities Commission (Commission) **reject** the Applicant's calculations in its *Neutral Footprint Compliance* filing and **require** Enbridge to use the corrected calculation of incremental energy use as described in these comments for FYE2018 and FYE2019. In addition, the Department recommends that the Commission require Enbridge to calculate future compliances as discussed herein. The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ ADAM J. HEINEN  
Rates Analyst

AJH/ja  
Attachment



## Before the Minnesota Public Utilities Commission

### PUBLIC Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. PL9/CN-13-153

#### I. BACKGROUND

On November 7, 2014, the Minnesota Public Utilities Commission (Commission) issued an Order Granting Certificate of Need to Enbridge Energy, Limited Partnership (Enbridge or the Applicant) for the Line 67 Station Upgrade Project—Phase 2 (Project). As a condition of this certificate, the Commission required Enbridge to satisfy certain requirements. One of these requirements related to the Applicant’s “Neutral Footprint Program” and stated the following:

Enbridge shall apply its “neutral footprint” objectives to the environmental impacts associated with Phase 2 of Line 67, including conserving an acre for every acre of natural habitat impacted, planting a tree for every tree that must be removed to build new facilities, and generating a kilowatt-hour [kWh] of renewable energy [as defined at Minnesota Statutes section 216B.2422, subdivision 1(c)] for every kilowatt-hour the Phase 2 energy operations consumes. Within 90 days of the Phase 2 pumps becoming operational, Enbridge shall file a report stating—how Enbridge intends to implement its neutral footprint policy with respect to the Phase 2 project, and how it intends to document its compliance with this policy.

The Project became operational on July 1, 2015, and the Company filed its neutral footprint plan on September 29, 2015. On October 23, 2015, the Minnesota Department of Commerce, Division of Energy Resources (Department) filed reply comments supporting the Applicant’s proposed tree-for-tree and acre-for-acre requirements, but objecting to Enbridge’s proposed kWh-for-kWh demonstration of compliance. On August 18, 2017, the Commission issued its Order Clarifying Neutral Footprint Objectives and Requiring Compliance Filing (Neutral Footprint Order), detailing the requirements to satisfy the kWh-for-kWh condition. In this Order, the Commission required the following of Enbridge:

1. To fulfill its kWh-for-a-kWh requirement, Enbridge Energy, Limited Partnership shall acquire renewable energy as defined in Minnesota Statutes section 216B.2422, subdivision 1(c), to offset all the incremental increase in nonrenewable energy consumed by the Phase 2 project since the project became operational.

2. Beginning no later than October 1, 2017, Enbridge shall make annual filings regarding its compliance with its neutral footprint objectives. Regarding Enbridge's kWh-for-a-kWh requirement, these filings shall include a calculation of (a) the incremental increase in Enbridge's energy consumption due to the Phase 2 project and (b) the share of that energy that comes from nonrenewable sources.
3. By November 1, 2020, and annually thereafter, Enbridge shall document—in a manner that precludes double-counting—that it has complied with the kWh-for-a-kWh requirement. Enbridge may rely on renewable energy credits from its own generators, or from a third party offering verifiable renewable energy credits. Verification shall be from the [Midwest] Renewable Energy Trading System or another entity the Commission determines to be substantially equivalent to M-RETS.

On October 16, 2017, Enbridge filed its first Neutral Footprint Program Compliance (NFP Compliance). This filing included the Applicant's proposed calculation of incremental energy associated with the Phase 2 project and the amount of energy derived from renewable and non-renewable sources. In particular, the Applicant determined incremental energy use by estimating base consumption for Phase 1 of the Line 67 Project by taking the average of the two months with the greatest electrical consumption and then subtracting that amount from consumption after Phase 2 In-service.

On August 13, 2018, the Department filed Compliance Comments in response to the first NFP Compliance. In these comments, the Department expressed concern with the Applicant's method to determine increment use associated with Phase 2. In particular, the Department concluded that Enbridge's use of the two highest months of consumption to estimate the amount of energy used in the "before" Phase 2 period was inappropriately biased upwards and thus inaccurately understated the amount of incremental consumption and the level of renewable offsets required. As a result, "[t]his approach is not representative of actual energy use for Line 67 prior to the in-service date for Phase 2."<sup>1</sup> Thus, the Department concluded that Enbridge's calculations did not comply with the Commission Neutral Footprint Order, particularly the requirement in Ordering Point 1 to "offset all the incremental increase in nonrenewable energy consumed by the Phase 2 project since the project became operational."

Instead, the Department recommended use of an alternate incremental energy consumption figured based on average consumption over the entire 10-month period that Phase 1 was in use, prior to Phase 2 being placed in service. As a result, the Department recommended that the Commission reject the Applicant's calculations in its compliance filing and determine that the incremental non-renewable energy for Enbridge for FYE2016 and FYE2017 be based on the Department's calculations. The

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<sup>1</sup> Department's August 13, 2018 Comments on Enbridge's compliance, page 3.

Department also recommended that the Commission require Enbridge to calculate future compliances in the manner described in the Department's comments.

In addition, the Department notes that Enbridge did not file an NFP Compliance for FYE2018 in October 2018; as such, the Applicant did not comply with Ordering Point 2 of the Neutral Footprint Order.

On October 1, 2019, Enbridge filed its second NFP Compliance where it maintained the same method of determining incremental consumption as proposed in its October 16, 2017 NFP Compliance.

The Department analyzes the Applicant's second NFP Compliance filing below.

## II. THE DEPARTMENT'S ANALYSIS

### A. ENBRIDGE'S PROPOSED CALCULATION

The Applicant included in its NFP Compliance an explanation of how it calculated its incremental energy calculations. Again, Enbridge estimated its baseline energy use by averaging energy use for the two months with the highest energy use prior to Phase 2 entering service. The Applicant stated that using the two highest months of energy use would most closely align with the annual average throughput approved for Phase 1 (570,000 barrels per day [bpd]) since Phase 1 was not yet at full operation for most of the time prior to the in-service date for Phase 2. Enbridge used this approach under its assumption that energy use would have been higher if Phase 2 did not enter service. Enbridge calculated its baseline energy use to be **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh per month.

After calculating baseline energy use, Enbridge estimated incremental energy use for the third and fourth 12-month periods that Phase 2 was operational. Enbridge's proposed calculation subtracts from actual monthly energy usage with Phase 2 operational Enbridge's estimated monthly baseline consumption figure. The Applicant stated that incremental consumption during the third year of operation (July 2017 through June 2018 [FYE2018]) was **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh and **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh during the fourth year of operation (July 2018 through June 2019 [FYE2019]).<sup>2</sup>

Finally, Enbridge used renewable energy production data from its two Minnesota electric utilities (Otter Tail Power Company [Otter Tail] and Minnesota Power Company [Minnesota Power]) to calculate the non-renewable share of incremental energy use. Using this approach, the Applicant

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<sup>2</sup> Enbridge **Trade Secret** response to Department Information Request No. 36 (**Trade Secret** Department Attachment 1). The Department also notes that Enbridge provided sales information on a MWh basis in its October 1, 2019 NFP Compliance. The Commission's Neutral Footprint Order requests that non-renewable sales be offset on a kWh-by-kWh basis; furthermore, Enbridge provided sales data on a kWh basis in its first NFP Compliance.

estimated non-renewable energy consumption in FYE2018 of [TRADE SECRET DATA HAS BEEN EXCISED] kWh and [TRADE SECRET DATA HAS BEEN EXCISED] in FYE2019.<sup>3</sup>

The Department provides its analysis of Enbridge's proposed calculation in Section II.C below.

*B. ENBRIDGE'S PROPOSED TREATMENT OF RENEWABLE ENERGY CREDITS*

As noted above, Ordering Point No. 3 in the Commission's Neutral Footprint Order requires Enbridge to track its procurement of renewable energy credits (REC) to offset incremental consumption associated with Phase 2 and to verify that these RECs are not double counted. As part of this verification requirement, the Commission ordered that this verification shall be from the Minnesota Renewable Energy Trading System (M-RETS) or another entity the Commission determines to be substantially equivalent to M-RETS.

In its NFP Compliance, the Applicant stated it currently plans to purchase RECs from M-RETS, the North American Renewables Registry (NAR), or the Electric Reliability Council of Texas (ERCOT), which operates Texas Renewables. Enbridge explained that each of these entities allows the purchase and retirement of unique, trackable RECs created by generation of one megawatt hour (1,000 kWh) of renewable generation. The RECs on each system have an individual serial number to facilitate tracking and retirement and to eliminate the risk of double counting. Enbridge also noted that each system functions in the same manner, and the use of three systems will allow the Applicant to access all of the required RECs for the project from a large number of renewable projects. Enbridge further stated that allowing it to use three REC marketplaces provides it with flexibility to economically access a large pool of RECs to meet the Commission's offset requirements.<sup>4</sup>

While each of the entities that Enbridge listed has a unique, verifiable tracking of RECs, what is not known at this time is whether the non-M-RETS systems that Enbridge noted would allow RECs that are counted in another tracking system to be counted again in their system. Double-counting between tracking systems would mean that Enbridge would not comply with Ordering Point 1 of the Commission's Order. Thus, before the Commission could determine that the other entities are "substantially equivalent" to M-RETS, Enbridge would need to demonstrate that RECs are not double-counted between the systems. Until then, use of M-RETS is available to Enbridge.

If, in the future, Enbridge is able to demonstrate that there is no double-counting between tracking systems, it would be helpful for Enbridge to clarify whether it plans to transfer or consolidate its RECs into M-RETS before retirement of these RECs. Movement of these RECs to M-RETS after their purchase, and prior to their retirement, would facilitate easier verification by the Commission since it has greater familiarity and access to this system. In addition, Enbridge should address the shelf-lives of RECs, since the Commission allows RECs to count in the current year purchased and up to four

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<sup>3</sup> Trade Secret Department Attachment 1.

<sup>4</sup> October 1, 2019 NFP Compliance, Page 3.

subsequent years. The Department recommends that the Applicant address these clarifying statements whenever Enbridge is able to demonstrate that there would be no double-counting of RECs between tracking systems.

### C. COMPLIANCE WITH COMMISSION'S NEUTRAL FOOTPRINT ORDER

The Department reviewed Enbridge's assumptions and calculations explained in Section II.A above and concludes that the Applicant understated incremental energy consumption. The under-estimation is driven by Enbridge's derivation of baseline energy usage during the 10-month period that Phase 1 was in service. There are only ten data points for the period after Phase 1 was operational and before Phase 2 became operational (September 2014 through June 2015).<sup>5</sup> Enbridge proposes that the Commission ignore eight data points in establishing the baseline use prior to the operation of Phase 2 and use only the two months with the highest energy use. This approach is not representative of actual energy use for Line 67 prior to the in-service date for Phase 2.

Moreover, the Commission's Neutral Footprint Order states at page 3:

To measure the energy that the Phase 2 project consumes, the parties generally agree that *Enbridge should compare its rate of energy consumption prior to July 1, 2015, when Phase 2 became fully operational, to its rate of consumption afterwards.* But Enbridge proposed two additional details that went beyond the Department's position. (Emphasis added)

The Commission's Neutral Footprint Order was clear that the baseline is the rate of energy consumption prior to July 1, 2015, meaning the rate of energy consumption for that period, rather than a rate that might have occurred subsequent to that date if Phase 2 was not operational. As a result, the Department concludes that Enbridge's compliance filing is not in compliance with the Commission's Order, specifically Ordering Point 1, which requires Enbridge to "offset all the incremental increase in nonrenewable energy consumed by the Phase 2 project since the project became operational."

Instead, the Applicant should have used all ten data points to estimate the average of monthly consumption during the Phase 1 period and compared that average to fiscal year consumption in the incremental, Phase 2 period, as discussed further below.

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<sup>5</sup> In Docket No. PL9/CN-14-916, Enbridge provided in-service dates for Phase 1 and Phase 2 in its response to Department Information Request No. 34 (Department Attachment 1 in its August 13, 2018 Compliance Comments). In this discovery response, Enbridge stated that Phase 1 entered service in September 2014 and Phase 2 entered service in July 2015. This means that Phase 1 was in service for 10 months.

#### *D. CORRECTED CALCULATION*

First, the Department verified Enbridge's input data. Enbridge stated that the percentage of renewable energy product it used in its calculations was taken from the two utilities that provide electric service to the Applicant in Minnesota. The Department reviewed annual Renewable Energy Standard (RES) data for Otter Tail and Minnesota Power and concludes that Enbridge's figures are reasonable. The Department also issued discovery to both Otter Tail and Minnesota Power regarding historical Enbridge sales. The Department reviewed these information request responses and concludes that the sales data provided by Enbridge in its NFP Compliance appear reasonable.

Second, the Department estimated incremental energy consumption using data for all ten months to estimate average consumption data for Phase 1 compared to average consumption data for Phase 2. As noted above, this approach produces an average, representative consumption figure in both periods (all actual data compared to all actual baseline data). In other words, it creates an apples-to-apples comparison of energy consumption before and after the in-service date for Phase 2. This method is important because throughput on a crude oil pipeline will vary on a month-to-month basis. In some months, demand may be greater than the Commission's approved average throughput amount and in other months, demand may be lower; as such, the average figure provides a representative amount of energy usage by the Project.

Using the actual monthly energy consumption data for the Phase 1 in-service period, the Department estimated baseline monthly consumption, based on monthly consumption from September 2014 to June 2015, of **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh, which results in an annualized consumption figure of **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh. This annualized base figure is approximately **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh less than the Applicant's estimate, demonstrating that Enbridge overstated base energy use, resulting in a lower amount of renewable energy offsets.

The Department's more representative base consumption figure in turn results in an increase in incremental consumption associated with Phase 2. Specifically, this method results in incremental non-renewable energy consumption in FYE2018 of approximately **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh and approximately **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh in FYE2019. When compared to the Applicant's proposal, this approach results in higher incremental non-renewable consumption in FYE2018 of **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh and **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh in FYE2019, for a total of **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh more non-renewable energy consumption resulting from Phase 2 implementation in the second NFP Compliance.<sup>6</sup>

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<sup>6</sup> **TRADE SECRET** Department Attachment 2.

In total, since Phase 2 entered service, the Department calculated additional non-renewable energy consumption of approximately **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh. Correcting for the issues discussed above results in an appropriate level of incremental non-renewable energy consumption and the associated amount of RECs that should be purchased.

Enbridge is allowed to offset its REC requirements by the percent of renewable energy retired by Minnesota Power and Otter Tail Power toward the Minnesota RES. The Department reviewed Enbridge's proposed calculations and concludes that the figures are acceptable because they apply the same percentage of renewable energy that Minnesota Power and Otter Tail Power have on their system to Enbridge's energy use on these two utility systems.

For illustrative purposes, the Department attempted to estimate the monetary impact of procuring the additional RECs use the Department's more representative level of energy use during Phase 1. In the 2019 RES Report filed with the Minnesota Legislature, REC prices paid by utilities typically ranged from between \$0.20 to \$1.10 per REC per MWh.<sup>7</sup> Applying these values are applied to the total additional non-renewable energy consumption since implementation of Phase 2 of **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh recommended by the Department results in additional costs in the range of **[TRADE SECRET DATA HAS BEEN EXCISED]**. This amount is approximately **[TRADE SECRET DATA HAS BEEN EXCISED]** of the estimated facility upgrade costs in Minnesota of approximately \$159.3 million for Phase 2.<sup>8</sup>

Since the acquisition of RECs is not required, for compliance purposes, until October 1, 2020, there is no impact to actual neutral footprint compliance at this time. However, to ensure that the appropriate levels of RECs are recognized for the 2020 compliance, the Department recommends that the Commission require Enbridge to use the calculation of incremental non-renewable energy consumption as described above to determine compliance with the Commission's neutral footprint condition in the future. The Department recommends that the Commission determine that the incremental non-renewable energy for Enbridge for FYE2018 and FYE2019 are **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh and **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh, respectively.

#### *E. REPORTING SCHEDULE*

The Applicant proposed a revised compliance filing schedule to make the reporting process more efficient. Enbridge argued that the Neutral Footprint Order requires Enbridge to make two filings per year, one in October where the Applicant provides the Commission with an update on compliance with the NFP objectives, including power consumption, and another in November where Enbridge must provide the Commission with documentation demonstrating compliance with the kWh-for-kWh portion of the NFP. Enbridge recommended that the Commission combine these filing requirements

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<sup>7</sup> Department Attachment 3.

<sup>8</sup> June 28, 2013 Initial Filing, Section 7853.0230, Page 11.



into a single compliance filing and allow Enbridge to submit this combined set of information by March 15, 2021 and annually thereafter. This proposed approach would allow the Applicant to report calendar year information and the single reporting system would ease administrative burden for all parties and provide a single source for NFP information.

Although the Department understands Enbridge's proposal, it appears that the Applicant misinterpreted the requirements of the Commission's Order. Based on the Department's reading, the Commission does not require, or necessarily envision, two annual filings. In particular, the Department notes Ordering Points 2 and 3, which appear to be the root of Enbridge's concern:

2. Beginning no later than October 1, 2017, Enbridge shall make annual filings regarding its compliance with its neutral footprint objectives. Regarding Enbridge's kWh-for-a-kWh requirement, these filings shall include a calculation of (a) the incremental increase in Enbridge's energy consumption due to the Phase 2 project and (b) the share of that energy that comes from nonrenewable sources.
3. By November 1, 2020, and annually thereafter, Enbridge shall document—in a manner that precludes double-counting—that it has complied with the kWh- for-a-kWh requirement. Enbridge may rely on renewable energy credits from its own generators, or from a third party offering verifiable renewable energy credits. Verification shall be from the [Midwest] Renewable Energy Trading System or another entity the Commission determines to be substantially equivalent to M-RETS.

These ordering points are only prescription in terms of when the objective must be met, no later than October 2017 and November 1, 2020 and annually thereafter. There is nothing preventing Enbridge from filing its proof that it procured the RECs required in Ordering Point 3 prior to November 1, 2020. The only subsequent requirement is that this documentation be filed on an annual basis, but November 1 is not the required annual filing date. Regarding Enbridge's proposal to move the filing date to March 15, 2021, the Department notes that the dates in the Commission's Neutral Footprint Order correspond with reporting data for the fiscal year (*e.g.*, July to June), which aligns with the 12-month periods after which Phase 2 entered service. The Applicant's proposal is not appropriate and further prolongs Enbridge's requirement to procure RECs to offset incremental non-renewable generation for this Project.

### III. CONCLUSION AND RECOMMENDATIONS

The Department concludes that Enbridge's calculation of incremental energy consumption in its Neutral Footprint Compliance does not accurately reflect the level of incremental energy consumption associated with Phase 2 of the Applicant's Line 67 Project and does not comply with the Commission's Neutral Footprint Order. As such, the Department recommends that the Commission reject the

Applicant's calculations in its compliance filing and determine that the incremental non-renewable energy for Enbridge for FYE2018 and FYE2019 are **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh and **[TRADE SECRET DATA HAS BEEN EXCISED]** kWh, respectively.

In addition, the Department recommends that the Commission not allow Enbridge to use the non-M-RETS systems at this time until, at a minimum, Enbridge can demonstrate that there would be no double-counting of renewable energy credits between renewable energy tracking systems.

The Department also recommends that the Commission deny Enbridge's request to change the required date to comply with the Neutral Footprint Plan and require Enbridge to calculate future compliances in the manner described in these comments and illustrated in Department Attachment 2.

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# PUBLIC DOCUMENT

**Docket Number:** Docket No. PL9/CN-13-153  
**Requested From:** Enbridge Energy  
**Type of Inquiry:** General

Nonpublic  Public  
**Date of Request:** 10/30/2019  
**Response Due:** 11/12/2019

**SEND RESPONSE VIA EMAIL TO:** [Utility.Discovery@state.mn.us](mailto:Utility.Discovery@state.mn.us) as well as the assigned analyst(s).

**Assigned Analyst(s):** Adam Heinen  
**Email Address(es):** adam.heinen@state.mn.us  
**Phone Number(s):** 651-539-1825

## ADDITIONAL INSTRUCTIONS:

Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

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**Request Number:** 36  
**Topic:** Neutral Footprint  
**Reference(s):** October 1, 2019 Compliance, Attachment A

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## Request:

- A. Please provide per barrel throughput on a monthly basis.
- B. Please provide the sales information in the above reference on a kWh basis.

If this information has already been provided in the record or in response to an earlier Department-DER information request, please identify the specific cite(s) or Department-DER information request number(s).

## Response:

- A. Please see attached revised Attachment B.<sup>1</sup>
- B. Please see attached revised Attachment B.

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To be completed by responder

**Response Date:** November 12, 2019  
**Response By:** Shane Henriksen  
**Email Address:** For inquires, please contact John Gasele at [jgasele@fryberger.com](mailto:jgasele@fryberger.com)  
**Phone Number:** 218-722-0861

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<sup>1</sup> Attachment B contains trade secret information that is protected by the Minnesota Data Practices Act. The data has economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons and is subject to efforts by Enbridge to prevent public disclosure. The trade secret information includes actual pipeline throughput, energy consumption that can be used to calculate throughput, and information regarding the number of RECs that Enbridge must acquire to comply with the Program. Competitors could use this data to obtain economic advantages over Enbridge that would not otherwise be available. Enbridge maintains the data as a trade secret based on its economic value from not being generally known and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Accordingly, Enbridge requests that the data included on Attachment B be treated as non-public data pursuant to Minn. Stat. § 13.37, subd. 1(b). All trade secret data has been excised from the public version of Attachment B.

Line 67 Phase II REC Requirements						
12-Nov-19						
					REC Requirements (TOTAL Non-Renewable Ph II Incremental Energy in kWhs)	
Line 67 volumes pumped (avg bbls /day)	Actual - L67 monthly energy consumption (kWhs/mo)	Monthly Incremental Energy above Ph I (Actuals minus baseline) (kWh/mo)	Utility Renewable Energy %	Non-renewable monthly incremental energy (kWh/mo)	Calendar Year	Annual Intervals Based on In-Service Date
[Trade Secret Data Begins...]						
2015	Jul					
	Aug					
	Sep					
	Oct					
	Nov					
	Dec					
2016	Jan					
	Feb					
	Mar					
	Apr					
	May					
	Jun					
2017	Jul					
	Aug					
	Sep					
	Oct					
	Nov					
	Dec					
2018	Jan					
	Feb					
	Mar					
	Apr					
	May					
	Jun					
2019	Jul					
	Aug					
	Sep					
	Oct					
	Nov					
	Dec					

# PUBLIC DOCUMENT

2	Aug				
	Sep				
	Oct				
	Nov				
	Dec				
...Trade Secret Data Ends]					

	Line 67 throughput (avg barrels/day)	Actuals-Monthly Total Line 67 Only Energy Consumption	Department Baseline Consumption	Department Monthly Incremental Energy Above Phase 1	Utility Renewable Energy	Non-Renewable Monthly Incremental Energy (kWh/month)	Department Non-Renewable Annual Incremental Energy (kWh)	Enbridge Non-Renewable Annual Incremental Energy (kWh)	Difference (Department and Enbridge)
<b>[TRADE SECRET DATA BEGINS]</b>									
	Jan-14								
	Feb-14								
	Mar-14								
	Apr-14								
	May-14								
	Jun-14								
	Jul-14								
	Aug-14								
	<b>[TRADE SECRET DATA BEGINS]</b>								
	Department Base Monthly Base Usage (avg. kWh)								
	Department Annual Base Usage (kWh)								
	Enbridge Base Monthly Usage ( highest 2-mo kWh)								
	Enbridge Annual Base Usage (kWh)								
	Difference (kWh)								
	<b>[TRADE SECRET DATA ENDS]</b>								
Phase 1 In-Service	Sep-14								
	Oct-14								
	Nov-14								
	Dec-14								
	Jan-15								
	Feb-15								
	Mar-15								
	Apr-15								
	May-15								
	Jun-15								
<b>[TRADE SECRET DATA ENDS]</b>									
	Line 67 throughput (avg barrels/day)	Actuals-Monthly Total Line 67 Only Energy Consumption	Department Baseline Consumption	Department Monthly Incremental Energy Above Phase 1	Utility Renewable Energy	Non-Renewable Monthly Incremental Energy (kWh/month)	Department Non-Renewable Annual Incremental Energy (kWh)	Enbridge Non-Renewable Annual Incremental Energy (kWh)	Difference (Department and Enbridge)
<b>[TRADE SECRET DATA BEGINS]</b>									
Phase 2 In-service	Jul-15								
	Aug-15								
	Sep-15								
	Oct-15								
	Nov-15								
	Dec-15								
	Jan-16								
	Feb-16								
	Mar-16								
	Apr-16								
	May-16								
	Jun-16								
	Jul-16								
	Aug-16								
	Sep-16								
	Oct-16								
	Nov-16								
	Dec-16								
Jan-17									
Feb-17									
Mar-17									
Apr-17									
May-17									
Jun-17									
Phase 3 In-service	Jul-17								
	Aug-17								
	Sep-17								
	Oct-17								
	Nov-17								
	Dec-17								
	Jan-18								
	Feb-18								
	Mar-18								
	Apr-18								
	May-18								
	Jun-18								
	Jul-18								
	Aug-18								
	Sep-18								
	Oct-18								
	Nov-18								
	Dec-18								
Jan-19									
Feb-19									
Mar-19									
Apr-19									
May-19									
Jun-19									
Jul-19									
							Total Difference in Incremental kWh Sales		
<b>[TRADE SECRET DATA ENDS]</b>									

(approximately five percent). SMEC indicates that it is evaluating opportunities to acquire renewable resources, or purchase RECs for future compliance.

## Obstacles and Potential Solutions for Meeting the RES Requirements

The utilities provided comments on obstacles they have encountered or anticipate encountering to meeting the RES requirements. Most of the utilities indicated that they had not experienced obstacles in meeting RES compliance. Transmission constraints within Minnesota as well as constraints on the ability to transport excess wind energy outside of Minnesota were among the most noted obstacles cited by utilities. In addition, the cost associated with integrating renewables into their energy portfolio as the share of renewable energy increases was also cited.

## Mitigating Undesirable Economic Impacts on Ratepayers

Utilities were asked to identify efforts taken to adequately protect against undesirable economic impacts on ratepayers, including limiting rate impacts to consumers. Many of the utilities cited efforts to secure long-term contracts for renewables and transmission service as methods of limiting economic impacts. In addition, several of the utilities have sold or purchased RECs in the market as a means of limiting rate impacts to their ratepayers. Utilities purchasing RECs typically do so because they have found that option to be a reasonable cost method of meeting RES compliance, or making up the difference in REC need. A number of utilities also sold excess RECs that will not be needed in the foreseeable future for RES compliance. REC prices reported by the utilities typically ranged from between \$0.20 to \$1.10 per REC, although RECs from specific, narrowly defined generation types may be higher.

## Solar Energy Standard (SES) Compliance

Minnesota Statute section 216B.1691 was amended by the 2013 Legislature to require public utilities to generate or procure 1.5 percent of their Minnesota retail electric sales from solar energy by 2020. The statute permits utilities subject to the SES to exclude retail sales to the mining and paper mill and wood products manufacturing industries from the calculation of their SES requirement. The statute further requires that at least 10 percent of the 1.5 percent SES goal be met by solar energy from facilities with a nameplate capacity of 20 kW or less. Three utilities, Minnesota Power, Otter Tail Power and Xcel Energy are subject to the SES, and are required to submit annual reports detailing their efforts to comply. Table 3 provides a summary of the estimated amount of solar capacity and solar energy needed to meet the 2020 SES requirement.

**Table 3: Summary of Utility Reporting on SES**

	Otter Tail	Minnesota Power	Xcel
MN retail sales (MWh)	2,584,490	8,997,352	29,739,386
Excluded Sales	69,172	5,973,804	75,306
Annual solar generation (MWh)	96	17,646	603,516
Est. solar capacity (MWs) needed to meet 2020 SES	30	30	226

## **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  
Public Compliance Comments**

**Docket No. PL9/CN-13-153**

Dated this 15<sup>th</sup> day of **November 2019**

**/s/Sharon Ferguson**



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Frank	Bibeau	frankbibeau@gmail.com	White Earth Band of Ojibwe	51124 County Road 118  Deer River, Minnesota 56636	Electronic Service	No	OFF_SL_13-153_Official
Paul	Blackburn	N/A	MN350	2104 Stevens Ave S  Minneapolis, MN 55408	Paper Service	No	OFF_SL_13-153_Official
Paul	Blackburn	paul@paulblackburn.net		PO Box 17234  Minneapolis, MN 55417	Electronic Service	No	OFF_SL_13-153_Official
Tim	Bray	tim.bray@crowwing.us	Crow Wing County	16589 County Road 142  Brainerd, MN 56401	Electronic Service	No	OFF_SL_13-153_Official
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_13-153_Official
Randall	Doneen	randall.doneen@state.mn.us	Department of Natural Resources	500 Lafayette Rd, PO Box 25  Saint Paul, MN 55155	Electronic Service	No	OFF_SL_13-153_Official
Anna	Dyrdal	dyr-valley2@hughes.net		12744 180TH ST NW  Thief River Falls, MN 56701	Electronic Service	No	OFF_SL_13-153_Official
Donovan	Dyrdal	dyr-valley@hughes.net		13142 180TH ST NW  Thief River Falls, Minnesota 56701	Electronic Service	No	OFF_SL_13-153_Official
Peter	Erlinder	proferlinder@gmail.com	International Humanitarian Law Institute	325 Cedar St. Suite 308 St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-153_Official
Annie	Felix Gerth	annie.felix-gerth@state.mn.us		Board of Water & Soil Resources 520 Lafayette Rd Saint Paul, MN 55155	Electronic Service	No	OFF_SL_13-153_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-153_Official
John R.	Gasele	kgasele@fryberger.com	Fryberger Buchanan Smith & Frederick PA	700 Lonsdale Building 302 W Superior St Ste 700 Duluth, MN 55802	Electronic Service	No	OFF_SL_13-153_Official
Arshia	Javaherian	arshia.javaherian@enbridge.com	Enbridge Energy	26 East Superior Street Suite 309 Duluth, MN 55802	Electronic Service	Yes	OFF_SL_13-153_Official
Cynthia	Johnson	cjohnson55802@yahoo.com		3228 Boundary Road  Mahtowa, MN 55707	Electronic Service	No	OFF_SL_13-153_Official
Jon	Kingstad	kingstadlaw@pressenter.com	Law Firm of Jon Erik Kingstad	Lake Elmo Bank Bldg Ste 260  600 Inwood Ave N Oakdale, MN 55128	Paper Service	No	OFF_SL_13-153_Official
Winona	LaDuke	winonaladuke1@gmail.com	Honor the Earth	607 Main Avenue  Callaway, MN 56521	Electronic Service	No	OFF_SL_13-153_Official
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620  St. Paul, MN 551640620	Electronic Service	No	OFF_SL_13-153_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	OFF_SL_13-153_Official
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190  Richfield, MN 55423	Electronic Service	No	OFF_SL_13-153_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kevin	Walli	kwalli@fryberger.com	Fryberger, Buchanan, Smith & Frederick	380 St. Peter St Ste 710  St. Paul, MN 55102	Electronic Service	No	OFF_SL_13-153_Official
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-153_Official