

**Meeting Date** April 16, 2026

**Agenda Item \*1**

**Company** Minnesota Municipal Power Agency

**Docket No.** ET6133/RP-25-302

**In the Matter of Minnesota Municipal Power Agency’s Application for Acceptance of Its 2025-2039 Integrated Resource Plan**

**Issues** Should the Commission accept Minnesota Municipal Power Agency’s 2025-2039 Integrated Resource Plan?

**Staff** Austin Li                      Austin.Li@state.mn.us                      651-201-2232

**Staff** Kit Gomez                      Kit.Gomez@state.mn.us                      651-539-2755

**✓ Relevant Documents**

	<b>Date</b>
MMPA – 2025-2039 Integrated Resource Plan (Public)	July 31, 2025
Department of Commerce – Initial Comments	August 20, 2025
Department of Commerce – IR 1-3	August 26, 2025
Department of Commerce – IR 4-5	September 5, 2025
MMPA Response to Department – IR 1-3	September 5, 2025
MMPA Response to Department – IR 4-5	September 12, 2025
MMPA Reply to Department – Initial Comments	September 19, 2025
Department of Commerce – Analysis	December 4, 2025

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.



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## STATEMENT OF ISSUES

- 1) Should the Commission accept MMPA's Integrated Resource Plan?
- 2) Should the Commission accept MMPA's energy and demand forecast?
- 3) Should the Commission accept MMPA's economic modeling?
- 4) Has MMPA proposed a reasonable path to meet the State's Carbon-Free Standard?

## I. BACKGROUND

### A. Agency Overview

On July 31, 2025, Minnesota Municipal Power Agency ("MMPA" or "the Agency") filed its 2025 Integrated Resource Plan (IRP), covering the 2025-2039 planning period.

MMPA is a municipal power agency that serves wholesale electricity to its member municipal utilities. It is governed by a board of directors with representatives from each of its 12 member communities in Minnesota:<sup>1</sup>

Anoka  
Arlington  
Brownton  
Buffalo  
Chaska  
East Grand Forks  
Elk River  
Le Sueur  
North St. Paul  
Olivia  
Shakopee  
Winthrop

MMPA's member utilities provide electricity to around 83,000 retail customers in Minnesota, with a total population of around 170,000.<sup>2</sup> MMPA's resource decisions and electric rates are managed and approved by the Agency's Board of Directors, which is comprised of representatives from its 12 member cities. As such, pursuant to Minn. R. 7843.0500, subp. 3 and Minn. Stat. § 216B.02, the Commission's role in resource planning for a municipality or a cooperative electric association such as MMPA's is advisory.

Two members of the Agency, Olivia and East Grand Forks, receive around 95,000 MWh in power allocations from the Western Area Power Administration (WAPA), enshrined in long-

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<sup>1</sup> Docket No. ET6133/RP-25-302, *In the Matter of Minnesota Municipal Power Agency's Application for Approval of its 2025-2039 Integrated Resource Plan*, Initial Filing, July 31, 2025, at 3, (hereinafter "the IRP").

<sup>2</sup> *Id.*, at 3.

term contracts.<sup>3</sup> In this IRP, MMPA's energy and demand projections have been reduced to account for these allocations. These allocations were assumed to remain at current levels throughout the IRP planning period.

MMPA projects that in 2025, 47% of its electricity will be from carbon-free resources, of which 99% is from wind energy while 1% is from a solar resource.<sup>4</sup>

## **B. Economic Environment:**

MMPA outlines the influences of the market and regulatory environment on the Agency's business operations.

Electricity Load Growth: MMPA notes that the growth in electricity demand driven by data centers and electric vehicles (EVs) have created uncertainty in forecasting future electricity needs.<sup>5</sup> Since private developers largely determine the timing, location, and magnitude of data center development, making such elements hard to predict. Moreover, the adoption of EVs, while growing, will largely depend on when and where EV charging takes place, which introduces more uncertainty in forecasting peak demand.

Tariffs: MMPA notes that the tariffs imposed on several countries by the US have impacted the price of raw materials, such as steel and aluminum, and electrical equipment, such as transformers and solar panels. As a result, these higher prices are expected to lead to higher costs for new power generation buildout.

Federal Tax Credits: MMPA notes that the new federal policy landscape for tax credits for clean energy development has substantially changed MMPA's members' outlooks. Given the scaling back of the Inflation Reduction Act, solar and wind projects must be placed in service by the end of 2027 or commence construction by July 4, 2026, and be operational by the end of 2030 to qualify for certain federal tax incentives. This limits the application of the tax credits to projects already in development. Battery storage projects must now commence construction by the end of 2033 to receive the full tax credit and must comply with Foreign Entities of Concern (FEOC) provisions related to sourcing and labor.<sup>6</sup> Since China is a large supplier of clean energy equipment and is a FEOC, there may be more complications regarding material costs and procurement strategies.

## **C. 2040 Carbon-Free Standard (CFS):**

The Minnesota CFS requires electric utilities to generate or procure electricity from carbon-free

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<sup>3</sup> *Id.*, at 4.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*, at 6.

<sup>6</sup> *Id.*, at 7.

sources for 100% of retail sales by 2040, with gradual milestones set at 60% by 2030 and 90% by 2035.<sup>7</sup>

#### **D. Transmission Constraints**

MMPA indicates that Minnesota and the broader Midcontinent System Operator (MISO) region face time-consuming and expensive constraints in interconnecting new resources to the grid, limiting the ability of utilities to pursue decarbonization goals.<sup>8</sup> MMPA states that MISO's interconnection study process for projects greater than 5 MW should be completed within 18 months, but in recent years has experienced multi-year delays as a result of the large amount of interconnection requests and late-stage project withdrawals. While MISO revised interconnection procedures in 2024 to address these delays and imposed a cap on generation capacity allowed per study cycle in 2025,<sup>9</sup> projects already in the queue continue to face delays.

#### **E. MISO Requirements**

MISO transitioned from annual to seasonal resource accreditation in planning year 2023.<sup>10</sup> Importantly, MMPA mentions that MISO received approval from the Federal Energy Regulatory Commission (FERC) to modify its resource accreditation through a Direct Loss of Load (DLOL) method. According to MISO "the DLOL-based methodology balances a range of reliability risks in the planning and operations horizons by incorporating forward-looking probabilistic analysis and measuring a resource's performance during recent periods of high system risk."<sup>11</sup> This will take effect in 2028 and is expected to impact the Planning Reserve Margin Requirements (PRMR). DLOL is expected to lower the total accreditation of the thermal generation fleet and will apply to all resource classes except for emergency resources and behind the meter generation.

#### **F. Energy Conservation**

MMPA discusses its energy conservation and demand-side management efforts under the Energy Conservation and Optimization (ECO) Act of 2021, which provided updated measures to the Conservation Improvement Program (CIP).<sup>12</sup> The Agency handles the ECO program for seven member communities, while the rest of the five members manage their own ECO programs. Two of MMPA's members are electric utilities with fewer than 1,000 customers and thus are exempted from the ECO program, but have chosen to participate in the ECO program

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<sup>7</sup> [Minn. Stat. Section 216B.1691 Subd.2g.](#)

<sup>8</sup> The IRP, at 7.

<sup>9</sup> Starting with the Definitive Planning Phase (DPP) 2025 cycle, each MISO study region is limited to a volume equal to 50% of its non-coincident peak load.

<sup>10</sup> *Id.*, at 8.

<sup>11</sup> Howland, E. (2024, March 29). Utility Dive. News Site. [Utility Dive](#)

<sup>12</sup> The IRP, at 13.

managed by MMPA nonetheless.

The ECO Act evaluates utilities according to the following goals:

- Low-Income Spending: 0.2%
- Energy Savings from Conservation Improvements: 1.5%
- Total Energy Savings: 0.95% for years 2020-2024 and 0.90% for 2025 and beyond
  - MMPA explains that it focuses on rebates yielding high energy savings relative to the rebates, which the following exemplify:<sup>13</sup>
- Recycling inefficient secondary refrigerators and freezers
- Retrofitting commercial lighting with LEDs
- Custom commercial and industrial rebates

Such rebates made up 7% of the MMPA-managed rebate spending in 2024.

MMPA notes that the ECO Act revised the low-income spending goal to apply to the entire MMPA-managed portfolio and not to each individual member community.<sup>14</sup> The Agency provides the table below indicating that it has met the low-income spending goal of 0.2% of gross operating revenues (GOR) based on the whole portfolio:

**Figure 1:**

**Low-Income Spending for MMPA-Managed Program**

	<b>Low-Income Spending (\$)</b>	<b>% of Residential GOR</b>
<b>2018</b>	47,000	0.32
<b>2019</b>	51,000	0.33
<b>2020</b>	57,000	0.36
<b>2021</b>	103,000	0.63
<b>2022</b>	134,000	0.80
<b>2023</b>	130,000	0.75
<b>2024</b>	160,000	0.93

Furthermore, the Agency states that it has satisfied the new ECO goal of 0.95% of total energy savings from conservation improvements.<sup>15</sup> However, MMPA notes that it has had challenges in meeting Minnesota’s total energy savings goal of 1.5% given that its members are smaller utilities with mostly residential and small commercial customers.

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<sup>13</sup> *Id.*, at 14.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*, at 15.

MMPA notes that the lighting rebates are a core part of its ECO program.<sup>16</sup> In 2024, 67% of the MMPA-managed ECO rebate spending was put towards lighting projects. The Agency includes the table below highlighting the return on investment from its 2024 ECO cycle:

**Figure 2:**

**2024 Lighting Rebate Effectiveness – MMPA-Managed Program**

<b>Rebate</b>	<b>Energy Saved (kWh)</b>	<b>Cost Effectiveness (\$/kWh)</b>
Commercial Lighting – New	358,000	0.19
Commercial Lighting - Retrofit	935, 000	0.08
Residential LED	1,000	0.22
Lighting Giveaway	697, 000	0.18
LED Street Lighting	138, 000	0.36
Direct Low-Income Lighting	182,000	0.11
All Lighting Combined	2,310,000	0.15

While the ECO Act no longer requires a spending goal of 1.5% of GOR, the Agency still aims to meet this goal.<sup>17</sup>

The Agency states that in this IRP, it assumes an ECO savings rate of 1.3% along with a low case of 1.0% and a high case of 1.5% included in the analysis.<sup>18</sup> MMPA states that it aims for a 1.5% total savings rate.

MMPA currently does not have demand-side management (DSM) programs given that it is a wholesale provider with no retail electricity customers, making such programs impracticable.<sup>19</sup>

**G. Projected Energy Requirements: 2025-2039**

MMPA notes that the energy needs of its member communities grew at a compound annual growth rate of 1.3% from planning year 2004 to 2024.<sup>20</sup> MMPA did not supply electricity to the Elk River community until 2018 and that the portion of Shakopee that the Agency serves was expanded in 2009. MMPA provides a graph of its historical energy needs over a twenty-year period:

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<sup>16</sup> *Id.*, at 16.

<sup>17</sup> *Id.*

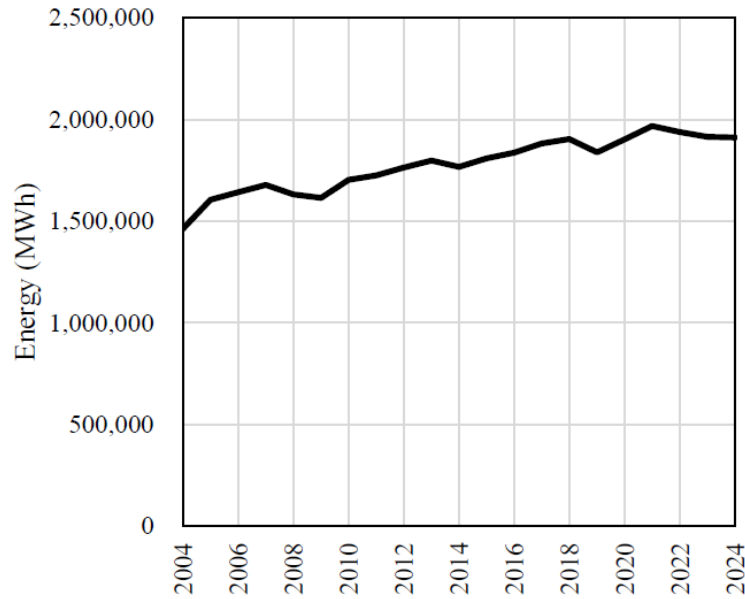
<sup>18</sup> *Id.*, at 17.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*, at 18.

**Figure 3:**

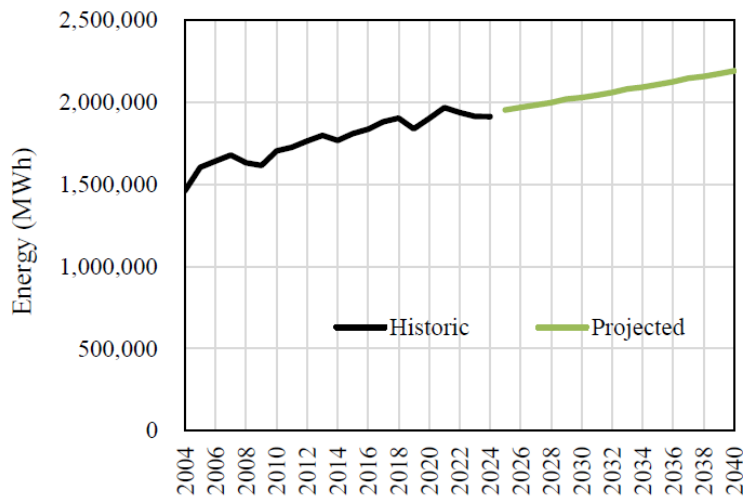
**MMPA Historical Energy Requirements  
Planning Years 2004-2024**



MMPA elaborates that it used a linear regression model to forecast its future growth rate at 0.8% for planning years 2025 – 2039 (adjusted for WAPA energy provisions to two of MMPA’s member communities).<sup>21</sup> The Agency includes the following table:

**Figure 4:**

**MMPA Historical & Projected Base Energy Requirements  
Planning Years 2004 to 2039**



<sup>21</sup> *Id.*, at 19.



MMPA explains that it controlled for the following variables in its analysis:

- Weather – Cooling and heating degree days from the National Oceanic and Atmospheric Administration (NOAA) were used as explanatory variables, based on historical weather data from the MSP International Airport station and the Grand Forks International Airport station for East Grand Forks. The historical “normal” projection dataset used is the 1991-2020 climate normal published by NOAA.
- Population – Historical population data from 1988-2023 comes from the Minnesota State Demographic Center and the Metropolitan Council historic Household and Population Estimates. Because 1989 data was unavailable, linear smoothing of 1988 and 1990 was used. Population projections from 2024 to 2041 are based on actual 2023 data and apply long-term county growth rates from Woods & Poole projections.
- Income per capita – Both historical and projected income data, provided at the county level, come from the Woods & Poole Economics Minnesota State Profile 2024 projections to 2060. The MMPA9 model uses a weighted average income measure created by weighing each member city’s per capita income by its annual energy usage.<sup>22</sup>

MMPA adjusts the base energy projection to account for future new large load customers (less than 10 MW) such as data centers.<sup>23</sup> The Agency estimates a total of 30 MW of new large loads that were added in 2 MW increments across the 15-year planning period, calculated with an 80% capacity factor. Very large load customers (greater than 10 MW) are considered under a separate tariff and their energy needs do not impact these projections. Additional information on the methodology is available in Appendix A of the petition.

MMPA adjusts the base energy project to account for the expected increase in EVs.<sup>24</sup>

With the inclusion of large load customers as well as anticipated increasing EV penetration, MMPA produces an adjusted growth rate of 1.7%, depicted in the following graph:

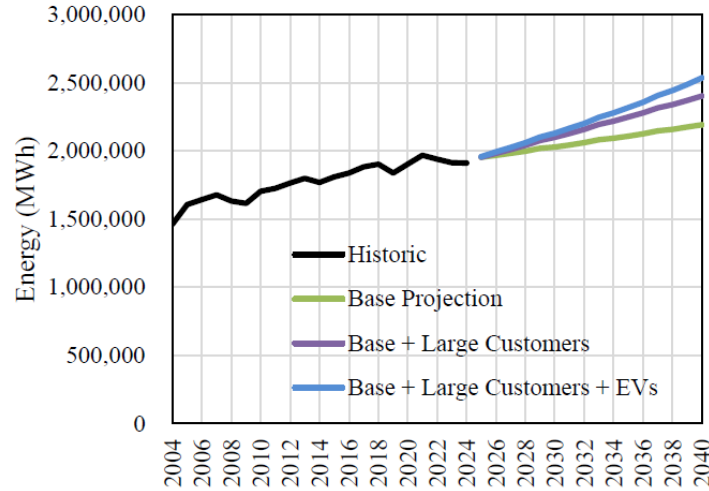
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<sup>22</sup> *Id.*, at A-1 & 2.

<sup>23</sup> *Id.*, at 19.

<sup>24</sup> *Id.*, at 20.

**Figure 5:**  
**MMPA Historical & Projected Adjusted Energy Requirements**  
**Planning Years 2004 to 2039**



As stated earlier, MMPA assumes a 1.3% ECO savings rate and provides low as well as high case projections in the graph below:

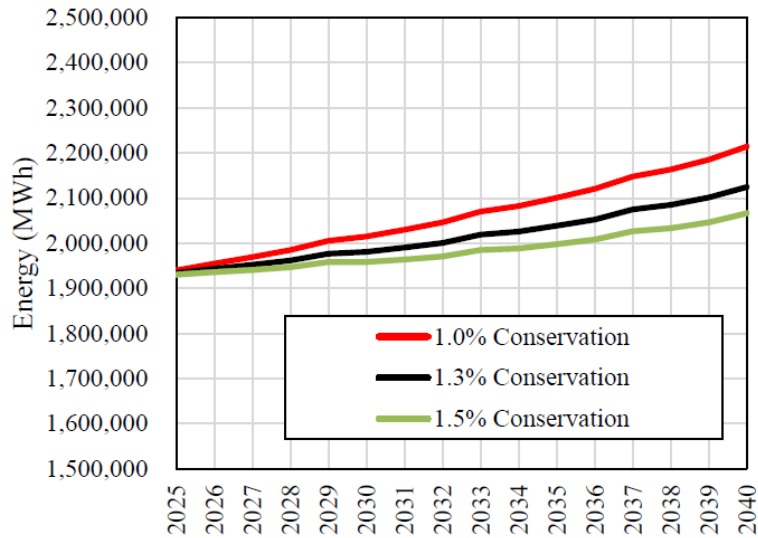
The energy savings are calculated using a lagging three-year rolling average of retail energy sales. Therefore, the percentage of conservation savings in a year relative to that year’s projected wholesale energy is less than 1.3%. The following graph shows the variability in projected energy when using 1.0%, 1.3%, and 1.5% energy conservation savings assumptions.<sup>25</sup>

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<sup>25</sup> *Id.*

**Figure 6:**

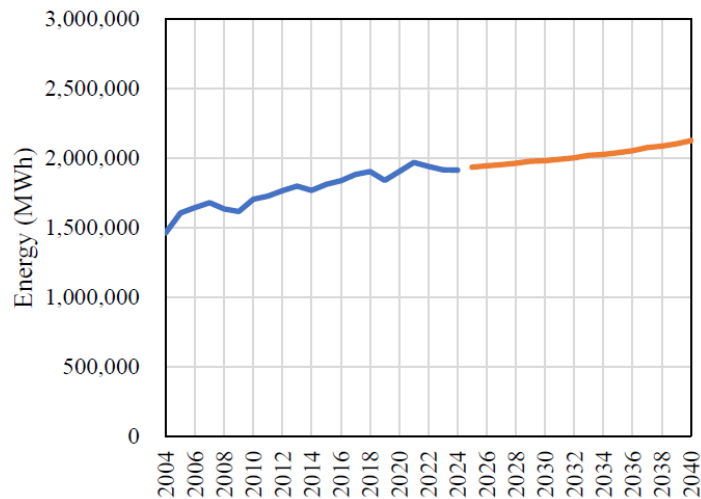
**MMPA Projected Energy by Conservation Savings Adjustment  
Planning Years 2025 to 2039**



When including the adjustments made for future large load customers, increasing EV penetration, and energy conservation under the ECO program, MMPA calculates a projected growth rate of 0.6% as shown in the following graph:<sup>26</sup>

**Figure 7:**

**MMPA Historical & Projected  
Adjusted Energy Requirements with Conservation  
Planning Years 2004 to 2039**



<sup>26</sup> *Id.*, at 21.

The following table displays MMPA’s energy projections in MWh by year and disaggregated by each adjustment:

**Figure 8:**

**MMPA Energy Projections (MWh)**

Planning Year	MMPA Energy	WAPA Adjustment	Large Customer Adjustment	EV Adjustment	Conservation Adjustment	Adjusted MMPA Energy
2025	2,048,668	(95,358)	0	5,023	(24,532)	1,933,801
2026	2,063,404	(95,358)	14,016	10,146	(49,257)	1,942,952
2027	2,078,292	(95,685)	28,032	15,371	(74,123)	1,951,888
2028	2,093,333	(95,358)	42,163	20,700	(99,224)	1,961,614
2029	2,114,354	(95,358)	56,064	26,135	(124,481)	1,976,713
2030	2,123,951	(95,358)	70,080	31,677	(149,859)	1,980,491
2031	2,139,490	(95,685)	84,096	37,330	(175,383)	1,989,847
2032	2,155,195	(95,358)	98,381	43,094	(201,032)	2,000,280
2033	2,176,979	(95,358)	112,128	51,642	(226,802)	2,018,589
2034	2,187,041	(95,358)	126,144	60,360	(252,675)	2,025,513
2035	2,203,227	(95,685)	140,160	69,252	(278,713)	2,038,242
2036	2,219,594	(95,358)	154,598	78,321	(304,905)	2,052,251
2037	2,242,248	(95,358)	168,192	90,352	(331,262)	2,074,172
2038	2,252,789	(95,358)	182,208	102,623	(357,764)	2,084,498
2039	2,269,583	(95,685)	196,224	115,140	(384,478)	2,100,784
2040	2,286,482	(95,358)	210,816	133,642	(411,392)	2,124,190
<b>Growth Rate:</b>						0.6%

**H. Projected Energy Demand: 2025 – 2039**

MMPA’s non-coincident peak (NCP) load is measured through the four seasons as the Agency defines below:<sup>27</sup>

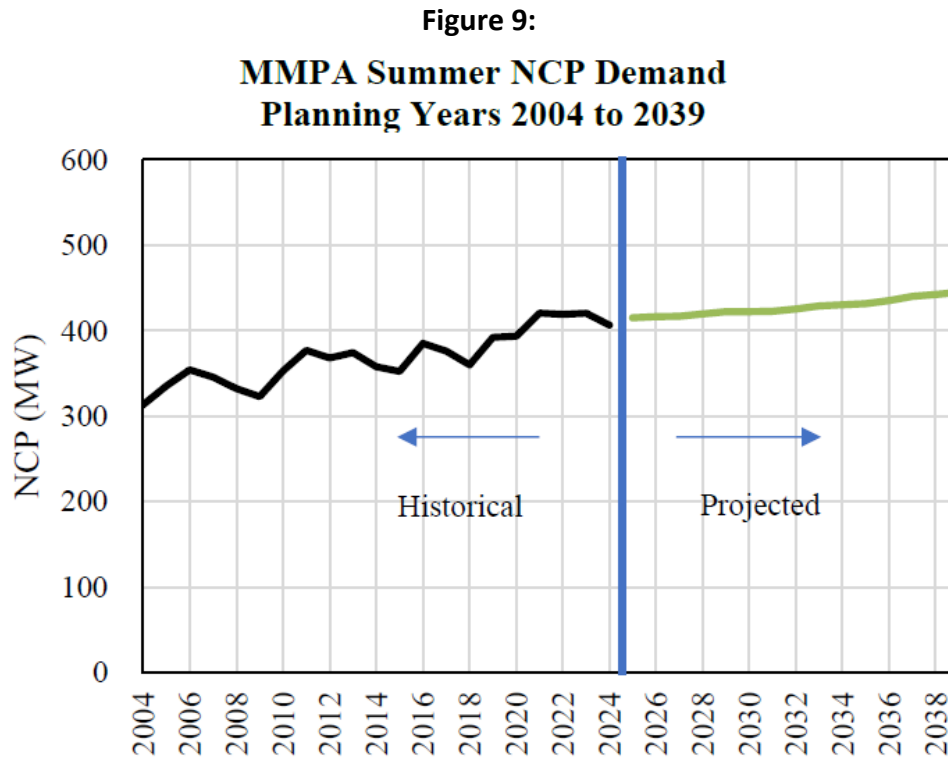
- Summer: June – August
- Fall: September – November
- Winter: December – February
- Spring: March – May

MMPA notes that the NCP during the fall and spring can vary significantly year to year while the magnitude of the NCP can vary between summer and winter peaks given yearly changes in season temperatures.

MMPA’s projects its summer NCP growth rate to be 0.5%, accounting for conservation

<sup>27</sup> *Id.*, at 23.

savings, future large customer additions, EVs, and WAPA supply allocations.<sup>28</sup> The Agency includes the graph below outlining the historical and future NCP demand trends:



**I. Capacity Requirements: 2025 – 2039**

MMPA’s coincident peak (CP) load is measured according to the same four seasons as its NCP.<sup>29</sup> The Agency uses NCP projections to calculate CP projections, including the adjustments for large load customers, conservation savings, EVs, and WAPA allocations.

MMPA projects its summer CP demand growth rate to be 0.5% from 2025 to 2039.<sup>30</sup>

The Agency’s capacity requirement is the sum of its CP demand, transmission losses, and MISO planning reserve margin requirements (PRMR) which itself is a percentage of the sum of CP demand and transmission losses.<sup>31</sup>

Beginning in 2028, MISO expects the PRMR to decrease significantly.<sup>32</sup> Due to this, MMPA’s

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<sup>28</sup> *Id.*, at 25  
<sup>29</sup> *Id.*, at 26  
<sup>30</sup> *Id.*, at 28.  
<sup>31</sup> *Id.*  
<sup>32</sup> *Id.*, at. 29.

capacity requirement is growing at a slower rate than its CP demand. MMPA projects that its capacity requirement will grow at a rate of 0.1% from 2025 to 2039.<sup>33</sup>

## J. Existing Resources

MMPA does not plan on retiring any of its existing resources throughout the IRP planning period. The Agency's natural gas-fired resources and capacity contracts fulfill the majority of its capacity requirements – 98% in summer 2025 according to projections – while the rest is met by renewable resources.<sup>34</sup> All of its gas-fired resources can be fueled by renewable natural gas (RNG).

### MISO Capacity Accreditation

MISO resource accreditation is a means of measuring how much of a resource's capacity can be relied on for meeting seasonal capacity requirements.<sup>35</sup> A resource's capacity is calculated as a percentage of its installed capacity. Starting in 2028, MISO will change its methodology for calculating resource accreditation, resulting in decreases to resource accreditation for the following cases:

- Combined-cycle generators in winter and spring
- Simple-cycle generators in winter and spring
- Solar facilities in all seasons
- Wind facilities in summer, fall, and spring

According to this new methodology, MISO multiplies the installed capacity of the transmission-interconnected resource by the seasonal accredited capacity (SAC) percentage for that resource type in order to determine the capacity accreditation of the resource.<sup>36</sup> Since the SAC is a floating number that depends on MISO's resource mix, future resource accreditation forecasts are uncertain.

### Gas-Fired Resources

MMPA has three natural gas resources:

**Faribault Energy Park (FEP):** "... is a combined-cycle gas plant that was completed in 2007. The plant is located in Faribault, Minnesota and has a summer installed capacity of 263 MW and a winter installed capacity of 293 MW. The plant is capable of operating on fuel oil during peak natural gas demand, thus enhancing its reliability. FEP uses a

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<sup>33</sup> *Id.*

<sup>34</sup> *Id.*, at 32.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*, at 33.

selective catalytic reduction system to reduce nitrogen oxide emissions.”<sup>37</sup>

**Shakopee Energy Park (SEP):** “...is a 46 MW distributed energy resource located in the MMPA member community of Shakopee, Minnesota. SEP uses reciprocating engines to provide power during times of peak energy use and increases its reliability by storing LNG onsite so it can operate during peak natural gas demand. SEP generates local, reliable power for the City of Shakopee, as well as contributing to MMPA’s overall power supply.”<sup>38</sup>

The Agency notes that since SEP is connected to the distribution system for which MISO uses a different methodology to calculate capacity accreditation, MMPA projects the same capacity accreditation for all planning years.<sup>39</sup>

**Minnesota River Station (MRS):** “... is a simple-cycle gas plant located in Chaska, Minnesota. The 44 MW plant became operational in 2001 and operates during times of peak energy demand. The City of Chaska, one of MMPA’s members, owns the plant and sells the entire output to MMPA under a long-term contract.”<sup>40</sup>

#### Biogas-Fired Resource and RNG Producer

MMPA has one biogas resource:

**Hometown BioEnergy (HTBE):** “... is located in the MMPA member community of Le Sueur, Minnesota. The plant uses anaerobic digestion to produce biogas from agricultural and food processing wastes. The plant began operation in 2013 with 8 MW of dispatchable, renewable electricity. In 2023, the plant began making RNG. HTBE cleans the biogas so that it is equivalent to natural gas [it becomes RNG] and injects it into the [interstate] natural gas pipeline. HTBE supports the local community by collecting and processing local waste that might otherwise end up in the landfill and turning it into a renewable resource.”

The Agency notes that since HTBE is connected to the distribution system for which MISO uses a different methodology to calculate capacity accreditation, MMPA projects the same capacity accreditation for all planning years.<sup>41</sup>

MMPA currently sells the attributes from the HTBE digester’s RNG production.<sup>42</sup>

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<sup>37</sup> *Id.*, at 34

<sup>38</sup> *Id.*, at 34-35

<sup>39</sup> *Id.*, at 35

<sup>40</sup> *Id.*, at 34

<sup>41</sup> *Id.*, at 35-36.

<sup>42</sup> *Id.*, at 4.

## Wind Resources

MMPA has three wind resources:

**Walleye Wind Farm (WWF):** "... is a 112 MW facility located in Rock County, Minnesota. This is a new resource since MMPA's last IRP. MMPA has a 30-year contract with NextEra to purchase all the output from the facility. WWF began commercial operation in 2022."<sup>43</sup>

**Black Oak Getty Wind Farm (BOGWF):** "... is a 78 MW facility located in Stearns County, Minnesota. MMPA has a 30-year Power Purchase Agreement (PPA) for the entire electric output from BOGWF. The wind farm, composed of 39 wind turbines, began commercial operation in December 2016."

**Oak Getty Wind Farm (OGWF):** "... is a 44 MW facility located near Blooming Prairie, Minnesota. The MMPA-owned facility began commercial operation in 2011."

Staff notes that BOGWF is not an accredited capacity resource and only serves energy needs.

## Solar Resources

MMPA has a solar resource for which it provides the following description:

**Buffalo Solar Facility (BSF):** "... The Buffalo Solar Facility (BSF) is a 7.1 MW AC utility scale solar facility located in MMPA's member community of Buffalo. MMPA signed a 22.5-year contract with HQC Tatanka Wi Solar Power Generation LLC, for the entire output of the solar facility. BSF entered commercial operation at the end of 2017."<sup>44</sup>

## Manitoba Hydro Capacity Contracts

MMPA has capacity contracts with Manitoba Hydro-Electric Board:

"MMPA and the Manitoba Hydro-Electric Board (MHEB) have a long-standing relationship MMPA has a summer capacity need and MHEB has a winter capacity need and the two have been able to work together to execute mutually beneficial contracts. MMPA contracted with MHEB for the purchase of between 90 and 105 MW of capacity for planning years 2026 through 2029. MMPA and MHEB have segued the first contract into a 100 MW capacity exchange contract for planning years 2030 through 2035. In the winter, MMPA gives MHEB 100 MW of capacity and in the summer MMPA receives 100

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<sup>43</sup> *Id.*, at 36.

<sup>44</sup> *Id.*, at 37



MW of capacity.”<sup>45</sup>

#### K. Committed Resources

MMPA has committed several projects to coming online in the future and consider them to be part of its resource portfolio.<sup>46</sup>

**FEP Turbine Upgrade:** MMPA is working with General Electric to replace the combustion turbine at FEP. The upgrade is anticipated to be complete in 2030. MMPA is seeking additional transmission rights above its existing 300 MW to obtain full accreditation for the upgrade. MMPA expects its combustion turbine replacement to be hydrogen-ready.<sup>47</sup>

**Elk River Solar Project:** MMPA plans to place in service by 2027 a 4.5 MW solar project that will connect to the distribution system in the member community of Elk River.<sup>48</sup>

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<sup>45</sup> *Id.*

<sup>46</sup> *Id.*, at 38

<sup>47</sup> *Id.*, at 39.

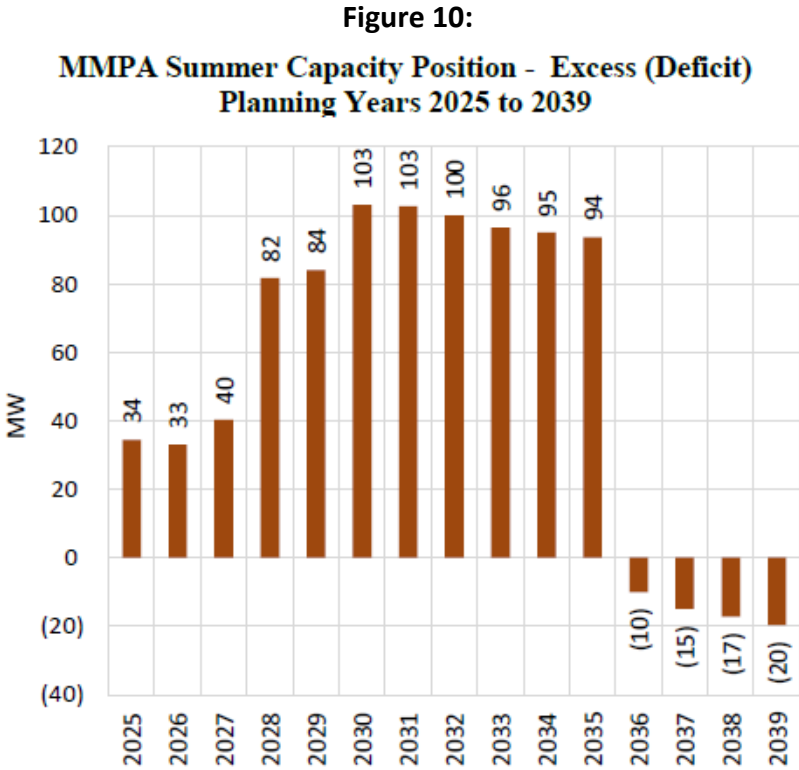
<sup>48</sup> *Id.*



**L. Additional Capacity Requirements**

Summer Capacity Needs by 2036

MMPA projects that it will need summer capacity beginning in planning year 2036, starting with 10 MW that year and growing to 20 MW in 2039.<sup>49</sup> Below is the Agency’s graph showing its summer capacity position throughout the planning years. Note that the decrease in 2036 is due to the end of the Manitoba Hydro-Electric Board (MHEB) capacity exchange contracts.

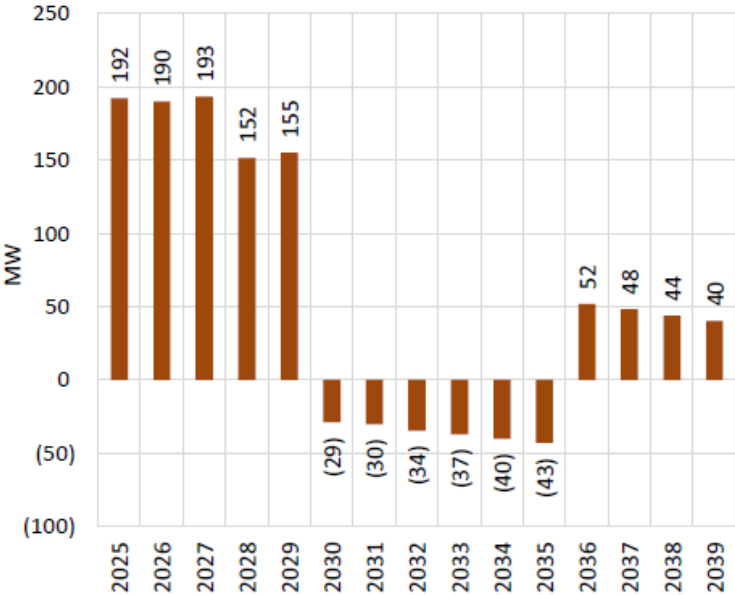


<sup>49</sup> *Id.*, at 40.

Winter Capacity Needs by 2030

MMPA projects that it will need winter capacity beginning in 2030, starting with 29 MW that year and growing to 43 MW by 2035. Below is the Agency’s graph showing its winter capacity position throughout the planning years. Note that the decrease in 2030 is due to the beginning of the MHEB capacity exchange contracts, the FEP upgrade coming online, and the decrease in solar capacity accreditation.<sup>50</sup>

**Figure 11:**  
**MMPA Winter Capacity Position - Excess (Deficit)**  
**Planning Years 2025 to 2039**



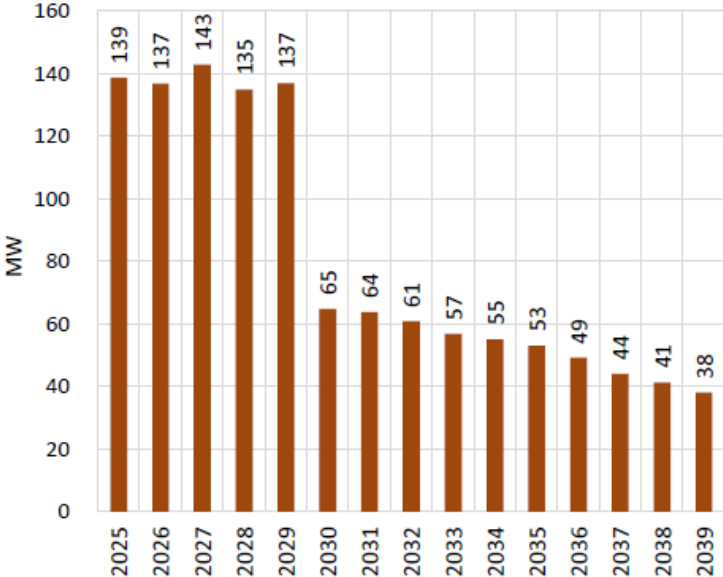
<sup>50</sup> *Id.*, at 40-41.



Fall and Spring Capacity Needs

MMPA does not project to need capacity in the fall or spring.<sup>51</sup> Below are the Agency’s graphs showing the fall and spring capacity positions throughout the planning periods<sup>52</sup>. The steep drop in 2030 is due to the ending of the MHEB capacity purchase.

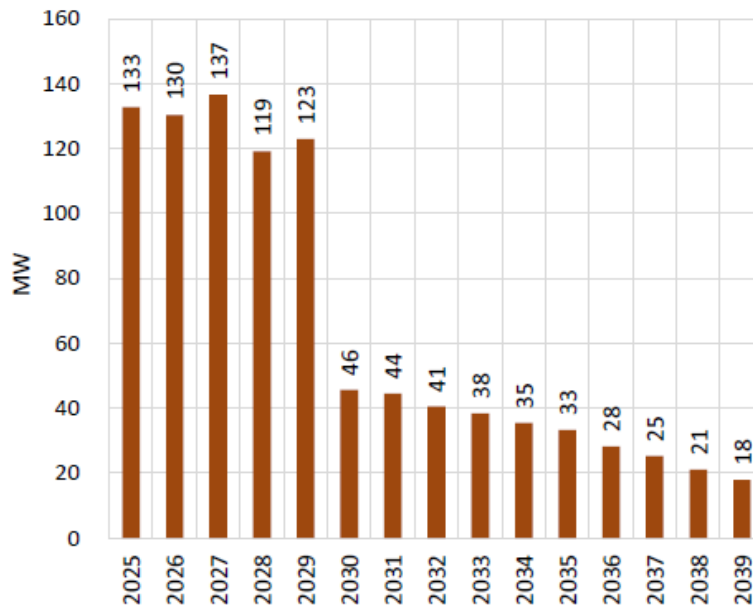
**Figure 12:**  
**MMPA Fall Capacity Position - Excess (Deficit)**  
**Planning Years 2025 to 2039**



<sup>51</sup> *Id.*, at 41.

<sup>52</sup> *Id.*, at 41-42

**Figure 13:  
MMPA Spring Capacity Position - Excess (Deficit)  
Planning Years 2025 to 2039**



### M. Capacity Resource Cost Analysis

MMPA explains that it used a total cost model to evaluate capacity resource alternatives.<sup>53</sup> The model outlines the total cost of the resources, the dollars per kilowatts across different capacity factors, and can compare different resource types under varying cost and operating conditions. The model included operations and maintenance (O&M), capital, fuel, and regulatory costs.

MMPA elaborates that regulatory costs refer to the costs that a facility would incur to make upgrades to comply with future regulations to reduce emissions. For example, future carbon dioxide regulation can likely impose costs on electricity generation.<sup>54</sup> Per a Commission Order from December 19, 2023, in docket E-999/CI-07-1199<sup>55</sup>, the regulatory costs are: \$5, \$40, and \$75 per ton of carbon dioxide emitted for the low, base, and high cases respectively. The Order separates the environmental costs of emissions from the regulatory costs.<sup>56</sup>

MMPA included fixed and variable O&M costs in the total cost model but not in the sensitivity

<sup>53</sup> *Id.*, at 44.

<sup>54</sup> *Id.*, at 45.

<sup>55</sup> Docket No. E-999/CI-07-1199, *In the Matter of Establishing an Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation Under Minnesota Statutes § 216H.06.*, Order Addressing Environmental and Regulatory Costs., December 19, 2023, (hereinafter “the Environmental and Regulatory Costs Order”).

<sup>56</sup> The IRP, at 46.

analysis. MMPA excluded federal tax credits from the cost model given the recent federal policy changes that limit their applicability.<sup>57</sup>

The Agency evaluated seven cost cases:

Base Case: base capital, base fuel, base regulatory

Case 1: base capital, base fuel, LOW regulatory

Case 2: base capital, base fuel, HIGH regulatory

Case 3: base capital, LOW fuel, base regulatory

Case 4: base capital, HIGH fuel, base regulatory

Case 5: LOW capital, base fuel, base regulatory

Case 6: HIGH capital, base fuel, base regulatory

MMPA highlights that in general, battery storage and combined-cycle were the least-cost resources in the 7 cases evaluated above, while combined-cycle was only low-cost for low-capacity factors<sup>58</sup>:

Battery storage was the least-cost resource for three cases

Combined cycle was the least-cost resource for three cases

Battery storage and combined-cycle costs were very similar in the base case so both were considered the low-cost resource

MMPA provides a summary table of its total cost model for its identified low-cost resources below:<sup>59</sup>

**Figure 14:**

**Summary of Low-Cost Resource Using Total Cost Model**

	Base Case	Regulatory Cost		Fuel Cost		Capital Cost	
		Low	High	Low	High	Low	High
<b>Battery Storage</b>	✓		✓		✓	✓	
<b>Combined-Cycle</b>	✓	✓		✓			✓
<b>Combustion Turbine</b>							

In addition, MMPA used the same total cost model to assess environmental costs.<sup>60</sup> MMPA notes that the environmental costs refer to the social costs of emissions. Around 99% of the environmental costs used in the model were from carbon dioxide emissions.

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*, at 47.

<sup>60</sup> *Id.*, at 53.

The Agency evaluated 3 environmental cost cases:

Environmental Base Case: base capital, fuel, and environmental costs

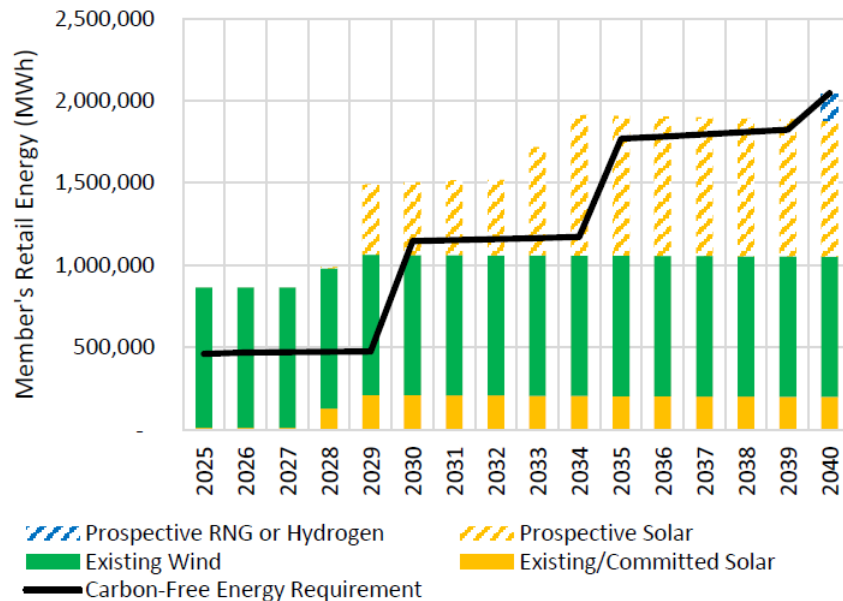
Low-Cost Case: LOW capital, fuel, and environmental costs

High-Cost Case: HIGH capital, fuel, and environmental costs

**N. Renewable Energy Objectives Compliance**

MMPA includes a graph below comparing its renewable energy resource procurements to the metrics set by the Minnesota statutory carbon-free standard (CFS)<sup>61</sup>. It also notes that this IRP satisfies the statutory eligible energy technology standard (EETS)<sup>62</sup>. See Appendix C of the petition for additional information on rate impacts.

**Figure 15:  
MMPA Projected Carbon-Free Energy  
Planning Years 2025 to 2040**



**Expected Standards to be Met in this 2025 IRP:**

MMPA expects to meet and exceed the EETS<sup>63</sup> of 25% of electric generation procured through renewable sources by 2025, projecting that 47% of its electricity will be carbon-free<sup>64</sup>.

<sup>61</sup> [Minn. Stat. Section 216B.1691 Subd.2g.](#)

<sup>62</sup> Staff notes that in the IRP, MMPA at times refers to the EETS as the “Renewable Energy Standard (RES)”.

<sup>63</sup> *Id.*, at 62.

<sup>64</sup> [Minn. Stat. Section 216B.1691 Subd.2a.](#)

**Expected Standards to be Met in future IRPs:**

MMPA also projects that to meet the CFS, it will need to add 435 MW of solar over the next ten years.<sup>65</sup>

MMPA expects that the last addition of carbon-free energy in 2040 will be supplied by RNG,<sup>66</sup> though it is important to note that RNG has not been deemed a carbon-free resource by the Commission.<sup>67</sup> The Agency emphasizes that the use of RNG would provide flexibility that it considers important given future uncertainty.

**II. Project Plan**

MMPA's preferred plan includes 50 megawatts (MW) of short-duration battery storage and 435 MW of solar generation.

**Combustion Turbine**

MMPA plans to upgrade the combustion turbine at FEP.<sup>68</sup> To get the full capacity from the upgrade, the Agency needs to increase its transmission interconnection capacity, so it expects to submit an application to MISO for additional interconnection capacity by making a transmission system upgrade. The project is anticipated to be in service by 2030.

**Solar**

MMPA mentions that its solar projects in development will help it meet the requirements outlined in the CFS.<sup>69</sup> The Agency provides a table below of the solar projects featured in its plan, including the size, project status, and expected in-service date.

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<sup>65</sup> The IRP, at 62.

<sup>66</sup> *Id.*, at 63.

<sup>67</sup> *Id.*, at 43.

<sup>68</sup> *Id.*, at 65.

<sup>69</sup> *Id.*, at 59.

**Figure 16:**

**MMPA’s Preferred Plan – Solar Development**

Size	Status	Projected In-service
100 MW	In MISO 2023 Interconnection Queue	2029
100 MW	In MISO 2023 Interconnection Queue	2029
100 MW	Seeking land or PPA	2033
100 MW	Seeking land or PPA	2034
4.5 MW	Planning Phase	2027
4 x 7.5 MW	Seeking land	2028-2031

MMPA’s 112 MW transmission-connected Belle Solar project is in the 2023 MISO Generation interconnection queue.<sup>70</sup> It is located in McLeod and Meeker Counties, MN.

MMPA’s 100 MW transmission-connected Livonia Solar project is in the 2023 MISO Generation interconnection queue. It is located in Sherburne County, MN.

MMPA states that it intends to own the two projects and develop them in compliance with the CFS. The Agency provides this information as its notice of intent to site and construct the two projects. It estimates the earliest in-service date for both projects to be in 2029, depending on the completion of the interconnection agreement.<sup>71</sup>

**Battery Storage**

MMPA states it would need to place around 35 MW of battery storage in service by planning year 2030 and would need to phase in the remaining 15 MW by planning year 2035.

**Renewable Natural Gas**

MMPA plans to increase RNG production by developing an RNG facility located at the Elk River Landfill in Elk River, Minnesota.<sup>72</sup> The facility is anticipated to be in service in 2026.

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<sup>70</sup> *Id.*, at 65.

<sup>71</sup> *Id.*, at 66.

<sup>72</sup> *Id.*, at 66.

By 2040, wind and solar are expected to make up 92% of the retail energy generation of MMPA's members, while RNG, hydrogen, or both, would supply the remaining 8%.<sup>73</sup>

### III. COMMENTS

#### A. IRP Omissions and Nontechnical Summary

The Department's initial comments noted that there were certain items in the IRP that were incomplete.<sup>74</sup> It notes that according to Minnesota Administrative Rules 7843.0400, subpart 3(a)<sup>75</sup>, MMPA is missing the following factors, among others, that utilities must include in their IRPs:

- Cogeneration
- New transmission facilities
- Load-control equipment
- Or a discussion of why these were not considered.<sup>76</sup>

Moreover, the Department stated that according to Minnesota Administrative Rules 7843.0400, subpart 4,<sup>77</sup> MMPA's nontechnical summary is missing discussion of the analytical techniques used to create the IRP.<sup>78</sup>

In MMPA's reply comments to the Department,<sup>79</sup> the Agency explains its omissions of cogeneration, load-control equipment, and transmission facilities as stated in the state IRP rules:

Cogeneration: MMPA remarks that cogeneration is not practical for its resource planning, as "...Only one large thermal user exists among MMPA's member utilities and that customer already operates its own cogeneration system. Beyond this, the customer base does not include other significant thermal users that could effectively utilize the heat output from cogeneration facilities. In addition, achieving a fully carbon-free cogeneration system presents considerable challenges."

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<sup>73</sup> *Id.*, at 60.

<sup>74</sup> Docket No. ET6133/RP-25-302, *In the Matter of Minnesota Municipal Power Agency's Application for Approval of its 2025-2039 Integrated Resource Plan*, Comments of the Minnesota Department of Commerce, August 20, 2025, at 1, (hereinafter "Department Initial Comments").

<sup>75</sup> [Minn. R. 7843.0400, subp. 3\(a\)](#), (hereinafter, "state IRP rules").

<sup>76</sup> The IRP, at 2.

<sup>77</sup> [Minn. R. 7843.0400, subp. 4](#), (hereinafter, "state IRP rules").

<sup>78</sup> The IRP, at 2.

<sup>79</sup> Docket No. ET6133/RP-25-302, *In the Matter of Minnesota Municipal Power Agency's Application for Approval of its 2025-2039 Integrated Resource Plan*, Minnesota Municipal Power Agency Reply Comments, September 19, 2025, at 2, (hereinafter "MMPA Reply Comments").

Load-Control Equipment: MMPA notes that “Load control programs including time-of-day rates for EVs and residential HVAC load control, may be managed individually by MMPA’s member utilities. Because these programs are not operated at the wholesale level [MMPA being a wholesale provider only], load-control equipment is not evaluated as a resource option in MMPA’s IRP.”

Transmission Facilities: MMPA states that it “...does not have any opportunities to invest in transmission to bring unused generation to its load. Further, MMPA has not identified any transmission facilities which could decrease its transmission losses which would, effectively, increase its supply. MMPA does not independently develop transmission facilities. Instead, MMPA fulfills its transmission planning obligations through active participation in the Midcontinent Independent System Operator (MISO) transmission expansion planning process (MTEP).”

In addition, MMPA in reply comments provides a nontechnical summary of its demand projection methodology and capacity resource analysis:<sup>80</sup>

“MMPA projected future energy needs by analyzing 20 years of historical usage data (January 2005–May 2025) from its 12 member communities. The analysis considered population, income, and weather trends, as well as anticipated new large loads such as data centers and electric vehicles. Projections were then adjusted to account for expected conservation program savings. Key results include:

- Projected annual energy growth: 0.6%
- Projected summer peak demand growth: 0.5%”
- “MMPA used a total cost model to evaluate potential resource alternatives for meeting future capacity requirements. The model compared resource options based on:
  - Capital, operations and maintenance (O&M), fuel, and regulatory compliance costs
  - Varying capacity factors (operating frequency)
  - A sensitivity analysis for capital, fuel, and regulatory assumptions”

## **B. Information Requests (IR)**

In the Department’s initial Information Request filing (IR 1-3), the Department asked for MMPA to clarify several portions of its load forecast methodology:<sup>81</sup>

**IR 1:** “Please explain the justification for modeling East Grand Forks, Buffalo, and Elk River separately from the remaining nine member cities rather than either modeling all member

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<sup>80</sup> *Id.*, at 2-3.

<sup>81</sup> Docket No. ET6133/RP-25-302, *In the Matter of Minnesota Municipal Power Agency’s Application for Approval of its 2025-2039 Integrated Resource Plan*, Information Request, August 26, 2025, at 2, (hereinafter “Department IR 1-3”).



cities together or each member city individually.”<sup>82</sup>

**IR 2:** “...MMPA states that large customers (<10 MW), such as data centers, were estimated to add 2 MW of incremental demand in each year of the study period. Please explain the justification for this estimate.”<sup>83</sup>

**IR 3:** “...MMPA states that EV adoption was projected to increase over the study period with EV penetration reaching 25% by 2040. Please explain the justification for this projection, including the assumption of 25% penetration by 2040 as well as the trajectory that EV penetration was projected to follow over the study period.”<sup>84</sup>

In a following IR filing (IR 4-5),<sup>85</sup> the Department asked for MMPA to clarify its adherence to Minn. Stat. 216B.1691, Subd. 1. (Renewable Energy Standards)<sup>86</sup> by providing:

**IR 4:** “...a table listing, for each year in the planning period, the percentage of MMPA’s total retail electric sales projected to be provided from generation or procurement of the eligible energy technologies described in Minn. Stat. 216B.1691, Subd. 1.”

And asked the Agency to clarify its adherence to the Commission’s December 19 Environmental and Regulatory Costs Order:

**IR 5:** “MMPA’s total cost model does not vary over time and uses a single environmental cost value for each resource. Please explain how the values in the table were derived from the time series of cost values referred to by the Order.”<sup>87</sup>

MMPA addressed these requests in its responses:

**IR 1:** “East Grand Forks was modeled separately because it is a winter-peaking city with a relatively low air-conditioning load. As a result, Cooling Degree Days are not a significant predictor of its energy usage. In contrast, the remaining MMPA member cities are summer-peaking, and for them Cooling Degree Days are an important predictor of load. Buffalo and Elk River joined MMPA later than the other member cities and were modeled separately due to the shorter period of historical load data available.”<sup>88</sup>

**IR 2:** “MMPA assumed that approximately 30 MW of new load from large customers would be added across its service territory by 2040. To reflect this growth in the load forecast, the total was distributed evenly across the study period in increments of 2 MW per year. This

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<sup>82</sup> *Id.*, at 1.

<sup>83</sup> *Id.*, at 2.

<sup>84</sup> *Id.*, at 3.

<sup>85</sup> Docket No. ET6133/RP-25-302, *In the Matter of Minnesota Municipal Power Agency’s Application for Approval of its 2025-2039 Integrated Resource Plan*, Information Request, September 5, 2025, at 1, (hereinafter “Department IR 4-5”).

<sup>86</sup> [Minn. Stat. 2024 216B.1691, subd. 2a](#) (hereinafter, “Renewable Energy Standards” or “Renewable Energy Objectives”)

<sup>87</sup> Department IR 4-5, at 2.

<sup>88</sup> Docket No. ET6133/RP-25-302, *In the Matter of Minnesota Municipal Power Agency’s Application for Approval of its 2025-2039 Integrated Resource Plan*, Response to Reply Comments, September 5, 2025, at 1, (hereinafter “MMPA Response to IR 1-3”).

approach smooths the additions over time and provides a reasonable planning assumption in the absence of specific information on the timing of individual large-customer projects.”<sup>89</sup>

**IR 3:** “The U.S. Energy Information Administration’s (EIA) *Annual Energy Outlook 2025* (AEO 2025) projects the share of light-duty vehicles that will be electric in 2040. The EIA’s Reference case projects 33.4% of light-duty vehicles will be electric by 2040, while the Alternative Transportation case projects 15.8%. MMPA used the midpoint of the two cases with an assumed 25% EV penetration in 2040.”<sup>90</sup>

**IR 4:** MMPA provides a table in its response<sup>91</sup> that “...lists the percentage of MMPA’s total retail electric sales that are projected to be from eligible energy technologies as defined in Minn. Stat. 216B.1691, Subd. 1 (c). The projections include existing, committed, and prospective resources.”

**Figure 17:**

Calendar Year	Percentage of Retail Electric Sales from Eligible Energy Technologies
2025	47%
2026	46%
2027	46%
2028	52%
2029	78%
2030	79%
2031	79%
2032	79%
2033	88%
2034	98%
2035	97%
2036	96%
2037	95%
2038	94%
2039	93%
2040	100%

**IR 5:** For the combustion turbine and combined-cycle resources, MMPA assumed an in-service date of 2028 and a 40-year operating life. The time series of environmental costs from the Order was averaged over the 2028–2067 operating life (2020\$/ton of pollutant),

<sup>89</sup> *Id.*, at 2.

<sup>90</sup> *Id.*, at 3.

<sup>91</sup> Docket No. ET6133/RP-25-302, *In the Matter of Minnesota Municipal Power Agency’s Application for Approval of its 2025-2039 Integrated Resource Plan*, Response to Reply Comments, September 5, 2025, at 1, (hereinafter “MMPA Response to IR 4-5”).

then escalated to 2025 dollars using the Consumer Price Index from the U.S. Bureau of Labor Statistics. The resulting value was adjusted by subtracting the regulatory cost to obtain the final environmental cost, which was then multiplied by the resource's emission rate (tons/MWh) to get the cost values shown in the table.<sup>92</sup>

### C. Project Acceptance

The Department submitted its analysis of the IRP and recommends its acceptance.<sup>93</sup>

### D. Department Review and Analysis

The Department states that MMPA's IRP complies with Minn. Stat. § 216B.2422, subd. 2,<sup>94</sup> which stipulates the filing of IRPs by municipal power agencies in accordance with the Commission's rules.<sup>95</sup> Under this statute, any order issued by the Commission would be advisory.

The Department reviewed three main components of the Agency's IRP:

- Energy and demand forecast
- Economic modeling and expansion plan
- Regulatory compliance with Minnesota's energy conservation goals, CFS, renewable energy standard, and greenhouse gas reduction goal.

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<sup>92</sup> *Id.*, at 2.

<sup>93</sup> Docket No. ET6133/RP-25-302, *In the Matter of Minnesota Municipal Power Agency's Application for Approval of its 2025-2039 Integrated Resource Plan*, Comments, December 4, 2025, at 1, (hereinafter "Department Analysis").

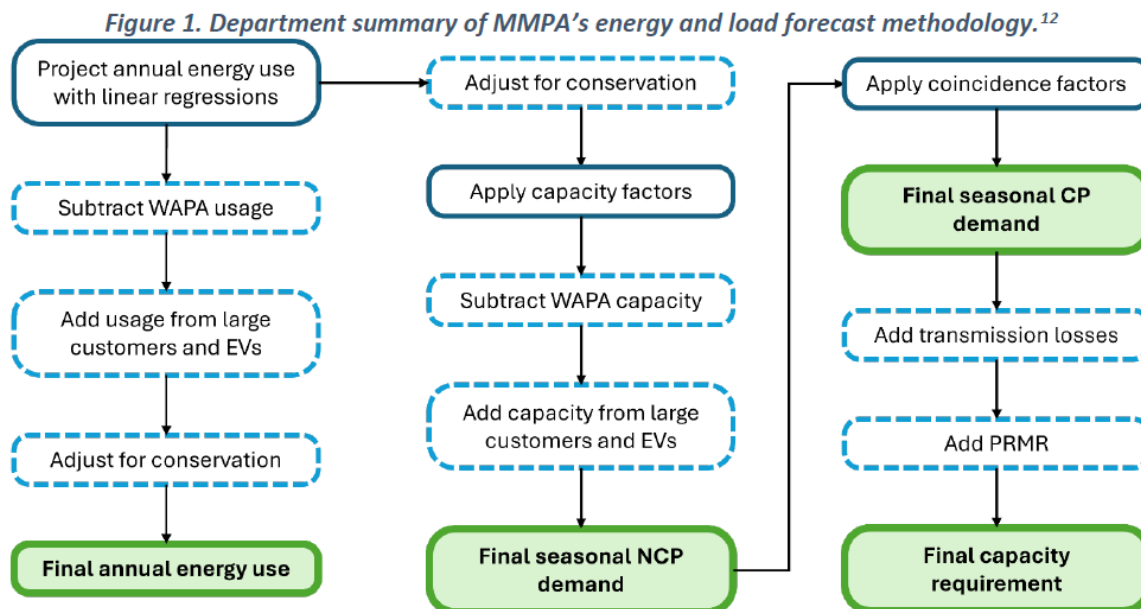
<sup>94</sup> [Sec. 216B.2422 MN Statutes](#)

<sup>95</sup> Department Analysis, at 3.

## I. Energy and Demand Forecast

**Figure 18:**

The Department includes a chart below detailing its summary of MMPA’s energy and load forecasting methodology:<sup>96</sup>



The Department remarks that “MMPA applied three main adjustments to its forecasted energy and demand: savings from conservation, additions from large customers (< 10 MW) such as small data centers, and additions from EV growth. However, MMPA only analyzed sensitivity cases for one of these adjustments (conservation savings).”<sup>97</sup> The Department recommends MMPA include sensitivities assuming higher and lower levels of additional energy and demand projections from large customers (< 10 MW) and from EVs in future IRP filings. **(Decision Option 4)** The Department believes these two sources could add valuable insights to MMPA’s energy and demand forecast.

## II. Economic Modeling and Expansion Plan

The Departments notes that MMPA did not include environmental or regulatory costs of greenhouse gas emissions for batteries in its total cost model, even though battery storage systems can indirectly lead to net GHG emissions depending on the battery’s round-trip efficiency and timing of charging and discharging.<sup>98</sup>

The Department mentions that most utilities use capacity expansion modeling tools to develop

<sup>96</sup> *Id.*, at 4.

<sup>97</sup> *Id.*, at 8.

<sup>98</sup> *Id.*, at 16.

and evaluate their resource plans, allowing them to capture the regulatory and environmental costs allocated to resources that directly emit GHG. However, since battery storage technology indirectly emits GHG, it could result in additional regulatory and environmental costs being allocated to other resources that do directly emit GHG. This difference would be accounted for by a capacity expansion model, but MMPA did not use such a model for the IRP.

Thus, the Department states that there should be further discussion about the regulatory and environmental costs of indirect GHG emissions from MMPA's battery resources and should be potentially included in the Agency's total cost model. Therefore, the Department recommends MMPA address whether it anticipates net GHG emissions resulting from the use of battery resources and apply environmental costs to its analysis and incorporate capacity expansion modeling in future IRPs.<sup>99</sup> **(Decision Options 6 & 7)**

Furthermore, the Department notes that capacity expansion modeling would allow MMPA to better comply with the Commission's most recent Order in Docket No. CI-07-1199<sup>100</sup> requiring that utilities distinguish between regulatory and environmental costs when analyzing scenarios in a resource plan by modeling the costs in different ways. Since MMPA modeled the cost of each resource option individually, its scenario analysis did not differentiate between regulatory and environmental costs but instead modeled them in the same way in its total cost model.<sup>101</sup>

In addition, the Department notes that MMPA conducted two sensitivity cases (high and low conservation savings cases) in its energy demand forecast, but did not address the implications of the sensitivities for resource needs and capacity expansion planning. Instead, MMPA estimated its additional capacity requirements using only the base conservation savings case. While projected demand would not impact the total cost model used by MMPA, it would impact the total amount of capacity to be added, warranting further discussion.

### III. Regulatory Compliance

The Department remarks that in MMPA's energy and demand forecast, the Agency assumes continued non-compliance with the ECO total energy savings goal.<sup>102</sup> The Department states that it will work with MMPA on compliance with these various conservation goals.

The Department supports MMPA's discussion of increased community outreach efforts to promote its ECO program and recommends that MMPA continue reporting on these efforts as

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<sup>99</sup> *Id.*, at 16-17.

<sup>100</sup> Docket No. E-999/CI-07-1199, *In the Matter of Establishing an Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation Under Minnesota Statutes § 216H.06*, Order, December 19, 2023, (hereinafter "Environmental and Regulatory Costs Order").

<sup>101</sup> Department Analysis, at 17.

<sup>102</sup> *Id.*, at 9.

well as the impacts of these efforts on projected energy and demand in future IRPs.<sup>103</sup>  
**(Decision Option 5)**

The Department notes that the Agency's preferred plan complies with the CFS, RES, and GHG Reduction Goal as they apply to the IRP's planning period and recommends the acceptance of the IRP. **(Decision Option 1)**

#### **IV. STAFF ANALYSIS**

Given MMPA's resource plan and the recommendations of the DOC, Staff recommend that the Commission accepts the 2025-2039 resource plan submitted by MMPA as filed.

##### **A. CFS Compliance**

MMPA mentions in its IRP that it sees RNG as a potential option for meeting its carbon-free requirements under the CFS, depending on future technology, economics, and regulations.<sup>104</sup> The Agency notes that it is monitoring PUC dockets No. E999/CI-23-151 and No. E999/CI-24-352 to ascertain the resulting classifications of RNG and to adapt its respective resource strategy. Currently, all of MMPA's natural gas plants have the ability to operate using RNG. Furthermore, the Agency owns the HTBE anaerobic digester in Le Sueur which is also able to produce RNG and whose attributes MMPA sells.

However, there is an important question to consider:

If MMPA wishes to count the electricity generated by RNG towards CFS compliance, would MMPA also be able to sell off the renewables attributes of said RNG when it is produced?

This question has not yet been clarified by the Commission, though the Commission is seeking to do so. Staff provides further context and analysis below:

Staff notes that MMPA may wish to not sell off the renewables attributes for its RNG resources if it wishes to perform a life-cycle analysis (LCA) for such resources to count towards the CFS. This arises from the potential situation in which if a third-party entity to which MMPA sells its RNG wishes to use the RNG to generate electricity in compliance with the CFS, then said entity would require the RNG attributes thereof to prove eligibility for CFS compliance. Given this outcome, it is possible that MMPA would be incentivized to not sell off the attributes from the RNG that it produces in order to instead allow the third-party entity to use the attributes to claim CFS compliance.

Furthermore, Staff notes that a recent Commission decision in docket CI-24-352 has deemed electricity produced from biowaste to be eligible for CFS compliance. More specifically, since

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<sup>103</sup> *Id.*, at 20.

<sup>104</sup> *Id.*, at 43.

RNG is processed from biogas which itself is processed from biowaste, the final electricity that is generated is ideally eligible for CFS compliance. Thus, if MMPA would like to use its RNG resources to generate electricity to qualify for CFS compliance, then MMPA would need to perform an LCA for the RNG resources.

## **B. Future Filings**

The resource planning statute does not specify how often resource plans should be filed, leaving that to Commission discretion. The Commission's rules specify biennial filings, but as resource plans have become more complex the Commission has sometimes altered that requirement, especially for cooperatives and municipal power agencies<sup>105</sup>. At this point, MMPA's next IRP filing would be due on August 1, 2028. As such, the Commission may wish to solicit recommendations from the parties at the Commission's agenda meeting.

## **V. DECISION OPTIONS**

### **Project Approval**

1. Accept MMPA's 2025-2039 Integrated Resource Plan. (MMPA, Department)
2. Accept MMPA's energy and demand forecast for this IRP. (MMPA, Department)
3. Accept MMPA's economic modeling and preferred plan for this IRP. (MMPA, Department)

### **Requirements for MMPA's Next IRP**

4. Require MMPA to incorporate additional energy and demand projection sensitivities, such as higher and lower assumed additions from large customers and EVs, in future IRPs. (Department)
5. Require MMPA to continue reporting on its efforts to improve its energy conservation program, and the impacts of these efforts on projected energy and demand in future IRPs. (Department)
6. Require MMPA to address whether it anticipates net GHG emissions resulting from the use of battery resources and apply environmental costs to its analysis of these resources accordingly in future IRPs. (Department)

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<sup>105</sup> For example, the Commission granted Missouri River Energy Services (MRES) an extension to 2016 (from its 2010 resource plan) since MRES had shown it "provides sufficient baseload energy resources for at least the next five years." See Order Accepting Resource Plan, Requiring Further Filings, and Setting Date for Next Resource Plan in Docket ET10/RP-10-735 at page 4.

7. Require MMPA to incorporate capacity expansion modeling in future IRPs. (Department)

**Next IRP Filing Date**

8. Establish a date based on a consensus of the parties at the agenda meeting. (Staff)

[OR]

9. Require MMPA to file its next resource plan no later than two years after the date of the Commission's Order in this matter. (Staff)