

The Commission met on **Thursday, September 12, 2024**, with Chair Sieben and Commissioners Means, Ham, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

G-008,002,011/CI-23-117;

In the Matter of a Commission Investigation into Gas Utility Resource Planning;

G-999/CI-21-565

In the Matter of a Commission Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structures to Meet State Greenhouse Gas Reduction Goals.

Commissioner Sullivan moved that the Commission:

1. Require gas utilities to include in their integrated resource plan a discussion of how equity was considered in the planning process.
2. Require Xcel to file its first gas IRP by July 1, 2026. Require CenterPoint to file by July 1, 2027. Require MERC to file by July 1, 2028. The goal for each gas IRP is for a Commission Order to be issued within 18 months of filing.
3. Clarify that, as used in ordering paragraph 51 of the Commission's March 27, 2024 order in these dockets, "infrastructure costs" are the capital costs the utility would pay to do the project.
4. Clarify that, as used in ordering paragraphs 51 and 54 of the Commission's March 27, 2024 order in these dockets, "Capacity Expansion Project, Resource Expansion, or New Resources" are individual projects, or a set of inter-related facilities needed to meet a specified capacity expansion need due to growth by existing or new customers and facilities.
5. Find that projects that meet the statutory definition of a natural gas extension project ("NGEP") are eligible to be considered for an Expansion Alternatives Analysis if above the investment threshold.
6. Replace the section title immediately preceding ordering paragraph 51 of the Commission's March 27, 2024 Order in these dockets with the following: Expansion Alternatives Analysis.

7. Replace ordering paragraph 51 of the Commission's March 27, 2024 Order in these dockets with the following: Gas integrated resource plans shall include infrastructure projects related to resource expansion or new resources at or above a \$1 million investment threshold from which utilities select projects for an Expansion Alternatives Analysis. No more than ten total projects must be considered for the Expansion Alternatives Analysis. Utility resource plans shall include a discussion of the rationale for the projects selected for an Expansion Alternatives Analysis, and summary of the utility's discussions with stakeholders throughout the selection process.
8. Allow utilities to evaluate and select additional projects for an Expansion Alternatives Analysis below the established cost threshold.
9. Replace ordering paragraph 52 from the Commission's March 27, 2024 Order in these dockets with the following: Require that an Expansion Alternatives Analysis, as required by Order Point 54 of the Commission's March 27, 2024 Order, includes at a minimum, evaluation of:
 - a. non-pipeline alternatives and/or non-natural-gas alternatives;
 - b. costs and benefits of those alternatives including the costs of direct investment, variable costs, and the social costs of carbon and methane for emissions due to or avoided by the alternative;
 - c. air quality impacts;
 - d. a thorough and transparent explanation of the criteria used to rank or eliminate such alternatives; and an explanation of how equity was considered.
10. Require utilities to prioritize capacity expansion projects for Expansion Alternatives Analysis with the potential for learning and those located in low-income and/or Environmental Justice Areas as defined in Minn. Stat. § 116.065, subd. 1(e) (2023) or indigenous communities.
11. Lifecycle GHG emission factors from filed Natural Gas Innovation Act (NGIA) Plans shall also be considered in resource analysis to ensure lower emissions on a lifecycle basis.
12. Require Xcel, MERC, and CPE to report methane emissions from natural gas distribution system operations using available reporting protocols in the natural gas integrated resource plan until a system specific leakage estimate derived from measured leakage from the utility distribution system is available. Within 12 months of the Commission's Order, each utility shall file a report including the capital and O&M costs of procedures for system specific leakage rates measurements and a description of their current practices.
13. Require utilities to include in their gas IRPs additional information about upstream emissions data availability.

14. Require each utility to include in each integrated resource plan a narrative description of how its preferred plan will support and serve Minnesota’s greenhouse-gas-emission-reduction goals.
15. To estimate environmental externality costs of resource options in gas IRPs, utilities shall use the most recent externality values adopted by the Commission in Docket No. E-999/CI-14-643.
16. Delegate authority to the Executive Secretary to open a comment period in Docket Number E-999/CI-07-1199 to consider and determine the appropriate data source and values for the regulatory cost of greenhouse gas emissions for natural gas resource planning through the upcoming docket to update the regulatory cost of carbon for electric resource planning.
17. Deny MERC’s request for deferred accounting.
18. For each project proposed in its preferred five-year action plan, require the utility to include justification of need, resource mix, project scope, construction timeline, cost estimates including any offsetting revenues and tax benefits, and a narrative discussion of any equity impacts the project may have.
19. Modify ordering paragraph 36 of the March 27, 2024 Order in these dockets as follows: A utility shall include in its resource plan filing a nontechnical summary, not exceeding 25 pages in length, describing the utility’s resource needs, the resource plan created by the utility to meet those needs, the process and analytical techniques used to create the plan, activities required over the next five years to implement the plan, and the likely effect of plan implementation on **electric** rates and bills.
20. Require Xcel, CenterPoint Energy, and MERC to work with electric utilities in their service territories to understand, to the extent possible, the electric system impacts on resource options in the natural gas IRPs.
21. Authorize the Executive Secretary to create a “Comprehensive Gas IRP Requirements” document which reconciles the gas IRP requirements established in the Framework Order filed March 27, 2024, and the additions and modifications to those requirements made above, and issue the document as an attachment to the Order. Delegate continuing authority to the Executive Secretary to update the Comprehensive Gas IRP Requirements document to reflect any future modifications or additions to the gas IRP requirements established in future Commission decisions, to be filed as an attachment to future orders establishing such changes.
22. Natural gas utilities shall work with local government agencies to:
 - a. Consider local climate goals in resource plans and provide a narrative discussion of how resource plans impact those goals.

- b. Collaborate with local governments with adopted climate goals to prioritize greenhouse gas reduction investments and pilots when possible.

23. Amend Ordering Paragraph 3 of the March 27, 2024 Order in this docket as follows:
“Integrated resource planning for natural gas utilities includes analysis and evaluation of the appropriate resource mix, including supply-side and demand-side resources to serve customer end-use energy needs, and consideration of new infrastructure investments ~~above a defined threshold~~ necessary to meet existing or forecasted gas demand needs. Infrastructure investments for routine maintenance, safety, public works accommodation, integrity, and reliability are not part of the integrated resource planning process or analysis, except for the purpose of determining the cost of supply- and demand-side resources on an equal basis for resource selection ~~and~~. Existing proceedings covering procurement and cost recovery of natural gas supply, transportation, and storage should continue independently from this proceeding.
24. Amend Ordering Paragraph 55 of the March 27, 2024 Order in this docket as follows:
“Distribution system investments related to routine maintenance, public works accommodation, integrity, reliability, and safety are not part of the ~~integrated resource planning process or~~ expansion alternatives analysis.”
25. In developing their Integrated Resource Plan, the utilities will engage with stakeholder groups to provide information about the utilities’ planning process and Expansion Alternatives Analysis project selection, answer stakeholder questions, and seek stakeholder feedback to inform the resource plan. The stakeholder groups shall include, at minimum, relevant state agencies, clean energy advocates, consumer advocates, low-income and environmental justice advocates, organized labor, local governments, and business, and communities directly impacted or served by Expansion Alternatives Analysis projects. In each resource plan, natural gas utilities will provide a narrative description of its outreach and engagement activities and a summary of stakeholder feedback.

The motion passed 5–0.

E-002/GS-23-217

In the Matter of the Application of Northern States Power Co. d/b/a Xcel Energy for a Site Permit for the Up to 250 MW Sherco 3 Solar Energy Generating System in Sherburne County

Commissioner Tuma moved that the Commission:

1. Deny the petition for reconsideration of the July 31, 2024 order.
2. Clarify that the Commission’s authority is to evaluate whether the Environmental Assessment adequately addressed the impact of the project on humans. The Commission notes that the Environmental Assessment identified conflicting studies regarding sales value of properties near large solar facilities.

3. Clarify that the petitioners' claims of inverse condemnation or nuisance are not substantiated and not properly before the Commission; if substantiated, such claims must be brought in district court.

The motion passed 5-0.

IP-7109/PPL-23-109

In the Matter of the Application of Magellan Pipeline Co., L.P. for a Routing Permit for the Pipestone Reroute Project in Pipestone County, Minnesota

Chair Sieben moved that the Commission:

Require the applicant to complete full cultural and archaeological surveys for the alternative routes RA-01, RA-02 and RA-03 in coordination with the following tribal THPOs: (1) Mille Lacs Band of Ojibwe; (2) Upper Sioux Community; (3) Yankton Sioux Tribe and (4) Flandreau Santee Sioux Tribe. The Permittee shall prepare a cultural and archaeological resources inventory of the route alternatives including any additional workspaces, such as temporary workspace, laydown/pipe yards, access roads, and bore holes, to identify and avoid impacts to cultural, archaeological, and historic resources. The inventory shall be developed in accordance with standards established by relevant THPOs, MnSHPO, MnOSA, and Secretary of Interior's Standards and Guidelines for Archaeology and Historic Preservation. The inventory shall include specific mitigation and avoidance procedures for archaeological, cultural, and historic resources identified and must be filed with the Commission upon completion including comments from MnSHPO, MnOSA, and the Secretary of Interior.

After completion of the surveys, the applicant shall send the results of the surveys to the affiliated Tribes and engage in additional consultation with the following tribal nations: (1) Mille Lacs Band of Ojibwe; (2) Upper Sioux Community; (3) Yankton Sioux Tribe and (4) Flandreau Santee Sioux Tribe. At a minimum, this consultation shall consist of at least one in-person meeting with tribal representatives to occur no later than 30 days after completion of the full cultural and archaeological surveys. The applicant shall provide the opportunity for feedback to affiliated tribal nations on the surveys. The applicant shall also confer with MnSHPO, the relevant THPO representatives, and MnOSA regarding the results of the surveys. The applicant shall file a compliance filing providing the results of the full surveys, any feedback received and certifying that consultation with the above tribal nations has been attempted and/ or completed. After receipt of the compliance filing the Commission will schedule the matter for a final permitting decision. Further decisions on this docket shall be continued until that time.

The motion failed 2-3, with Commissioners Means, Ham, and Tuma voting no.

Commissioner Tuma moved that the Commission:

1. Adopt the administrative law judge's findings of fact, conclusions of law, and recommendations to the extent consistent with the decisions below.

2. Adopt a correction and clarification of the administrative law judge’s report at finding 339 along with correcting Table 6-5 of the CEA Volume I at page 42 to recognize that RA-02 is approximately 76 percent adjacent to existing rights-of-way as opposed to the 97 percent noted in the finding and the table. This correction recognizes that in addition to the 3 percent that does not follow existing rights-of-way at the highway crossing near the intersection of Highway 75 and 131st Street, where the route will connect into the existing pipeline at the northeast terminus of RA-02, the southwest portion of the route between the existing pipeline and the existing transmission line also does not follow existing right-of-way.
3. Adopt the corrections and clarifications suggested by Magellan in its letter dated August 1, 2024, regarding the following parts of the administrative law judge’s report:
 - a. Finding 53
 - b. Finding 140
 - c. Finding 242
 - d. Finding 350
 - e. Finding 359, Finding 360, and Conclusion 8
 - f. Finding 376
 - g. Footnote 46
4. Issue a pipeline route permit to Magellan for the Pipestone Reroute Project specifying a 200-foot-wide route along route RA-01. The Commission increases the route width to 1000 feet along County Road 7 between 40th Ave. and 60th Ave. to allow for more options to address landowner concerns in areas where the route passes near structures. At the time the plan and profile are filed, the permittee shall document efforts to minimize impacts to affected landowners along this portion of the route.
5. Incorporate the special permit conditions recommended by the administrative law judge.
6. Require Magellan to complete a full cultural and archaeological survey for route RA-01 in coordination with the following tribal historic preservation offices (THPOs): 1) Mille Lacs Band of Ojibwe; 2) Upper Sioux Community; 3) Yankton Sioux Tribe; and 4) Flandreau Santee Sioux Tribe. Magellan shall prepare a cultural and archaeological resources inventory of the route including any additional workspaces, such as temporary workspace, laydown/pipe yards, access roads, valve sites, and bore holes, to identify and avoid impacts to cultural, archaeological, and historic resources including pipestone/catlinite deposits. The inventory shall be developed in accordance with standards established by relevant THPOs, Minnesota State Historic Preservation Office (MnSHPO), Minnesota Office of the State Archaeologist (MnOSA), and Secretary of Interior’s Standards and Guidelines for Archaeology and Historic Preservation. The inventory shall include specific mitigation and avoidance procedures for archaeological, cultural, and historic resources identified and must be filed with the Commission upon completion including comments from MnSHPO, MnOSA, and the Secretary of Interior.

After completion of the survey, the permittee shall send the results of the survey to the affiliated Tribes and engage in additional consultation with the following tribal nations: 1) Mille Lacs Band of Ojibwe; 2) Upper Sioux Community; 3) Yankton Sioux Tribe and 4) Flandreau Santee Sioux Tribe. At a minimum, this consultation shall consist of at least one in-person meeting with tribal representatives to occur no later than 30 days after completion of the full cultural and archaeological survey. The permittee shall provide the opportunity for feedback to affiliated tribal nations on the survey. The permittee shall also confer with MnSHPO, the relevant THPO representatives, and MnOSA regarding the results of the survey. The permittee shall file a compliance filing providing the results of the full survey, any feedback received and certifying that consultation with the above tribal nations has been attempted and/or completed. In the compliance filing, the permittee will recommend the appropriate number and names of tribal construction monitors informed by the results of the survey and in consultation with the affiliated tribes. After receipt of the compliance filing the Commission shall schedule the matter for approval of the compliance filing prior to construction.

7. Authorize Commission staff to modify the route permit as necessary to correct typographic and formatting errors and ensure agreement with this order.

The motion passed 3–2, with Chair Sieben and Commissioner Sullivan voting no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: November 13, 2024



Will Seuffert, Executive Secretary