



*Jennifer J. Cady*  
Director, Regulatory Affairs  
218-355-3202  
[jjcady@mnpower.com](mailto:jjcady@mnpower.com)

August 5, 2022

**VIA E-FILING**

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147


Re: In the Matter of Minnesota Power's Application for  
Approval of its 2021-2035 Integrated Resource Plan  
Docket No. E015/RP-21-33

Dear Mr. Seuffert:

On July 25, 2022, the Midcontinent Independent System Operator, Inc. (MISO) submitted comments to the United States Department of Agriculture's Rural Utilities Services (RUS) as it considers the Nemadji Trail Energy Center Project (NTEC) Project and possible environmental impacts related to NTEC.

Attached you will find a copy of MISO's letter for entry into the record in Minnesota Power's current Integrated Resource Plan docket, referenced above.

Respectfully,



Jennifer J. Cady

JJC:th  
Attach.  
cc: Service List



**Kristina Tridico**  
Deputy General Counsel -Regulatory  
Direct Dial: 317-618-0151  
Email: [ktridico@misoenergy.org](mailto:ktridico@misoenergy.org)

July 25, 2022

**VIA ELECTRONIC MAIL**

Peter Steinour  
Environmental Protection Specialist, RUS  
[Peter.Steinour@usda.gov](mailto:Peter.Steinour@usda.gov)  
[NemadjiTrailEnergyCenterProject@usda.gov](mailto:NemadjiTrailEnergyCenterProject@usda.gov)

**Re:** *Comments from the **Midcontinent Independent System Operator, Inc. (MISO)** Regarding the Nemadji Trail Energy Center Project in Douglas County, Wisconsin and the Need for Grid Reliability*

Mr. Steinour:

The Midcontinent Independent System Operator, Inc. (MISO) provides the following comments to the United States Department of Agriculture's Rural Utilities Services (RUS) as it considers the Nemadji Trail Energy Center Project (NTEC Project) and possible environmental impacts related to the NTEC Project. In particular, MISO's comments below will primarily focus on the need for RUS to consider in its review the need for electric generation and generator replacement to continue reliable operation of the electric grid in the MISO region.

MISO is an independent, not-for-profit, member-based organization responsible for operating the power grid across 15 U.S. states and the Canadian province of Manitoba. Today, 42 million people depend on MISO to coordinate the generation and transmission of the right amount of electricity every minute of every day. MISO is committed to delivering electricity reliably, dependably and cost effectively. In addition to managing the power grid within our region, MISO administers the buying and selling of electricity, and partners with members and stakeholders to plan the grid of the future. While MISO is both fuel- and technology-neutral, MISO needs to help ensure the best options to provide needed resource capabilities and attributes are available to bridge the gap between electrical baseload retirements and replacement capabilities and attributes.

With regard to reliability requirements, RUS should consider that the electric grid is undergoing significant fleet changes that creates an immediate need for stakeholders

Midcontinent Independent  
System Operator, Inc.  
317.249-5400  
[www.misoenergy.org](http://www.misoenergy.org)

720 City Center Drive  
Carmel, Indiana 46032

2985 Ames Crossing Road  
Eagan, Minnesota 55121

1700 Centerview Drive  
Little Rock, AR 72211

to work together to address and maintain electric reliability. In particular, as older baseload generation resources retire and are replaced by renewables and other resources, infrastructure investments (*e.g.*, transmission, fuel delivery, and other related systems) will be needed to deliver energy to where it is needed, when it is needed. A certain level of dispatchable and flexible resources are required for MISO to reliably manage the transition to a decarbonized energy future within its region. MISO currently faces declining levels of resource capacity which is challenging its ability to supply electricity to customers within the MISO Northern region, where the NTEC Project sits. Given the existing and projected regional supply situation, resources are needed to provide capacity and transmission grid stability to meet the system's needs. Even with the recognized growth of alternative and renewable energy sources, MISO continues to be concerned about the looming shortfall of generation needed to ensure grid reliability in the region. Within the MISO region, the retirement of generation plants is occurring far faster than new energy sources with equivalent attributes, whatever the fuel source, can be developed, constructed and brought online. The future of the electric grid and associated electric markets depend upon resource availability, flexibility and visibility.

Based on our assessments and the pace of the energy transition, MISO anticipates both short- and long-term increased risk of implementing emergency operating procedures necessary to ensure grid reliability during times of high electricity demand or extreme weather events, or both.

The most currently available information projects that non-firm imports from neighboring regions and the use of emergency resources within MISO will be needed to meet the forecasted 2022 summer peak demand. MISO's recent Planning Resource Auction, results of which were announced April 14, 2022, specifically showed capacity shortfalls of over 1200 MW in the North and Central regions, which includes the area where the NTEC Project would be located. Additional generator closures and operating limits will worsen what is projected to be an already difficult situation. For example, MISO has experienced an increasing number of hours during the year when supply is barely adequate to cover demand even during non-peak seasons and times of the day. These events, which place MISO in near-emergency or emergency conditions, are the result of the changing resource profile, including a significant number of thermal plant retirements and related reduced operations.

Given the changes to the generating fleet, and the potential shortfalls in generating capacity, it is imperative that reliable generating resources, like those in the NTEC Project, be recognized for the regional reliability value provided to the region's customers. In this regard, MISO notes that RUS's notice of supplemental environmental assessment states that the NTEC Project would consist of a one-on-one combined cycle natural gas generation plant with a capacity of approximately 625 megawatts (MW) and transmission lines that would connect to the power grid and come into service in 2027. Moreover, the NTEC Project is noted as being proposed to: 1) add new generating capacity to serve growing load within the service territories that the member cooperatives serve; 2) replace

generation that was recently retired; and 3) facilitate the addition of new renewable electricity sources to the power portfolio by complementing their intermittent nature. See RUS Notice of Supplemental Environmental Assessment, at pp. 2-3. All of these stated purposes further grid stability and reliability. Accordingly, MISO asks that the RUS consider the value the addition of 625 MW of capacity the NTEC Project could provide in addressing the existing regional supply situation.

Looking forward, the uncertainty around available supply will continue to magnify the real risk of major energy shortfalls under all realistic growth scenarios throughout the region. As RUS considers the need for electrical power in its decisions, MISO fully supports not only the development of new energy projects, but the orderly transition of existing resources to ensure short- and long-term grid reliability and prevent future resource inadequacies in the MISO region. For these reasons, MISO requests RUS, as it considers the NTEC Project, consider grid reliability and the role that the NTEC Project could play in resource adequacy. MISO offers its staff and resources to consult further, as needed.

If you have any questions about MISO's comments, please contact Kristina Tridico at [ktridico@misoenergy.org](mailto:ktridico@misoenergy.org).

Sincerely,

/s/ *Kristina Tridico*

Kristina Tridico  
Deputy General Counsel - Regulatory  
Midcontinent Independent System Operator, Inc.