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**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Joseph Sullivan	Vice-Chair
Valerie Means	Commissioner
Matt Schuerger	Commissioner
John Tuma	Commissioner

In the Matter of Minnesota Power’s 2021-2035
Integrated Resource Plan

DOCKET NO. E-015/RP-21-33

**COMMENTS OF THE OFFICE OF
THE ATTORNEY GENERAL**

INTRODUCTION

The Office of the Attorney General—Residential Utilities Division (“OAG”) respectfully submits these Comments in response to the Commission’s March 3, 2022 Notice of Extended Comment Period regarding the petition of Minnesota Power (“MP” or “the Company”) for approval of its 2021-2035 Integrated Resource Plan (“IRP”).

These comments analyze Minnesota Power’s planned Nemadji Trail Energy Center (“NTEC”). Though NTEC may have appeared to be a prudent investment at the time the Commission approved its affiliated-interest agreements, the assumptions underlying Minnesota Power’s 2017 analysis were faulty: what appeared to be a significant energy and capacity need has proven to be illusory, and it is now clear that NTEC would increase both costs and risks for customers. In short, NTEC is not in the public interest and its costs should not be recovered from Minnesota Power’s customers. Fortunately, the Commission clearly has the legal authority to stop the Company from making this unnecessary and costly mistake. The OAG recommends the Commission remove NTEC from the resource plan and rescind the NTEC affiliated-interest agreements.

ANALYSIS

I. THE NEMADJI TRAIL ENERGY CENTER IS NOT IN THE PUBLIC INTEREST.

A. NTEC is Not Needed.

When it approved the NTEC affiliated-interest agreements, the Commission relied on Minnesota Power's 2017 load forecast, which projected a significant need for both energy and capacity. However, over the last decade the Company's load forecasts have consistently overestimated its resource need. It is now clear that the capacity and energy deficits the Company predicted in 2017 were almost entirely attributable to forecast error, and, as a result, NTEC is no longer necessary to meet customers' needs.

Based on Minnesota Power's 2017 load forecast, the Commission's NTEC Order concluded the Company would have a significant energy need throughout the 2018-2031 planning period. Specifically, the NTEC Order cited a figure from Minnesota Power's Petition that predicted "growing energy needs of about 1,000 gigawatt-hours (GWh) annually by 2020, increasing to 2,400 GWh by 2031."¹ This projected energy need was a main reason the Company believed it needed new generation generally and a combined-cycle facility specifically.

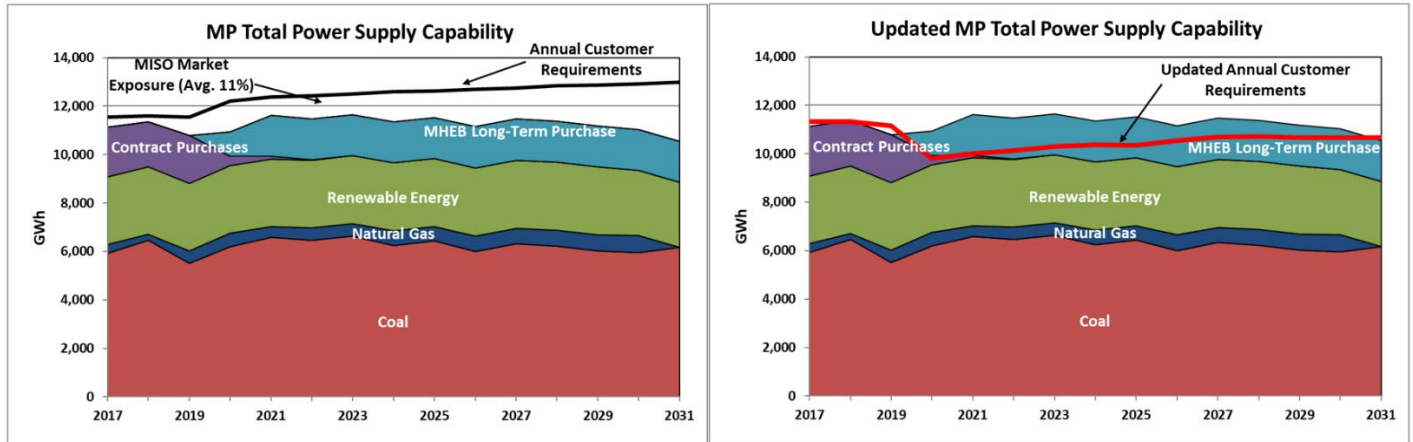
However, as illustrated in Figure 1, the apparent energy need was purely attributable to Minnesota Power overestimating customers' usage. On the left side of Figure 1 is the chart the Commission included in the NTEC Order as evidence of MP's energy need.² On the right side is the same chart updated to include actual energy usage from 2017 through 2020 and Minnesota Power's updated load forecast from 2021 through 2031. In other words, the only difference between

¹ *In the Matter of Minnesota Power's Petition for Approval of the EnergyForward Resource Package*, PUC Docket No. E-015/AI-17-568, ORDER APPROVING AFFILIATED-INTEREST AGREEMENTS WITH CONDITIONS at 8 (eDocket No. [20191-149543-01](#)) (hereinafter "NTEC Order").

² *In the Matter of Minnesota Power's Petition for Approval of the EnergyForward Resource Package*, PUC Docket No. E-015/AI-17-568, PETITION FOR APPROVAL OF GAS PLANT PROPOSAL at 2-11 Figure 4 (Oct. 24, 2017) (eDocket No. [201710-136800-02](#)).

the two charts is the load forecast. As the figure shows, when updated with actual load and the Company’s current forecast, the projected energy need disappears.

Figure 1
MP’s 17-568 energy position with actual usage and updated load forecast



In the NTEC docket the Commission also found Minnesota Power had a significant capacity need in the late 2020s. The Commission found that “in the absence of any resource additions, the Company forecasts a capacity deficit that will reach 300 MW by 2025 and grow to 500 MW by 2031.”³ However, as with Minnesota Power’s projected energy need, the projected capacity deficit was primarily the result of an overestimated load forecast.

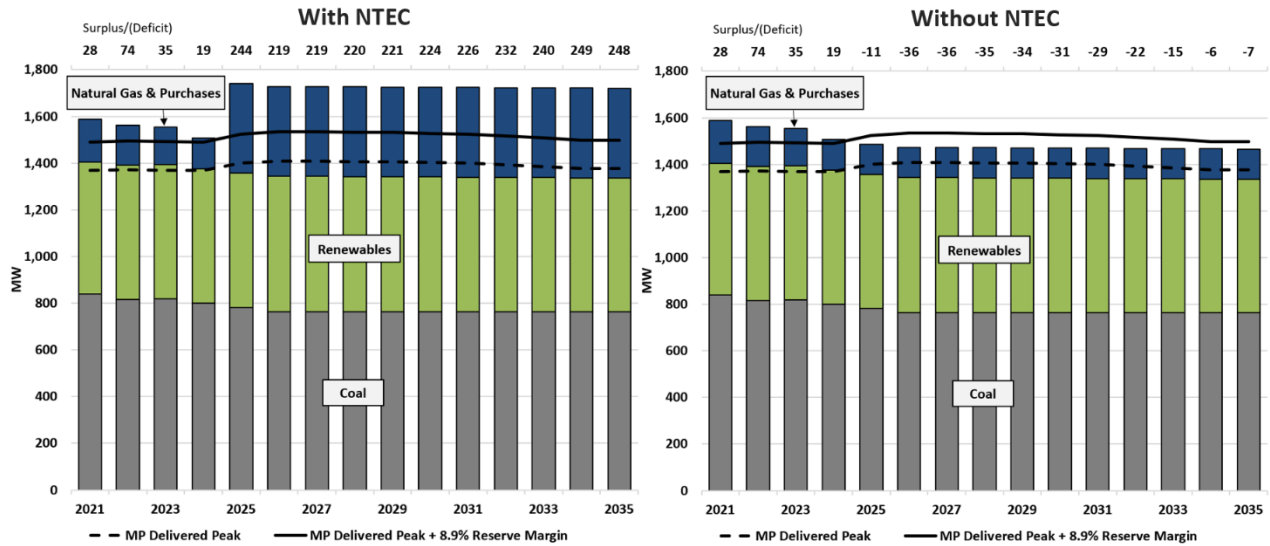
Figure 2 displays the Company’s current summer capacity position with and without NTEC.⁴ As the figure shows, when NTEC is included, the Company projects a large capacity surplus throughout the planning period, meaning the majority of NTEC’s capacity is now superfluous even by the Company’s own estimates.

³ NTEC Order at 7.

⁴ The graph on the left presents the same data as Figure 1 in Minnesota Power’s IRP (at 17). The graph on the right presents the same data less the capacity attributable to NTEC in years 2025-2035.

Figure 2

Base case summer capacity position with and without NTEC



When NTEC is removed, the Company projects very small capacity deficits in most years, ranging from 6 to 36 MW; by comparison, in the NTEC docket, Minnesota Power projected a capacity need of 500 MW by 2031 in the absence of NTEC. Moreover, the Company’s IRP modeling assumes a significant reduction in Demand Response (“DR”) over this period, from the current annual average of 250 MW⁵ to 144 MW from 2025-2027 and just 44 MW in 2028 and beyond.⁶ If the amount of DR remains at current levels, the projected capacity deficits would disappear completely, even without NTEC.

Minnesota Power’s load forecast error was not limited to its 2017 Annual Forecast Report (“AFR”). Figure 3 shows the average forecast error for AFRs 2009-2019.⁷ The Company’s energy and peak demand forecasts both show the same pattern: the forecasts are relatively accurate in the first two years, but the forecast error increases over time, and by forecast-year seven both energy and peak demand are significantly overestimated.

⁵ Minnesota Power IRP at 44.

⁶ Minnesota Power Response to OAG IR 28 (Sep. 21, 2021) (eDocket No. [20219-178151-04](#)).

⁷ 2020 data were excluded, in light of the unusually low load resulting from the Covid-19 pandemic. When 2020 data are included, the Company’s forecast errors are even larger.

Figure 3
MP average load forecast error, 2009-2019

	Over/(under)estimate	
	Energy	Peak
Year 1	1%	-1%
Year 2	1%	2%
Year 3	4%	4%
Year 4	7%	6%
Year 5	10%	8%
Year 6	11%	9%
Year 7	12%	10%
Year 8	10%	7%
Year 9	9%	7%
Year 10	10%	9%
Year 11	14%	11%

The Company’s forecast overestimates are also remarkably consistent: every AFR from 2009 through 2014 has overestimated load—for both energy and peak demand—in every year from forecast-years 7 through 12. In other words, there is not a single observation (out of a possible 42) in which load was underestimated in forecast-years 7 through 12 over this period.

B. NTEC is Expensive.

Because it is not needed to meet Minnesota Power’s energy or capacity needs, NTEC would only be a prudent investment if it could reduce costs and/or risks for customers. However, this is clearly not the case: NTEC is significantly more expensive than other resource options, and, as will be explained in subsection C, NTEC would also increase risks for customers.

In the NTEC docket, the Company argued that the plant would be a cost-effective energy resource. Based on its overly optimistic load forecast, Minnesota Power predicted customer usage would exceed the Company’s production capability, meaning it would have considerable “market exposure” if it did not add new generation. Thus, customers would be susceptible to potential high market prices. At the time, the Commission agreed, finding that “[e]ven if Minnesota Power experiences no capacity needs, it will be purchasing energy from the MISO market, and NTEC

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provides a hedge against spikes in market prices and reduces overall costs by providing an economic source of energy.”⁸

While NTEC may have appeared to be a cost-effective energy source based on 2017 information, circumstances have changed considerably. As shown in Figure 1, above, the market exposure concern was attributable to Minnesota Power’s overly optimistic load forecast. Moreover, the Company now projects much lower market energy costs than forecast in the NTEC docket.⁹ Lower market prices would not only reduce the risk of market exposure—since prices are lower—but would also reduce the number of hours in which NTEC would be dispatched in the MISO market, undermining the justification for building a combined cycle plant.¹⁰

In addition to market costs, the costs of alternative generation resources have fallen since the NTEC Order. The Company’s updated levelized cost forecast for new solar generation is 8 to 14 percent lower than the Company’s solar cost forecast in the NTEC docket.¹¹ Battery storage costs have declined even faster, with average pack prices falling by 58 percent from 2017 to 2021.¹² And, according to the Company’s updated price forecasts, wind procured before the expiration of the Production Tax Credit would have a much lower energy cost than NTEC, as illustrated in Figure 4.¹³ Further, Minnesota Power has unique opportunities to minimize interconnection costs for new

⁸ NTEC Order at 20-21.

⁹ Minnesota Power Response to OAG IR 10 (July 15, 2021) (eDocket No. [20217-176207-02](#)).

¹⁰ For a detailed explanation of the risks to customers of over-estimating MISO market sales, see *In the Matter of the 2020–2034 Upper Midwest Integrated Resource Plan of Northern States Power Company d/b/a Xcel Energy*, PUC Docket E-002/RP-19-368, COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE, DIVISION OF ENERGY RESOURCES at 32-34;65-66 (Feb. 11, 2021) (eDocket No. [20212-170853-02](#)).

¹¹ Compare Minnesota Power’s response to OAG IR 32 (Oct. 26, 2021) (eDocket No. [202110-179171-03](#)) and *In the Matter of Minnesota Power’s Petition for Approval of the EnergyForward Resource Package*, PUC Docket 17-568, PETITION FOR APPROVAL OF GAS PLANT PROPOSAL at Appendix I page I-7 (Oct. 24, 2017) (eDocket No. [201710-136800-05](#)).

¹² Bloomberg New Energy Finance, [Battery Pack Prices Fall to an Average of \\$132/kWh, But Rising Commodity Prices Start to Bite](#) (Nov. 30, 2021).

¹³ Compiled from Minnesota Power’s responses to OAG IRs 4 (July 9, 2021) (eDocket No. [20217-175982-01](#)), 10 (July 15, 2021) (eDocket No. [20217-176207-02](#)), and 32 (Oct. 26, 2021) (eDocket No. [202110-179171-03](#)). For solar, the values indicate the Company’s projected price for a net zero solar project completed in that year. For wind, the value is the levelized cost of a wind project completed in 2024 (i.e. including the Production Tax Credit).

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generation. The Company is currently considering making investments in its Square Butte¹⁴ transmission line, which may include increasing the line capacity by 200 to 350 MW.¹⁵ Even if the line capacity is not increased, the Company may be able to add solar generation on the North Dakota side of the line.¹⁶

Figure 4

**MP's forecasted NTEC, solar, wind, and market energy costs
[TRADE SECRET DATA BEGINS...**

... TRADE SECRET DATA ENDS]

Thus, circumstances have changed considerably since Minnesota Power filed its NTEC petition in 2017. The Company's market exposure is minimal, and the cost of alternative generation resources and market energy are lower than Minnesota Power's 2017 forecasts suggested. As a

¹⁴ The Square Butte HVDC line modernization project is discussed in Appendix F (at 11-12) to MP's IRP.

¹⁵ See MISO's [Facility Study for Long-Term Firm Transmission Service, MISO Project: F119/A733](#) (Mar. 23, 2020), which was cited in Minnesota Power's supplemental response to OAG IR 35 (Nov. 17, 2021) (eDocket No. [202111-179918-01](#)). The Company expects the Square Butte modernization to be completed at roughly the same time as NTEC's current projected in-service date and shortly before the Company's proposed Boswell 3 retirement date (*see* Minnesota Power response to OAG IR 40 (Mar. 4, 2022) (eDocket No. [20223-183433-01](#))).

¹⁶ Though the line is currently fully subscribed with wind generation, the average utilization rate of the line over the last three years was just 39 percent (Minnesota Power response to OAG IR 24 (Aug. 31, 2021) (eDocket No. [20218-177591-07](#))). Due to the complementary generation profiles of wind and solar, it may be possible to add solar generation with minimal curtailments. Similarly, the Company may be able to add solar generation at the site of other wind facilities through MISO's surplus interconnection process.

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result, NTEC would be more expensive than either greater reliance on market purchases or the procurement of new renewable energy.¹⁷ While NTEC may have appeared to be economic in 2017, it is now clear that Minnesota Power does not have a significant resource need, and even if it did, NTEC would not be the most cost-effective means of meeting it.

C. NTEC Would Increase Risks for Customers.

In addition to increasing costs for customers, NTEC would also significantly increase risk for customers, including greater exposure to volatile fuel costs, expected federal regulatory policies, and potentially lower than forecast market sales revenues.

As a combined cycle natural gas plant, NTEC exposes customers to significant fuel and market price risk. All utility-owned natural gas power plants expose customers to significant fuel cost risk; natural gas prices have historically been susceptible to price spikes, as was painfully evident in February 2021. Combined cycle natural gas plants expose customers to an additional layer of risk through their interaction with the broader MISO market. Unlike their combustion turbine cousins—which are designed to operate only during high-priced “peak” events—combined cycle plants are built with the expectation that they will be dispatched frequently. Combined cycle plants save on fuel costs—relative to combustion turbines—but cost more to build; their lower fuel cost can only make up for their higher capital costs if they are dispatched regularly. As a result, if natural gas prices are higher than forecast and/or market prices are lower than forecast, the combined cycle unit will not operate as often as expected, and its economics will suffer.¹⁸ Importantly,

¹⁷ To be clear, a comparison of the levelized cost of energy is simplistic and not a substitute for capacity expansion modeling. However, given the magnitude of NTEC’s levelized cost premium, the OAG expects that a full capacity expansion modeling analysis would also conclude NTEC is not a cost-effective resource.

¹⁸ For a detailed explanation of this phenomenon, see *In the Matter of the 2020–2034 Upper Midwest Integrated Resource Plan of Northern States Power Company d/b/a Xcel Energy*, PUC Docket E-002/RP-19-368, COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE, DIVISION OF ENERGY RESOURCES at 32-34;65-66 (Feb. 11, 2021) (eDocket No. [20212-170853-02](#)).

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customers would still be required to pay the plant's capital costs even if it did not operate as projected, meaning the risk falls squarely on customers.

NTEC would also expose customers to significant environmental regulatory risk. Minnesota Power claims it intends to deliver 100 percent carbon-free energy to customers by 2050.¹⁹ The Walz Administration has proposed a more ambitious target to produce 100% carbon free electricity by 2040.²⁰ And the Biden Administration has set an even more ambitious goal of “100 percent carbon pollution-free electricity by 2035.”²¹ Minnesota Power assumes a 40-year book life for NTEC, meaning its useful life would extend through 2064.²² This would be long after Minnesota Power claims it will eliminate all emissions. Thus, building a plant with a 40-year lifespan in 2025 means that it will either 1) be shut down well before the end of its useful life, 2) require expensive upgrades that are not included in Minnesota Power's modeling, or 3) render the company unable to meet the state and federal governments' stated goals, or even its own goals.

In addition, The Environmental Protection Agency (“EPA”) is currently developing rules targeting greenhouse gas emissions from power plants.²³ While it is not yet known what the new rules regulating greenhouse gas emissions from power plants will require, they could have enormous impacts for fossil fuel power plants. Further, on November 15, 2022, the EPA published a proposed rule regulating emissions from existing sources in the oil and gas sector.²⁴ The EPA estimates that the proposed rule would reduce methane emissions from the oil and gas sector by about 74 percent

¹⁹ Catherine Morehouse, [Minnesota Power to pursue 100% carbon-free energy by 2050, nix coal by 2035](#), UTILITY DIVE (Jan. 14, 2021).

²⁰ Kirsti Marohn, [Walz calls for 100 percent carbon-free electricity by 2040](#), MINNESOTA PUBLIC RADIO (Jan. 25, 2021).

²¹ The White House, [FACT SHEET: President Biden Sets 2030 Greenhouse Gas Pollution Reduction Target Aimed at Creating Good-Paying Union Jobs and Securing U.S. Leadership on Clean Energy Technologies](#) (Apr. 22, 2021).

²² Minnesota Power Response to OAG IR 15 (July 15, 2021) (eDocket No. [20217-176207-08](#)).

²³ Valerie Volcovici, [U.S. EPA to draft power plant emissions rules despite court ruling](#), REUTERS (Nov. 2, 2021).

²⁴ 86 Fed. Reg. 63110.

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from 2005 levels.²⁵ These and other potential methane regulations could lead to significantly higher gas prices.

D. The Commission Has the Authority to Remove NTEC from Minnesota Power’s Resource Plan.

Minnesota law authorizes the Commission to remove NTEC from Minnesota Power’s resource plan, as long as doing so is in the public interest. Minnesota law also authorizes the Commission to revisit the NTEC Order and rescind those portions of the order approving the NTEC affiliated-interest agreements (“AIAs”). Finally, Minnesota law authorizes the Commission to modify the NTEC AIAs to preclude their applicability to Minnesota customers. Because NTEC is not necessary, reasonable, or in the public interest, the Commission should remove the plant from the resource plan *and* rescind its prior approval of the NTEC AIAs. Removing NTEC from the resource plan and rescinding the AIAs would send a clear message that NTEC is not right for Minnesota Power’s customers. Removing NTEC from the resource plan and modifying the AIAs, on the other hand, could give the mistaken impression that NTEC has a place in Minnesota Power’s future resource plans.

The law does not require the Commission to doggedly pursue a project that is wrong for customers. Because “analyzing future energy needs and preparing to meet them is not a static process”,²⁶ the law allows the Commission to approve, reject, *or modify* a resource plan consistent with the public interest.²⁷ This includes altering an existing generation resource mix,²⁸ considering an alternative resource plan,²⁹ or requiring the selection of a renewable energy facility over a

²⁵ Volcovici and Groom, [U.S. unveils crackdown on methane from oil and gas industry](#), REUTERS (Nov. 2, 2021).

²⁶ *In the Matter of Minnesota Power’s 2016-2030 Integrated Resource Plan*, PUC Docket No. E-015/RP-15-690, ORDER APPROVING RESOURCE PLAN MODIFICATIONS at 2 (July 18, 2016) (eDocket No. [20167-123403-01](#)).

²⁷ Minn. Stat. § 216B.2422, subd. 2(a).

²⁸ Minn. R. 7843.0500, subp. 2.

²⁹ Minn. R. 7843.0300, subp. 11.

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nonrenewable one.³⁰ All of these options are available here, and any one—or more—of them may be a more reasonable and prudent choice for Minnesota Power customers than NTEC. Accordingly, the Commission should remove NTEC from the resource plan.

The Commission has the authority to revoke those portions of the NTEC Order approving the NTEC AIAs, as long as it notifies Minnesota Power of its intent to do so and provides the Company an opportunity to be heard.³¹ The Commission may rescind, alter, or amend a prior order, on its own motion and at any time, with a newly-issued decision having the same effect as the original.³² The Commission may also reopen a case to take further evidence; however, such an action is unnecessary here, where the interested parties have been noticed, there will be ample opportunity for all parties to be heard, and a robust evidentiary record will exist to inform a Commission decision.³³ It is enough that the energy and capacity deficits Minnesota Power projected when it proposed NTEC in 2017 overestimated the Company’s resource need. This, combined with the fact that current conditions make NTEC an expensive and risky bet for Minnesota Power customers, provides sufficient justification for the Commission to rescind its prior approval of the NTEC AIAs. Thus, along with removing NTEC from the resource plan, the Commission should rescind its prior approval of the NTEC AIAs.

The Commission also retains continuing supervisory control over the terms and conditions of the NTEC AIAs to protect and promote the public interest.³⁴ The Commission has the same

³⁰ Minn. Stat. § 216B.2422, subd. 4 (requiring the Commission to deny approval of a new or refurbished nonrenewable energy facility unless the utility has demonstrated that a renewable energy facility is not in the public interest.).

³¹ *In re Peoples Natural Gas Co.*, 358 N.W.2d 684, 689-90 (Minn. Ct. App. 1984) (finding that “[a]n administrative agency concerned with furtherance of the public interest is not bound to rigid adherence to precedent”); Minn. Stat. § 216B.25.

³² Minn. Stat. § 216B.25.

³³ *Id.*

³⁴ Minn Stat. § 216B.48, subd. 6. It is worth noting that Minnesota Power voluntarily relinquished regulatory control when it sought Commission approval of the NTEC AIAs. See *In the Matter of Minnesota Power’s Petition for Approval of the EnergyForward Resource Package*, PUC Docket No. E-015/M/AI-17-568, PETITION FOR APPROVAL at page 6-37 (July 28, 2017) (eDocket No. [20177-1343160-03](#)). Specifically, the Company offered the Commission “expansive (Footnote Continued on Next Page)

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jurisdiction over a modified AIA as an original AIA.³⁵ And, the Commission may disallow payment under either an original or a modified AIA, if it appears that such payment will be unreasonable.³⁶ Because the record here demonstrates that no payment made pursuant to the NTEC AIAs could be considered reasonable, it follows that the AIAs themselves are unreasonable, imprudent, and not in the public interest. Thus, if the Commission does not rescind its approval of the NTEC AIAs, it should consider reducing the amount of capacity that Minnesota customers receive under the AIAs to zero and disallowing the recovery of NTEC costs from Minnesota customers.

Whether the Commission removes NTEC from the resource plan and rescinds its approval of the NTEC AIAs, as the OAG recommends, or removes NTEC from the resource plan and modifies the NTEC AIAs, as long as the Commission's actions are supported by "substantial evidence",³⁷ any "new" NTEC decision should be accorded the same "presumption of correctness" as the prior NTEC Order.³⁸ Likewise, a decision to eliminate NTEC as a generation resource for Minnesota Power's currently-proposed IRP should be granted judicial deference, as long the Commission provides a "reasoned explanation" for the plant's removal.³⁹ Accordingly, neither the Commission's prior NTEC Order nor the recent NTEC decision by the Minnesota Court of Appeals impedes a Commission finding that NTEC is contrary to the public interest and must be removed from the resource plan.

regulatory authority" over its relationship with its Wisconsin affiliate, South Shore Energy, LLC "to ensure that the Commission [could] address any issues about NTEC on the same basis as if Minnesota Power owned the asset in its own name and the asset was held in rate base." *Id.* The Company's offer, while novel, is not required for the Commission to eliminate NTEC from the Minnesota Power resource plan.

³⁵ Minn Stat. § 216B.48, subd. 6.

³⁶ Minn Stat. § 216B.48, subds. 5-6.

³⁷ See *In re NorthMet Project Permit*, 959 N.W.2d 731, 749 (Minn. 2021) ("Although we have used different formulations, [the substantial evidence] standard reflects a singular legal principle: a substantial-evidence analysis requires us to 'determine whether the agency has adequately explained how it derived its conclusion and whether that conclusion is reasonable on the basis of the record.'"); *In re Minnesota Power's Petition for Approval of the EnergyForward Resource Package*, No. E-015/AI-17-568, 2021 WL 3716404, at *3-7 (Minn. Ct. App. Aug. 23, 2021); *In re Peoples Natural Gas Co.*, 358 N.W.2d at 688.

³⁸ *Minnesota Power EnergyForward Resource Package*, 2021 WL 3716404, at *3; *Peoples*, 358 N.W.2d at 688.

³⁹ *Peoples*, 358 N.W.2d at 690.

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Eliminating NTEC from the resource plan and rescinding approval of the NTEC AIAs would not result in hardship for the Company. Minnesota Power’s parent company, ALLETE, Inc., was reimbursed for its NTEC project costs to date when it sold 30 percent of its ownership of NTEC to Basin Electric Power Cooperative (“Basin”).⁴⁰ Additionally, Minnesota Power undertook the sale to Basin, at least in part, to “pursue investment in additional clean-energy technology”.⁴¹ Finally, NTEC’s construction schedule has been significantly delayed,⁴² with the first stage of construction not slated to start until September 2022, at the earliest. In fact, the entire construction schedule for NTEC has been substantially delayed, guaranteeing that Minnesota Power’s current IRP modeling will be outdated⁴³ by the time NTEC goes into service in March 2027, as shown in Figure 5.⁴⁴

Figure 5
Current projected NTEC construction schedule

General NTEC Construction Schedule	
On-site relocation work	September 2022 - July 2023
Sheet pile wall construction	April 2023 - October 2023
BOP Mobilize to site	April 2023 -May 2023
Site and BOP Construction	April 2023 -October 2025
Commercial operation	March 2027

⁴⁰ Brooks Johnson, [Minnesota Power Parent Company Sells Stake in Planned Natural Gas Plant](#), STAR TRIBUNE, (Sept. 28, 2021) (explaining that Basin’s \$20 million payment covered ALLETE, Inc.’s costs for the plant up to the date of sale). See also Minnesota Power’s supplemental response to OAG IR 26 (Oct. 15, 2021) (eDocket No. [202110-178856-01](#)) (confirming that the Company “has not incurred, ownership, construction, and operation costs and expenses related to the development and permitting of NTEC”); Minnesota Power response to LPI IRs 36 (Jan. 6, 2022) (eDocket No. [20221-181281-05](#)) (confirming that the Company has not incurred any capital costs associated with NTEC) and 37 (Jan. 6, 2022) (eDocket No. [20221-181281-07](#)) (“Minnesota Power will not incur any costs prior to the [NTEC] in-service date.”).

⁴¹ ALLETE News, [“ALLETE Announces third partner in Nemadji Trail Energy Center Project”](#) (Sept 28, 2021).

⁴² Minnesota Power Response to CEOs IR 84 (Feb. 4, 2022) (eDocket No. [20222-182768-02](#)) (“Construction has not yet commenced for the NTEC generator nor is the project schedule finalized.”).

⁴³ Minnesota Power Response to LPI IRs 19 (June 21, 2021) (eDocket No. [20216-175250-01](#)) and 21 (June 21, 2021) (eDocket No. [20216-175250-03](#)) (confirming that the Company did not conduct modeling runs to account for NTEC’s delayed in-service date).

⁴⁴ Daniel McCourtney, [Quarterly Report of South Shore Energy, LLC et al. to Wisconsin PSC](#) (Jan. 26, 2022).

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Given the reimbursement of ALLETE's costs to date, the delay in the NTEC construction schedule, and the fact that the plant is not scheduled to go into service until March 2027, the Commission should remove NTEC from the resource plan and rescind its approval of the NTEC AIAs.

CONCLUSION AND RECOMMENDATION

Though NTEC may have appeared to be a prudent choice for Minnesota Power's customers when it was first proposed in 2017, circumstances have since changed considerably. The apparent energy and capacity needs identified in 2017 were the result of the Company's erroneous load forecast, and it is now clear that NTEC would increase both costs and risk for customers. In short, NTEC is not in the public interest. Consequently, the Commission should remove NTEC from the resource plan and rescind the NTEC AIAs.

Dated: April 29, 2022

Respectfully submitted,

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Attorney General
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April 29, 2022

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

Re: *In the Matter of Minnesota Power's 2021-2035 Integrated Resource Plan*
MPUC Docket No. E-015/RP-21-33

Dear Mr. Seuffert:

Enclosed and e-filed in the above-referenced matter please find both the PUBLIC and TRADE SECRET Comments of the Minnesota Office of the Attorney General–Residential Utilities Division.

By copy of this letter all parties have been served. A Certificate of Service is also enclosed.

Sincerely,

/s/ **Kristin Berkland**

KRISTIN BERKLAND

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Enclosures

CERTIFICATE OF SERVICE

**Re: *In the Matter of Minnesota Power's 2021-2035 Integrated Resource Plan*
MPUC Docket No. E-015/RP-21-33**

I, JUDY SIGAL, hereby certify that on the 29th day of April, 2022, I e-filed with eDockets *both the PUBLIC and TRADE SECRET Comments of the Minnesota Office of the Attorney General—Residential Utilities Division*, and served a true and correct copy of the same upon all parties, either Public or Trade Secret, as indicated on the attached Service List by email, electronic submission and/or United States Mail with postage prepaid, and deposited the same in a U.S. Post Office mail receptacle in the City of St. Paul, Minnesota.

s/ Judy Sigal

JUDY SIGAL

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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-33_Official CC Service List
Riley	Conlin	riley.conlin@stoel.com	Stoel Rives LLP	33 S. 6th Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Hillary	Creurer	hcreurer@allete.com	Minnesota Power	30 W Superior St Duluth, MN 55802	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Brian	Edstrom	briane@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota St Ste W1360 Saint Paul, MN 55101	Electronic Service	No	OFF_SL_21-33_Official CC Service List
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_21-33_Official CC Service List
Stephanie L	Fitzgerald	sfitzgerald@mncenter.org	Minnesota Center for Environmental Advocacy	1919 University Ave W Ste 515 Saint Paul, MN 55104-3435	Electronic Service	No	OFF_SL_21-33_Official CC Service List

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Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Adam	Heinen	ahainen@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-33_Official CC Service List
William D	Kenworthy	will@votesolar.org	Vote Solar	332 S Michigan Ave FL 9 Chicago, IL 60604	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Becky	Lammi	cityclerk@ci.aurora.mn.us	City of Aurora	16 W 2nd Ave N PO Box 160 Aurora, MN 55705	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Emily	Larson	eLarson@duluthmn.gov	City of Duluth	411 W 1st St Rm 403 Duluth, MN 55802	Electronic Service	No	OFF_SL_21-33_Official CC Service List
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Annie	Levenson Falk	annief@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota Street, Suite W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Electronic Service	Yes	OFF_SL_21-33_Official CC Service List
Susan	Ludwig	sludwig@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_21-33_Official CC Service List

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Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7 h St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Daryl	Maxwell	dmaxwell@hydro.mb.ca	Manitoba Hydro	360 Portage Ave Fl 16 PO Box 815, Station Main Winnipeg, Manitoba R3C 2P4 Canada	Electronic Service	No	OFF_SL_21-33_Official CC Service List
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Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-33_Official CC Service List
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David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, Minnesota 55402	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Jennifer	Peterson	jjpeterson@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_21-33_Official CC Service List
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 55102131	Electronic Service	Yes	OFF_SL_21-33_Official CC Service List
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duluth, MN 55802	Electronic Service	No	OFF_SL_21-33_Official CC Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Analeisha	Vang	avang@mnpower.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	OFF_SL_21-33_Official CC Service List
Greg	Wannier	greg.wannier@sierraclub.org	Sierra Club	2101 Webster St Ste 1300 Oakland, CA 94612	Electronic Service	No	OFF_SL_21-33_Official CC Service List
Laurie	Williams	laurie.williams@sierraclub.org	Sierra Club	Environmental Law Program 1536 Wynkoop St Ste 200 Denver, CO 80202	Electronic Service	No	OFF_SL_21-33_Official CC Service List