



414 Nicollet Mall
Minneapolis, MN 55401

May 8, 2020

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

—Via Electronic Filing—

RE: COMMENTS
WORKING GROUP ON DECOMMISSIONING OF WIND AND SOLAR FACILITIES
DOCKET NO. E999/M-17-123

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these Comments in response to the Commission's April 10, 2020 *Notice of Comment Period* in the above-noted docket.

We appreciate this opportunity to comment on the Department of Commerce (Department) Energy Environmental Review and Analysis's (EERA) *Recommendations on Review of Solar and Wind Decommissioning Plans* submitted March 16, 2020. We generally agree with the EERA's additional recommendations to the Commission on the content and proposed review process for wind and solar decommissioning plans going forward. However, we reiterate that regulated utilities already comply with many of the proposed reporting requirements and already have sufficient financial assurances in place. Therefore, as noted in our October 4, 2019 Comments and November 18, 2019 Reply Comments, we continue to believe it is appropriate to treat regulated utilities differently than non-regulated companies. We also believe it is important to acknowledge information already submitted and work already performed to avoid imposing duplicative requirements on reporting parties or creating additional administrative burdens for our regulatory agencies.

In particular, regarding the EERA's financial surety recommendations, we acknowledge this refers primarily to companies operating in a non-regulated environment with more potential risk of financial insolvency or poor fiscal management that might incentivize

those companies to use funds for purposes other than site restoration and plant dismantling. The rates established in a utility's five-year decommissioning study¹ are incorporated into rate cases that set the revenues at which the company collects decommissioning costs over the life of the asset in advance of its dismantling. We ask that the Commission not require regulated utilities to commit to further financial assurance obligations in wind and solar decommissioning plans in consideration of the level of regulatory oversight and approval regarding collecting revenues for incurred costs.

If the Commission is inclined to adopt financial assurance requirements, including from utilities, we recommend they adopt a regulatory framework that allows for use of multiple types of financial assurance mechanisms to account for the diversity of owners that were identified by the Working Group. We stated in our Reply Comments that the financial assurance mechanisms defined in Minnesota Administrative Rules 7035.2705 to 7035.2751 provide good examples of the array of mechanisms that have been employed to provide options for owners that account for their specific conditions.

We also suggest the Commission acknowledge the work and reporting that regulated companies already perform related to dismantling plans and financial assurance. As noted in our Comments filed in October, the level of detail provided in the Company's five-year decommissioning study meets recommendations made by the Department. The study includes a breakout of items, including: demolition of structures, backfill/grade/landscaping, project management, heavy equipment, labor, fees and insurance, scrap credit, and contingency, among other expenses. It also includes details on the assumptions made by the dismantling expert as well as engineering details on the plant itself. Thus, the five-year decommissioning study requirement for regulated utilities already meets the Working Group's recommendations that decommissioning plans be "required, detailed, and adaptable."²

In Docket No. E,G002/D-19-723, the Company will file the 2020 five-year decommissioning study on May 18, 2020. This comprehensive study will include all wind farms owned by the Company and placed in-service as of that date. Regarding the proposed decommissioning plan review schedule provided in Table 3 of the EERA's *Recommendations*, we request that all wind farms owned by the Company be reviewed in the same year and that the year should align with the five-year dismantling study requirement already in place for regulated utilities.

¹ *In the Matter of the Application of Northern States Power Company for Depreciation Certification*, Docket No. E002/D-77-1086A, ORDER (September 8, 1978).

² Department of Commerce *Solar and Wind Decommissioning Working Group Report* at 1, Docket No. E002/M-17-123 (August 31, 2018); Department of Commerce Memo: *Solar and Wind Decommissioning Working Group Findings and EERA Recommendations* at 2, Docket No. E002/M-17-123 (January 24, 2019).

Facilities which will be owned by the Company by year-end 2020 are: Blazing Star I Wind, Blazing Star II Wind, Community Wind North, Freeborn Wind, Jeffers Wind, Lake Benton II Wind, Nobles Wind, Grand Meadow Wind and Pleasant Valley Wind. Most of these facilities have a review year of 2020 in Table 3 of the EERA's *Recommendations*. Nobles Wind and Pleasant Valley Wind, however, do not. In order to align the review of all of the Company's wind facilities with the timing of the five-year dismantling study, we request the review year for Nobles Wind be changed from 2022 to 2020 and the review year for Pleasant Valley Wind be changed from 2024 to 2020.

We otherwise agree with the EERA's recommendations for inclusion of project descriptions, use of generation output, decommissioning objectives, notification of restoration completion, decommissioning tasks and timing, detailed cost estimates, and provision of plans as public documents.

We thank the Department for its facilitation of the Working Group and the opportunity to participate with parties in this dialogue regarding best practices for decommissioning solar and wind generation facilities. We look forward to receiving the Commission's direction on final plan content and the review process.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact me at bria.e.shea@xcelenergy.com or (612) 330-6064 or Mary Martinka at mary.a.martinka@xcelenergy.com or (612) 330-6737 if you have any questions regarding this filing.

Sincerely,

/s/

BRIA E. SHEA
DIRECTOR, REGULATORY AND STRATEGIC ANALYSIS

c: Service List

CERTIFICATE OF SERVICE

I, Paget Pengelly, hereby certify that I have this day served copies or summaries of the foregoing documents on the attached list(s) of persons.

xx by depositing a true and correct copy thereof, properly enveloped
with postage paid in the United States Mail at Minneapolis, Minnesota

xx electronic filing

Docket No. E999/M-17-123

Dated this 8th day of May 2020

/s/

Paget Pengelly
Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_17-123_Official
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_17-123_Official
Peder	Mewis	pmewis@cleangridalliance.org	Clean Grid Alliance	570 N. Asbury St. #201 Saint Paul, Minnesota 55104	Electronic Service	No	OFF_SL_17-123_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_17-123_Official
Stephan	Roos	stephan.roos@state.mn.us	MN Department of Agriculture	625 Robert St N Saint Paul, MN 55155-2538	Electronic Service	No	OFF_SL_17-123_Official
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_17-123_Official
Bria	Shea	bria.e.shea@xcelenergy.com	Xcel Energy	414 Nicollet Mall Minneapolis, MN 55401	Electronic Service	No	OFF_SL_17-123_Official