

August 5, 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Minnesota Department of Commerce, Division of Energy Resources, Response for Comments on Two Issues**  
Docket No. ET3/RP-14-572

Dear Dr. Haar:

On October 3, 2013, the Minnesota Public Utilities Commission (Commission) issued its ORDER ACKNOWLEDGING RECEIPT OF COMPLIANCE REPORT AND CLOSING DOCKET in Dairyland Power Cooperative's (Dairyland) 2013 Optional Integrated Resource Plan (O-IRP) filing.<sup>1</sup> The Commission stated the following (in part):

...the Commission is aware that Dairyland files resource-planning documents in other jurisdictions. To the extent that these documents contain greater detail than Dairyland's Minnesota report, they provide a convenient supplement to the report. The Commission will therefore request that Dairyland include in future reports an electronic link to resource planning information filed with other regulatory jurisdictions or reliability organizations.

On June 30, 2014, Dairyland filed its O-IRP Compliance filing as contemplated by Minn. Stat. §216B.2422, subd. 2b. Regarding the request above, Dairyland provided the following:

Resource planning information filed by Dairyland with other state Commissions is identified as:

1. WI Strategic Energy Assessment – Submitted to WI Public Service Commission (PSC) with the final report available at <http://1.usa.gov/RU16u0>.
2. MISO Resource Adequacy Report - Submitted confidentially to MN-PUC Staff Hwikwon Ham and Michelle Rebholz on 1/28/2014.
3. Electric Utility Annual Report for Minnesota Department of Commerce – Email to Steve Loomis MN Department of Commerce on an annual basis.

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<sup>1</sup> Docket No. ET-003/RP-13-565.

On July 8, 2014 the Commission issued a notice seeking responses to several questions. The Department's brief responses to two questions are below.

**Whether Dairyland's report contains sufficient detail on how the cooperative plans to provide reliable service.**

The Department is unable to confirm whether Dairyland has sufficient resources to provide reliable service since it was not possible, for example, to verify Dairyland's forecasts of energy use by its members.

Dairyland's reference on page 4 of its O-IRP to the Electric Utility Annual Report that utilities provide to the Minnesota Department of Commerce under Minnesota Rules 7610 regarding energy use does not include the information needed by the Department to verify Dairyland's statements regarding its future sales.

Likewise, the Department was unable to verify from the references to other sources whether Dairyland will be able to provide reliable service. The Commission may wish to request the Wisconsin Public Service Commission and the Midcontinent Independent System Operator to indicate whether these entities can confirm that Dairyland will be able to provide reliable service over the planning period.

**Whether legislation amending Minn. Stat. §216B.2422, subd. 2c requires Dairyland to include information regarding progress on its system toward achieving the state greenhouse gas emission reduction goals established in Minn. Stat. §216H.02.**

The amended Minn. Stat. §216B.2422 states:

**Subd. 2c. Long-range emission reduction planning.**

Each utility required to file a resource plan under subdivision 2 shall include in the filing a narrative identifying and describing the costs, opportunities, and technical barriers to the utility continuing to make progress on its system toward achieving the state greenhouse gas emission reduction goals established in section 216H.02, subdivision 1, and the technologies, alternatives, and steps the utility is considering to address those opportunities and barriers.

Minnesota Statute §216B.2422, subd. 2 states: "A utility shall file a resource plan with the commission periodically in accordance with rules adopted by the commission." However, Minnesota Statute §216B.2422, subd. 2b states:

**Subd. 2b. Optional integrated resource plan compliance for certain cooperatives.**

For the purposes of this subdivision, a "cooperative" means a generating and transmission cooperative electric association that has at least 80 percent of its member distribution cooperatives located outside of Minnesota and that provides less than four percent of the

electricity annually sold at retail in the state of Minnesota. A cooperative may, in lieu of filing a resource plan under subdivision 2, elect to file a report to the commission under this subdivision.  
(Emphasis added)

The amendment to Minnesota Statute §216B.2422 referenced only subd. 2, not subd. 2 and 2b. Thus, it appears that the statute did not intend to require Dairyland to file “a narrative identifying and describing the costs, opportunities, and technical barriers to the utility continuing to make progress on its system toward achieving the state greenhouse gas emission reduction goals established in section 216H.02, subdivision 1, and the technologies, alternatives, and steps the utility is considering to address those opportunities and barriers.” Of course, the Commission could request Dairyland to provide the information in this or its next O-IRP.

The Department provided a strawman proposal for how utilities should calculate progress towards the goal in Docket No. ET9/RP-13-1104. The Department asked parties to comment on our proposal and we believe that Dairyland would find the dialogue contained in the exchange of ideas helpful in providing the information, should the Commission choose to request Dairyland to do so.

The Department is available to answer any questions that the Commission may have in this matter.

Sincerely,

/s/ CHRISTOPHER T. DAVIS  
Rates Analyst

CTD/ja

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Letter**

**Docket No. ET3/RP-14-572**

**Dated this 5<sup>th</sup> day of August 2014**

**/s/Sharon Ferguson**

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