



12300 Elm Creek Boulevard  
Maple Grove, Minnesota 55369-4718  
763-445-5000  
greatriverenergy.com

October 28, 2025

- Via Electronic Filing -

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

**RE: In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and Newly Created Carbon-Free Standard Under Minn. Stat. § 216B.1691. Docket No. E-999/CI-23-151**

Dear Mrs. Bergman,

Pursuant to the Minnesota Public Utilities Commission's ("Commission") September 12, 2025, Notice of Comment Period ("Notice"), Great River Energy ("GRE") submits the following Initial Comments on clarifications the Commission should make regarding the new carbon free standard ("CFS") modification or delay ("off-ramps") set forth in Minn. Stat. § 216B.1691, subd. 2b.

#### **ORDER**

**Issue:** What clarifications, if any, should the Commission make regarding carbon-free standard off-ramps under Minn. Stat. § 216B.1691, subd. 2b?

**Topic(s) Open for Comment:**

- In light of the statutory changes made by H.F. No. 7, are any additional clarifications necessary regarding the off-ramp process outlined in the Commission's March 19, 2010 Order in Docket No. E-999/CI-03-869?
- Are there other issues or concerns related to this matter?

## GRE Initial Comments

The Minnesota Legislature, through amendments to Minnesota Statutes §216B.1691, established the state's carbon-free standard (CFS) in 2023, requiring utilities to produce 100% of their electricity from carbon-free sources by 2040, with specific benchmarks of 80% by 2030 (60% for cooperatives) and 90% by 2035. Recognizing that the pace of decarbonization may vary across utilities and resource portfolios, the statute also provides a pathway for modification or delay of the standard:

Minn. Stat 216B.1691 Subd. 2b (b) states:

The commission may modify or delay implementation of a standard obligation under paragraph (a), clauses (1) to (4), only if it finds implementation would cause significant rate impact, requires significant measures to address reliability, or raises significant technical issues. The commission may modify or delay implementation of a standard obligation under paragraph (a), clauses (5) to (7), only if it finds that the circumstances described in those clauses were due to circumstances beyond an electric utility's control and make compliance not feasible.

This mechanism allows the Commission to administer relief regarding utilities for whom compliance would compromise reliability, affordability, or other public-interest endpoints contemplated in statute.

This language ensures that the standard can be implemented responsibly and with regard for the holistic well-being of Minnesotans across the state. As the law was written, there was express consideration of what may happen if compliance with the standard presented significant financial or reliability harm to the state. The intent was, and remains, to preserve a balance between cost, benefit, and feasibility, particularly as technology maturity, market conditions, and policy drivers continue to evolve.

As Minnesota moves toward implementation, there is a need for the Commission to define a transparent, data-driven framework for evaluating modification or delay requests. The key policy question is how to determine that costs of compliance materially exceed the benefits of incremental carbon-free deployment. Great River Energy offers the following initial comments, outlining representative categories for this cost-benefit discussion. These comments do not present recommendations regarding thresholds or caps that may serve as a trigger for a modification or delay request but rather represent the categorical considerations that are recommended for Commission and stakeholder dialogue during annual review.

This list is not exhaustive; rather, we provide it as a starting point. Future collaboration will be necessary to refine empirical methods and metrics so that all parties share a consistent understanding of the trade-offs inherent in complying with the CFS.

## **Cost Considerations**

A balanced evaluation must begin with affordability, reliability, and system feasibility. Costs should reflect both direct rate impacts and broader socioeconomic effects on Minnesota communities.

### **1. Ratepayer Affordability and Economic Impact**

- Overall electricity rate increases relative to inflation or median-income growth.
- Disproportionate burdens on low-income and moderate-income households, renters, or customers lacking distributed energy and/or distributed storage access.
- Alignment with energy-justice principles assuring the transition does not increase energy insecurity, energy burden, or force trade-offs between essential needs and electricity; and
- Regional economic impacts, including effects on small businesses and large industrial employers.

### **2. System Reliability and Resource Adequacy**

- Impacts on reserve margins and the ability to cost-effectively meet MISO planning requirements.
- Reliability risks during extreme-weather events, such as a polar vortex, with reduced dispatch flexibility.
- Timing mismatches between renewable additions and the availability of firm, carbon-free replacements; and
- Risk of accelerated thermal retirements before proven alternatives are available.

### **3. Implementation and Infrastructure Costs**

- MISO interconnection and queue-congestion factors that delay renewable deployment; and
- Cost and market-readiness of emerging technologies (e.g., long-duration storage, hydrogen, advanced nuclear) that remain unproven or uneconomic at scale.

### **4. Broader Societal and Environmental Trade-offs**

- Land-use and siting impacts on Minnesota's rural and tribal communities; and
- Environmental-justice implications when renewable-infrastructure burdens, including location, shift to specific geographies, demographics, or socioeconomic groups.

### **5. Energy Burden**

- The share of disposable household income devoted to electricity as a measure of energy burden and vulnerability within a utility's service territory.

## **Conclusion**

Achieving compliance with the Minnesota CFS will require a balanced, evidence-based approach that weighs both the costs and benefits. The modification and delay language were created to maintain that balance. Reliability, affordability, and energy equity remain central to successful and sustainable implementation of the CFS.

Continued stakeholder collaboration will be essential to refine and quantify these methodologies and establish clear, transparent criteria for modification or delay evaluation.

Respectfully submitted,

GREAT RIVER ENERGY

/s/ Zac Ruzycki Cc:

Service List