

The Commission met on **Thursday January 23, 2014**, with Chair Jones Heydinger and Commissioners Boyd, Lange, O'Brien, and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

IP-6914/TL-13-591

In the Matter of the Odell Wind Farm, LLC's Route Permit Application for the Proposed 115 kV Transmission Line and Associated Facilities in Cottonwood, Jackson, and Martin Counties

Commissioner Boyd moved to take the following actions:

1. Accept the application as complete;
2. Appoint a Commission staff person as public advisor;
3. Take no action on an advisory task force at this time;
4. Grant a variance to Minn. R. 7850.3700, subp. 3, to vary the ten-day timeline;
5. Request that the Department of Commerce EERA present draft route alternatives to facilitate Commission input into the commissioner of the Department of Commerce's environmental assessment scoping decision;
6. Refer the matter to the OAH for a summary proceeding requesting that the Office of Administrative Hearings adapt the existing procedural framework set forth in Minn. R. 7850.3800 to incorporate the following:
 - a. Request that the Administrative Law Judge assigned to the matter emphasize the statutory time frame for the Commission to make final decisions on applications and strongly encourage the parties and participants to adhere to a schedule that conforms to the statutory time frame.
 - b. Request that the Administrative Law Judge ask the parties, participants, and the public to address whether the proposed project and any alternatives to the proposed project meet the selection criteria established in Minn. Stat. § 216E.03, subd. 7, and Minn. R. 7850.4100.
 - c. Request that prior to the public hearing, the Department of Commerce EERA submit to the Administrative Law Judge its environmental assessment comments and analysis of the route alternatives using the selection criteria established in Minn. Stat. § 216E.03, subd. 7, and Minn. R. 7850.4100; evidence of compliance with environmental review procedures; and recommended permit language or specific provisions relative to acceptable routes.

- d. Request that the Administrative Law Judge prepare a report setting forth findings, conclusions, and recommendations on the merits of the proposed project, alternatives to the proposed project, and a preferred route alternative, applying the routing criteria set forth in statute and rule, and provide comments and recommendations, if any, on the conditions and provisions of the proposed permit.
7. Direct staff to formally contact relevant state agencies to request their participation in the development of the record and public hearings under Minn. Stat. § 216E.10, subd. 3, and request that state agencies submit comments prior to the last day of the public hearing.

The motion passed 5-0.

~~E-017/M-13-103~~

~~In the Matter of Otter Tail Power Company's Request for Approval of a Transmission Cost Recovery Rider Including the Proposed Transmission Factor for the Recovery Period from May 1, 2013 to April 30, 2014~~

PULLED

E-002/M-12-1278

In the Matter of a Request by Xcel Energy to Issue Renewable Development Fund Cycle 4 Requests for Proposals and Petition for Approval of a Standard Grant Contract

Commissioner Wergin moved to take the following actions:

1. Approve Xcel's December 12, 2013 selection of EP and RD projects and reserve list. Approve Xcel's December 12, 2013 recommendation for block grant awards to institutions of higher education. Apply the additional funding proposed in Xcel's January 20, 2014 letter as follows: Increase the HE block grant award amount to be held in abeyance for the University of Minnesota by \$1 million, resulting in a total award of \$3 million as initially recommended by the Advisory Group. Allocate the remaining additional funding to be used to fund projects #1-9 on Xcel's reserve list.
2. Adopt the process proposed by Xcel for using available funds to fund projects on the reserve list, as follows:
 - a. Use the Commission-approved numerical ranking of the projects on the list to select projects for funding;
 - b. Use the "next in line" method regardless of whether it is an EP or RD project;
 - c. If after 6-12 months available funds are not sufficient to fund the highest ranked proposal, move to the next project on the list that can be funded in full; and

- d. No reserve list project is to be funded if there are not sufficient unobligated funds to provide a full grant award.
3. Deny parties' request for a contested-case proceeding in this matter.
4. In the event that Xcel declares an impasse in grant contract negotiations for either an EP or an RD project, require that the Xcel provide the Commission with notice. Grant authority to the Executive Secretary to seek comments on the filing, if necessary, to determine if in fact there is sufficient impasse before Xcel can move onto the next project on the reserve list.
5. Require Xcel within 120 days of the Order in this matter to file a status report on negotiations with the University of Minnesota and the University of St. Thomas for HE program block grant funding. If these negotiations fail to result in grant proposals for either the University of Minnesota or the University of St. Thomas, Xcel should seek approval from the Commission prior to reallocating funds to projects on the reserve list.
6. Require Xcel within 30 days of the Order in this matter to make a compliance filing with proposals for how to improve the transparency of the RDF selection process based on parties' comments and lessons learned in the Cycle 4 RFP and selection process.

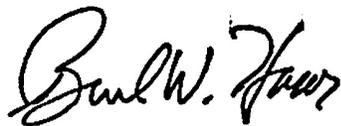
The motion passed 3-2. Chair Heydinger and Commissioner O'Brien voted against the motion.

Commissioner Wergin moved to direct Xcel to confer with the Advisory Group and determine whether to grant up to \$2,157,215 for the St. Thomas HE block grant.

The motion passed 3-2. Chair Heydinger and Commissioner Lange voted against the motion.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: February 5, 2014



Burl W. Haar, Executive Secretary