



January 13, 2020

VIA E-FILING

Daniel P. Wolf
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 Self-Commitment and Self-Scheduling of
Large Baseload Generation Facilities
Docket No. E999/CI-19-704
Comments

Dear Mr. Wolf:

Minnesota Power hereby electronically files its Comments to the Minnesota Public Utilities Commission's Notice of Comment Period issued on December 13, 2019, in the above-referenced Docket.

Please contact me at (218) 355-3455 or hcreurer@allete.com if you have any questions regarding this compliance filing.

Yours truly,



Hillary A. Creurer
Regulatory Compliance Administrator

HAC:

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

In the Matter of an Investigation into
Self-Commitment and Self-Scheduling of
Large Baseload Generation Facilities

Docket No. E999/CI-19-704
**MINNESOTA POWER'S
COMMENTS**

I. INTRODUCTION

On July 9, 2019, the Minnesota Public Utilities Commission (“Commission”) issued a Notice of Comment Period (“Notice”). The following topics are open for comment:

- *Regarding the scope of this investigation, should there be any additions or clarifications to the direction given by the Commission in ordering paragraphs 8, 9, and 10 of the November 13, 2019 Order (AA-18-373)?*
- *Are there issues that should be addressed in this investigation in addition to those specified in the November 13, 2019 Order (AA-18-373)? What issues should be addressed in the annual March 1 seasonal dispatch / strategic economic commitment compliance filings?*
- *What is the appropriate timeline for comments and reply comments in this investigation?*
- *Are there other issues or concerns related to this matter?*

Below are Order Points 8, 9, and 10:

Order Point 8:

Minnesota Power, Otter Tail, and Xcel shall submit an annual compliance filing analyzing the potential options for seasonal dispatch generally, and potential options and strategies for utilizing “economic” commitments for specific coal-fired generating plants. The utilities shall include a specific explanation of barriers or limitations to each of these potential options, including but not limited to technical limits of the units and contract requirements (share ownership, steam offtake contracts, minimum fuel supply requirements, etc.) as relevant, on March 1, 2020, and each year thereafter.

Order Point 9:

The Commission will open an investigation in a separate docket and require Minnesota

Power, Otter Tail, and Xcel to report their future self-commitment and self-scheduling analyses using a consistent methodology by including fuel cost and variable O&M costs, matching the offer curve submitted to MISO energy markets.

Order Point 10

In the investigation docket, Minnesota Power, Otter Tail, and Xcel shall provide stakeholders with the underlying data (work papers) used to complete their analyses, in a live Excel spreadsheet, including, at minimum, the data points listed below for each generating unit, with the understanding that this may include protected data.

Hourly data for all units:

- a) Date and hour*
- b) Commit status (Null / Economic / Emergency / Must Run / Outage / Not Participating)*
- c) Dispatch Status for Energy (Null / Economic / Self Schedule)*
- d) Cleared MW*
- e) Day ahead locational marginal price at unit node*
- f) Real time MW adjustment*
- g) Real time locational marginal price at unit node*
- h) Day ahead dispatch minimum*
- i) Real time dispatch minimum*
- j) Fuel cost (\$/MWh)*
- k) Variable operations and maintenance costs (\$/MWh)*
- l) Day ahead locational marginal price representative of utility load zone*
- m) Real time locational marginal price representative of utility load zone*
- n) Whether Day Ahead Cleared = Day Ahead Dispatch Minimum (0 or 1)*
- o) Actual production in MWh (for all 8,760 hours of the year)*
- p) Day ahead MISO payment*
- q) Real time MISO payment*
- r) Net MISO energy payment*
- s) Production costs ((J+K)*O)*
- t) Net cost or benefit (R-S)*

Monthly or annual data for all units:

- u) Revenue from ancillary services (monthly)*
- v) Fixed operations and maintenance costs (preferably monthly) or reasonable estimates in approximation thereof*
- w) Capital revenue requirements (annual) or reasonable estimates in approximation thereof*
- x) Average heat rate at economic minimum*
- y) Average heat rate at economic maximum*

II. TOPICS OPEN FOR COMMENT

Minnesota Power (or the “Company”) submits the following Comments in response to the Notice.

- ***Regarding the scope of this investigation, should there be any additions or clarifications to the direction given by the Commission in ordering paragraphs 8, 9, and 10 of the November 13, 2019 Order (AA-18-373)?***

Minnesota Power does not have any additions or clarifications to the order points 8, 9 or 10 of the November 13, 2019 Order.

- ***Are there issues that should be addressed in this investigation in addition to those specified in the November 13, 2019 Order (AA-18-373)? What issues should be addressed in the annual March 1 seasonal dispatch / strategic economic commitment compliance filings?***

Minnesota Power does not have any other issues that should be address in this annual compliance filing.

- ***What is the appropriate timeline for comments and reply comments in this investigation?***

Minnesota Power recommends a 90-day comment period and 30-day reply comment period. Due to the amount of data included in the analysis the recommended comment period would allow ample time for a complete review, additional analysis if required and reduce the administrative burden since the same employees are also responsible for the FAC Forecast filing requirement which is due May 1, 2020.

- ***Are there other issues or concerns related to this matter?***

Minnesota Power also seeks clarification on the filing period requirement. The Company is planning on a filing period of July 2018 – December 2019, for the filing due on March 1, 2020, and then based on a calendar year for all future filings.

III. CONCLUSION

Minnesota Power appreciates the opportunity to seek clarification on portions of the self-commitment and self-scheduling compliance filing and is committed to evaluating the best practices for optimizing its resource portfolio in the MISO energy market.

Dated: January 13, 2020

Respectfully Submitted,



Hillary A. Creurer

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STATE OF MINNESOTA)
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COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

JODI NASH of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 13th day of **January, 2020**, she served Minnesota Power's Reply Comments in **Docket No. E999/CI-19-704** on the Minnesota Public Utilities Commission and the Office of Energy Security via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.



Jodi Nash