

## Revised Decision Options – Docket No. 23-403

Several parties filed preferred decision options, and staff made several modifications for clarity. Commissioner Tuma filed new decision option 7a and Nokomis Energy filed new decision options 12a and 12b on 5/1/2024. Staff also removed decision option 19 due to redundancy.

Staff has noted additions to original language in red underline. Staff has included a ~~strikethrough~~ where language has been proposed to be removed.

### Utilities Subject to Statute

1. Find Xcel Energy, Minnesota Power, and Otter Tail Power subject to the requirements established under Minn. Stat. 216B.1691, subd. 2b as follows:
  - a. Xcel Energy:
    - i. Number of Retail Electric Customers: More than 200,000
    - ii. Percentage of total retail electric sales in Minnesota that must be generated from solar energy generating systems: At least 3%
  - b. Minnesota Power:
    - i. Number of Retail Electric Customers: More than 100,000, less than 200,000
    - ii. Percentage of total retail electric sales in Minnesota that must be generated from solar energy generating systems: At least 3%
  - c. Otter Tail Power:
    - i. Number of Retail Electric Customers: Less than 100,000
    - ii. Percentage of total retail electric sales in Minnesota that must be generated from solar energy generating systems: At least 1%

### Customer-sited solar and third-party CSGs

2. Allow utilities to count customer-sited distributed solar and third-party community solar gardens operating under a utility tariff towards utility DSES compliance, as long as they meet the requirements of the DSES. (e.g. competitive bidding) (*Minnesota Power, Otter Tail Power, ~~Nokomis Energy~~*)

### OR

3. Do not allow utilities to count customer-sited distributed solar and third-party community solar gardens operating under a utility tariff towards utility DSES compliance. (Department, *MnSEIA, ~~Nokomis Energy~~, ILSR, E2SG*)

### Competitive Bidding

4. Approve Xcel Energy's competitive bidding process proposal for the purposes of the DSES. (*Xcel Energy, Department*)
5. Approve Minnesota Power's competitive bidding process proposal for the purposes of the DSES. (*Minnesota Power*)



6. Approve Otter Tail Power's competitive bidding process proposal for purposes of the DSES. (*Otter Tail Power*)

**OR**

7. Require Minnesota Power and Otter Tail Power to adopt Xcel's competitive bidding process for purposes of the DSES. (*Department*)

**OR**

**Tuma New 7.A.** Require Xcel, Minnesota Power and Otter Tail Power to file within 60 days of the order specific tariff language to be approved by the Commission establishing a competitive bidding process for selection of projects to satisfy the DSES. The proposed tariff language at a minimum must:

- A. Include the list of the types of projects that qualify;
- B. Describe the method for verifying the prevailing wage and apprenticeship program obligations, if required;
- C. State that all RFPs shall have a scoring metric for the bidding process. Storage and other ancillary reliability benefits shall be included as a distinct scoring metric that provides additional value to the project.
- D. Include explicit allowance and definition of portfolio bids;
- E. Provide for an annual cycle of project bids with a description of how the date or dates of the RFPs will be noticed;
- F. Provide specificity on whether and/or how a developer may submit interconnection applications during the bidding process and if past bids can be advanced to a future RFP;
- G. State that if the utility submits a project into any particular competitive bidding process, there shall be an independent auditor to monitor the bidding;
- H. State that the RFP and final bid selection is subject to an affirmative filing by the Department and an independent auditor (if one is required) within 60 days, and a negative check-off by the OAG; and
- I. Describe the manner in which hosting capacity information will be made available prior to bid submissions for each RFP.

The Executive Secretary shall set the schedule for comments and reply comments after the proposed tariffs are filed in advance of Commission approval.

**OR**

8. Approve Xcel Energy's, Minnesota Power's, and Otter Tail Power's competitive bidding process proposal for purposes of the DSES with the following modifications:  
(*Choose one or more of the following if this decision option is selected*)
- A. Require more specific tailoring to distributed generation. (*MnSEIA, Nokomis, ILSR*)

- B. Include explicit allowance of portfolio bids. (*Xcel Energy, Nokomis*)
- C. Include a scoring metric in competitive bidding processes for projects that include storage. (*ILSR*)

**OR**

9. Deny Xcel Energy's competitive bid process proposal and require Xcel to file a new proposal for consideration in this docket, including:
  - A. A critique of each process step and evaluate its relevance and applicability to distributed generation and to strike and/or modify the process to facilitate the efforts to decarbonize the electricity sector serving Minnesota with clean renewable energy;
  - B. A stakeholder meeting;
  - C. Required reporting in 2025, including suggested revisions if the first RFP did not produce sufficient bids; and
  - D. A call for another RFP with a negative check-off, including those suggestions based upon stakeholder feedback.

(*MnSEIA, ILSR*)
10. Deny Minnesota Power's competitive bidding process proposal and require them to file a new proposal for consideration in this docket.
11. Deny Otter Tail Power's competitive bidding process proposal and require them to file a new proposal for consideration in this docket.
12. Require Xcel Energy to work with Nokomis Energy and any other interested parties to addresses issues around interconnection "quiet periods" and file an update in this docket within 6 months of the Commission's Order in this matter. (*Staff modification of Nokomis*)

Nokomis New 12a. Require utilities to provide advance notice of the competitive bidding process at least 185 days prior to the anticipated award date, and require utilities to accept projects for which an interconnection application has been submitted prior to the submittal deadline (including before the notice), and order utilities to require a security deposit for awarded projects only after the utility has completed the interconnection facility study. (Nokomis alternative)

Nokomis New 12b. Require utilities to provide awarded projects in a portfolio with independent commercial operation dates, in-service dates, project milestones, nameplate capacity minimums, and security deposits. (Nokomis alternative)

13. Require utilities to include in their competitive bidding processes for purposes of the DSES a method to align (or potentially score) projects based on other statutory goals such as equity and economic development, including:

- A. Efforts to retrain or use workers employed at power plants that have closed<sup>1</sup>,
- B. The impacts (positive and negative) of their facilities on environmental justice areas<sup>2</sup>,
- C. Efforts made to increase the diversity of the solar workforce<sup>3</sup>,
- D. Local benefits: including those related to employment, full participation in the clean energy economy, and local ownership<sup>4</sup>

*(ILSR)*

### **Prevailing Wage Proposal**

#### *Xcel Energy*

14. Approve Xcel's proposal for verifying prevailing wages and apprenticeship programs.  
*(Xcel, MnSEIA, Department)*

#### **OR**

15. Approve Xcel's proposal for verifying prevailing wages and apprenticeship programs as modified to reserve the utility's right to request certified payroll data from contractors and subcontractors as part of the RFP process. *(IUOE Local 49 and NCSRC of Carpenters, ILSR, LIUNA)*

#### *Otter Tail Power*

16. Approve Otter Tail Power's proposal for verifying prevailing wages and apprenticeship programs. *(Otter Tail Power)*

#### **OR**

17. Approve Otter Tail Power's proposal for verifying prevailing wages and apprenticeship programs with modifications to: *(Choose one or more of the following if this decision option is selected)*
- A. Reserve the utility's right to request certified payroll data from contractors and subcontractors as part of the RFP process. *(IUOE Local 49 and NCSRC of Carpenters, ILSR, LIUNA, Department)*
  - B. Incorporate language from the Minnesota statutory requirements about prevailing wages under Minn. Stat. § 177.42, rather than federal IRA incentive requirements, into its contracts to ensure compliance with state prevailing wage standards. *(IUOE Local 49 and NCSRC of Carpenters, LIUNA, Otter Tail Power)*

#### *Minnesota Power*

18. Approve Minnesota Power's proposal for verifying prevailing wages and apprenticeship

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<sup>1</sup> Minn. Stat. § 216B.1691, subd. 3(a)(6)

<sup>2</sup> Minn. Stat. § 216B.1691, subd. 3(a)(7)

<sup>3</sup> Minn. Stat. § 216B.1691, subd. 3(a)(8)

<sup>4</sup> Minn. Stat. § 216B.1691, subd. 9.



programs (*Minnesota Power, MnSEIA, LIUNA, IUOE Local 49 and NCSRC of Carpenters, Department*)

#### All Utilities

~~19. Order all three utilities to provide evidence of compliance with these standards at the time of requesting cost recovery for projects meeting the DSES. (*Minnesota Power, Otter Tail Power*) Eliminating due to redundancy with Decision Option 21~~

20. Require utilities to include information related to the prevailing wage and apprenticeship program requirements for all projects of 100 kW or more in their reports. (*Department*)

#### OR

21. Require utilities to submit documentation related to the prevailing wage and apprenticeship requirements for all projects of 100kW or more at the time of petition for cost recovery (*Xcel, Minnesota Power, Otter Tail Power*)

#### Reporting Requirements

22. Require each utility to file a report annually on June 1, beginning in 2025, along with the SES and RES reports in Docket No. E999/PR-YR-12, with the following:

- A. Annual Minnesota retail sales for the previous calendar year;
- B. The total Minnesota retail sales for customers excluded from the DSES requirement;
- C. Annual qualifying solar generation on the utilities' system for the previous calendar year, including the total number of units registered in M-RETS to that utility and S-RECs generated in the past year from those units.
- D. From 2025-2030, require utilities to also report:
  - a. The status of process implementation, project procurements and construction.
  - b. Any considerations, such as those outlined in Minn. Stat. § 216B.1691, subd. 2b, that may create challenges with achieving compliance, and which under Minn. Stat. § 216B.1691, subd. 2h(f), may allow the Commission to modify or delay implementation.

(*Department, Xcel Energy, Otter Tail Power, Minnesota Power, ILSR*)

(If the Commission chooses 22, it may also choose 23 OR 24)

23. Require each utility to file a report annually on June 1, beginning in 2025, along with the SES and RES reports in Docket No. E999/ PR-YR-12, with the following:

- A. Estimated amount of solar generation (expressed as capacity) a utility would be required to obtain in 2030;
- B. Estimated solar energy requirements to meet the DSES in 2030;
- C. A short summary of ongoing efforts to obtain solar energy, including a brief summary of the anticipated mix of project sizes for DSES compliance;



- D. A brief summary of where the solar generation is located or anticipated to be located.

*(Department, Xcel Energy, Otter Tail Power, MnSEIA)*

24. Require each utility to file a report biennially on June 1, beginning in 2026, along with the SES and RES reports in Docket No. E999/ PR-YR-12, with the following: *(Staff note: A-D are the same as the previous decision option)*
- A. Estimated amount of solar generation (expressed as capacity) a utility would be required to obtain in 2030;
  - B. Estimated solar energy requirements to meet the DSES in 2030;
  - C. A short summary of ongoing efforts to obtain solar energy, including a brief summary of the anticipated mix of project sizes for DSES compliance;
  - D. A brief summary of where the solar generation is located or anticipated to be located.

*(Minnesota Power)*

25. Require each utility to file a list of customers requesting exclusion from the requirements of the DSES, the North American Industry Classification System (NAICS) code associated with their manufacturing activity, and their annual kWh usage.  
*(Department, Xcel Energy, Minnesota Power, Otter Tail Power)*

26. Delegate authority to the Executive Secretary to work in conjunction with the Department and utilities to update the SES template to incorporate reporting requirements approved in this docket. *(Xcel, Minnesota Power, Staff recommended)*

27. Require utilities to file annually in this current DSES docket:
- A. How many DSES-qualifying MWs are in operation;
  - B. How many pre-Commercial Operation Date projects and MWs have been awarded, and how many of those projects have advanced to PPA execution;
  - C. Estimated number of MWs of new DSES capacity the utility is planning to offer in the coming year;
  - D. List of built projects and awarded projects providing the project's MW size and location (i.e. county name or more granular);
  - E. Progress towards 2030 DSES project operation goal;
  - F. Disclosure of attrition (if one or more utility-awarded projects cancel or withdraw prior to entering operation), and how utility will make up for lost procurement.

*(MnSEIA, ILSR)*

### **Standard Obligations**

*(The Commission may choose either 28 or 30. If the Commission chooses 28, it may also choose 29)*

28. Allow utilities to count RECs retired for the DSES towards any other standard obligation under Minn. Stat. § 216B.1691, so long as the RECs are not double-counted and meet all

requirements of that obligation (*Xcel Energy, Minnesota Power, Otter Tail Power*)

**AND**

29. Require utilities to propose a solution to prevent double-counting RECs before the 2030 compliance date. (*Xcel Energy, Minnesota Power, Otter Tail Power*)

**OR**

30. Do not allow utilities to count RECs retired for the DSES towards any other standard obligation under Minn. Stat. § 216B.1691. (*Department, ILSR, Clean Energy Association*)

**Other Issues or Concerns**

31. Require Minnesota Power and Otter Tail Power to file monthly hosting capacity reports in the same manner as Xcel Energy or provide publication of relevant data to aid interconnection in another format. (ILSR)

32. Allow utilities to count the solar generating portion of a hybrid renewable and/or storage system towards the DSES, as long as the solar project meets other DSES requirements. (*ILSR, E2SG*)