



A Touchstone Energy® Cooperative 

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January 29, 2025

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> 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 the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691**

**PUC Docket Number E-999/CI-23-151**

**Comments of Minnkota Power Cooperative, Inc**

Dear Mr. Seuffert:

Pursuant to Minnesota Public Utilities Commission's ("Commission") October 31, 2024 Notice of Comment Period and Updated Timeline ("Notice"), Minnkota Power Cooperative, Inc ("Minnkota") respectfully submits its Initial Comments relating to when and how utilities should report preparedness for meeting upcoming CFS requirements, the criteria and standards the Commission should use for measuring an electric utilities compliance with the CFS, what considerations the Commission should take into account regarding the double counting of Renewable Energy Credits (RECs) to meet multiple requirements, how net market purchases should be counted towards CFS compliance and any other issues or concerns related to this matter.

**1. When and how should utilities report preparedness for meeting upcoming CFS requirements?**

Utilities are required to, "file a resource plan with the commission periodically in accordance with rules adopted by the commission." Minn. Stat. 216B.2422, Subd. 2. Additionally, Minn. Stat. 216B.1691, Subd. 3(a), states, "Each electric utility shall report on its plans, activities, and progress with regard to the standard obligations under this section in its filings under section 216B.2422..." Minnkota believes that aligning the reporting of preparedness for meeting upcoming CFS requirements with a utilities preestablished resource plan filing makes logical sense and is an efficient use of resources both for the utility and staff while also reducing impact on a utilities ratepayers.

**2. By which criteria and standards should the Commission measure an electric utility's compliance with the CFS?**

Minn. Stat. 216B.1691, Subd. 2g requires, “each electric utility must generate or procure sufficient electricity generated from a carbon-free energy technology to provide the electric utility's retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that the electric utility generates or procures an amount of electricity from carbon-free energy technologies that is equivalent to at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota.” Going further, Minn. Stat. 216B.1691, Subd. 4(a) establishes “a program for tradable renewable energy credits for electricity generated by eligible energy technology.” Further, Minn. Stat. 216B.1691, Subd. 4(a) states:

Each kilowatt-hour of renewable energy credits must be treated the same as a kilowatt-hour of eligible energy technology generated or procured by an electric utility if it is produced by an eligible energy technology. The program must permit a credit to be used only once, except that a credit may be used to satisfy both the carbon-free energy standard obligation under subdivision 2g and either the renewable energy standard obligation under subdivision 2a.

Minn. Stat. 216B.1691, Subd. 4(b) makes it clear that, “In lieu of generating or procuring energy directly to satisfy a standard obligation under subdivision 2a, 2f, or 2g, an electric utility may utilize renewable energy credits allowed under the program to satisfy the standard.” It is clear that Renewable Energy Credits establish one set of criteria for measuring a utility's compliance with the CFS.

It is Minnkota's position that a plain reading of the statute makes clear that renewable energy credits may be used to satisfy both the CFS and the renewable energy standard obligation. However, the statute is also clear that renewable energy credits are not the ONLY manner of demonstrating compliance by use of the word “may.”

Minn. Stat. 216B.1691, Subd. 2(d) is clear that “electricity generated from facilities that utilize carbon-free technologies for electricity generation, but only for the percentage that is carbon-free” is allowed “for partial compliance with subdivision 2g.” A plain reading of the statute allows for the partial generation of carbon-free electricity and its application towards satisfying the CFS and should be accounted for appropriately. Specifically, other carbon free energy sources that are eligible for CFS but might not produce a REC can be applied to meet compliance requirements.

Finally, the statute supports the above-interpretation with clear language regarding noncompliance, stating, “If the commission finds noncompliance, it may order the electric utility to construct facilities, purchase energy generated by eligible energy technology, purchase renewable energy credits, or engage in other activities to achieve compliance.”

This flexibility regarding multiple eligible energy technologies applying towards the standard is critical to each and every utility's ability to safely, reliably and affordably provide electricity to its consumers while also complying with Minnesota's energy goals.

**3. What considerations should the Commission take into account regarding the double counting of Renewable Energy Credits (RECs) to meet multiple requirements?**

The statute is clear that, “a credit may be used to satisfy both the carbon-free energy standard obligation under subdivision 2g and either the renewable energy standard obligation under subdivision 2a.” Utilizing RECs for multiple requirements is clearly permitted.

In addition, Minn. Stat. Subd. 2d is clear in that, “an electric utility's annual purchases from a regional transmission organization net of the electric utility's sales to the regional transmission organization, but only for the percentage of annual net purchases that is carbon-free, which percentage the commission must calculate based on the regional transmission organization's systemwide annual fuel mix or an applicable subregional fuel mix” is allowed for compliance with Minn. Stat. 216B.1691, Subd. 2(g).

**4. How should net market purchases be counted towards CFS compliance?**

Minnkota believes that Minn. Stat. 216B.1691, Subd.2d(b)(ii) plainly states how net market purchases should be counted towards CFS compliance.

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

Minnkota respectfully reserves the right to submit responsive comments on issues raised or comments filed by other individuals and entities under this same filing.

Minnkota appreciates the opportunity to comment on the questions posed by the Notice.

If you have any questions, please contact me at [tsailer@minnkota.com](mailto:tsailer@minnkota.com) or 701-795-4000.

Sincerely,

**MINNKOTA POWER COOPERATIVE, INC.**

*/s/ Todd Sailer*

Todd Sailer, VP – Power Supply

c: Service List