

September 4, 2024

Mike Bull
Interim Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E999/PR-25-12

Dear Mr. Bull:

Attached are the initial comments of the Minnesota Department of Commerce (Department) in the following matters:

*In the Matter of Commission Consideration and Determination of
Compliance with Minnesota's Renewable Energy Objectives for
Year 2024*

In the Matter of the Green Pricing and Verification Filing Process

The Minnesota Department of Commerce, Division of Energy Resources (Department) has reviewed docket filings and verified that, other than the exceptions mentioned in the attached comments, filing utilities have complied with the Renewable Energy Standard (RES) requirement and compliance reporting. In total, utilities retired renewable energy credits (RECs) representing 24.5 percent of their Minnesota retail sales. The Department is available to answer any questions from the Minnesota Public Utilities Commission.

Sincerely,

/s/ Dr. Sydnie Lieb
Assistant Commissioner of Regulatory Analysis

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Attachments



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E999/PR-25-12

I. INTRODUCTION

Minn. Stat. § 216B.1691, subd. 2(a) requires utilities, except for Xcel Energy, to obtain at least 20 percent of their Minnesota retail sales from renewable energy between 2020 and 2025. The standard was modified per Minn. Stat. § 216B.1691, subd. 2(b) to require Xcel Energy to obtain 30 percent of its Minnesota retail sales from renewables.

Minn. Stat. § 216B.1691, subd. 2 requires a public utility to generate or procure enough solar energy to supply at least 1.5% of its retail electric sales in Minnesota with solar energy. Of the 1.5% solar, at least 10% must come from solar photovoltaic devices with 40-kilowatt (kW) capacity or less. Public utilities with 50,000 to 200,000 retail electric customers may apply individual customers' community-solar garden subscriptions of 40 kW or less toward the 10% small-scale carveout.¹

Minn. Stat. § 216B.1691, subd. 3 establishes filing requirements for electric utilities subject to the statute. Minnesota Public Utilities Commission (MNPUC or Commission) staff developed a reporting template which includes statutorily mandated reporting information. As the State Legislature has altered the reporting requirements, Commission staff has updated the template.

On March 12, 2025, the Commission issued a *Notice of Renewable Energy Certificate (REC) Retirement for Renewable Energy Standard, Solar Energy Standard, and Green Pricing Programs*. The Notice required utilities subject to § 216B.1691 (RES Statute) to file a report detailing their compliance with the 2024 RES requirements by June 2, 2025.² The Notice also provided a new filing template.

II. BACKGROUND OF THE DOCKET

A. RECENT RELEVANT STATUTORY CHANGES AFFECTING REPORTING

In 2023, the Legislature amended several statutes instrumental in accelerating Minnesota's drive toward renewable carbon-free electricity generation. In addition to other changes, the changes broadened the definition of "electric utility" for purposes of Minn. Stat. § 216B.1691 compliance.³ As a result, the list of electric utilities required to report in this docket expanded. Reporting entities now include cooperative electric associations or municipal utilities that provide electric service and are not members of a

¹ [Minn. Stat. § 216B.1691, subd. 2f \(c\)\(2\)](#).

² Doc. Id. [20253-216301-01](#).

³ *Id.*, § 5 (codified at [Minn. Stat. § 216B.1691, subd. 2a](#)).

generation and transmission cooperative electric association, a municipal power agency, or a power district.

The legislature also expanded the required information for § 216B.1691 compliance reporting in 2023. The number of employees and efforts to retrain certain sectors, impacts on environmental justice, and workforce diversity are a few of the added reporting requirements.

B. CLARIFYING DOCKETS

The Commission opened docket E-999/CI-23-151 on April 28, 2023, to solicit comments and determine if the industry needed clarification about implementing changes under H.F. 7, the bill that was ultimately adopted by the Legislature.⁴ After feedback and consideration, the Commission released an Order on December 6, 2023⁵ which clarified the changes (Clarifying Order). In the Clarifying Order, the Commission stated that it “will continue its practice of listing each utility subject to the standards under Minn. Stat. § 216B.1691 to promote clarity and consistency in statutory compliance.”⁶ The order listed an additional 24 entities required to report due to the changes effected by H.F. 7.⁷ With the exception of Connexus Cooperative, all were municipally-owned electric utilities. In 2024, the list did not change.

In the same order, the Commission determined that “Electric utilities that provide power to distribution utilities are allowed to report on behalf of each electric utility they serve.”⁸ The Commission agreed that power suppliers are more familiar with the renewable energy standard reporting and that such reporting could be onerous for smaller utilities with fewer resources.⁹

On April 12, 2024, the Commission issued another order (Order Further Clarifying) in the same docket for additional clarification.¹⁰ Order point 1 states:

Electric utilities subject to Minn. Stat. § 216B.1691 that intend to report on behalf of one or more other electric utilities must file a list of the electric utilities they intend to report on behalf of that includes the portion of each utility’s total retail electric sales to be covered by the final report. For the current 2023 reporting year, these reports shall be provided within ten business days after the issuance of this order. Future reports shall be filed

⁴ See *In the Matter of Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691, Notice of Comment Period*, April 28, 2023, E-999/CI-23-151, (eDockets) [20234-195349-01](#).

⁵ *Order Clarifying Implementation of Changes to Minn. Stat. §216B.1691 and Directing Additional Comment Period*, December 6, 2023, (eDockets) [202312-201019-01](#).

⁶ *Id.*, at II.B., p. 4.

⁷ *Id.*, at II.B., Table 1, p. 4, See also Order pt. 1.

⁸ *Id.*, at Order pt. 3.

⁹ *Id.*, at II.A., p. 3

¹⁰ *Order Further Clarifying Implementation of Changes to Minn. Stat. §216B.1691*, April 12, 2024, (eDockets) [20244-205306-01](#).

by February 1 each year. These reports shall be filed in the applicable YR-12 REC retirement docket.

On April 25, 2025, the Commission issued an Order finding all electric utilities in compliance with the Renewable Energy Standard for the reporting year 2023, except the following:¹¹

- Northeastern Minnesota Municipal Power Agency (NEMMPA);¹²
- Ada;
- Alvarado;
- Alpha;
- Ceylon;
- Kasota;
- Round Lake; and
- Rushmore

To address the municipalities listed above that failed to report in 2024, the Commission further clarified reporting requirements for 2025 with the following:

1. Required all electric utilities, including municipal electric utilities, to notify the Department of Commerce (Department) of their intent to submit a compliance filing demonstrating adherence to Minnesota Statutes § 216B.1691 or to confirm that their power supplier will file on their behalf. Electric utilities that serve as the power supplier to other electric utilities identified by the Commission as subject to Minnesota Statutes § 216B.1691 shall coordinate with the utilities they supply before submitting their notification to the Department to clarify reporting obligations. Going forward, electric utilities shall continue notifying the Commission and the Department annually, via a February 1 filing in the applicable YR-12 compliance docket, when they intend to report on behalf of one or more other electric utilities, consistent with Ordering Paragraph 1 of the Commission's April 12, 2024 Order in Docket No. E-999/CI-23-151.

2. Each electric utility that intends to report on behalf of one or more other electric utilities shall file, if they have not done so already, a letter in Docket No. E-999/PR-25-12 within 30 days of the Commission's Order affirming their responsibility to report on the utility's behalf. Should any electric utility not intend to report on behalf of one or more electric utility they supply

¹¹ *In the Matter of Commission Consideration and Determination of Compliance with Minnesota's Renewable Energy Objectives for Year 2023*, ORDER, April 25, 2025, Order Point 5 (eDockets) [20254-218141-01](#).

¹² In Docket No. E-999/CI-23-151, the Commission determined that NEMMPA was subject to the RES and Carbon Free Standard (CFS) as an "electric utility" while recognizing that NEMMPA has no sales to report.

power to, the supplying utility shall name the entity responsible for reporting on the utility's behalf (if known). Generation and Transmission (G&T) Cooperatives whose members provide power to one or more "electric utilities" as defined by Minnesota Statutes § 216B.1691 Subd. 1(d) and identified by the Commission shall also use this filing to provide the details necessary to explain whether their Renewable Energy Credit (REC) retirements cover the energy ultimately provided to the electric utilities served by their members. Going forward, utilities shall continue to provide such explanations annually in their February 1 filing to the Commission described by Order Paragraph 1 of the Commission's April 12, 2024 Order in Docket No. E-999/CI-23-151.¹³

In the same order the Commission Acknowledged Delano Municipal Utilities as an "electric utility" subject to the requirements of Minnesota Statutes § 216B.1691. The Commission also found that Xcel Energy and Minnesota Power were compliant with the Solar Energy Standard (SES) for reporting year 2023 and deferred a decision on Otter Tail Power's 2023 SES compliance until reporting year 2026, by which Otter Tail Power must resolve its 1,054 small Solar Renewable Energy Credit (SREC) shortfall.¹⁴

Power suppliers filing on behalf of municipal utilities they served complied with Order point 1. See Table B.

III. DEPARTMENT ANALYSIS

A. REPORTING ENTITIES

The following electric utilities filed on time, provided the required information, and met or exceeded the statutorily required REC retirements:

Table A – Utilities Self-Reporting

Utility	2024 MN Retail Sales MWhs	RES Req. %	RES Req. MWhs	RECs Retired
Basin Electric Power Cooperative	1,336,276	20%	267,255	267,256
Central Minnesota Municipal Power Agency	503,473	20%	100,695	100,695
Connexus Energy Cooperative	2,051,230	20%	410,246	410,246

¹³ *Id.*, Order Points 1 & 2.

¹⁴ *Id.*, Order Points 3 & 4.

Dairyland Power Cooperative	854,064	20%	170,813	170,813
East River Electric	1,133,986	20%	226,797	226,806
Great River Energy	7,911,250	20%	1,582,250	1,648,736
Heartland Power Cooperative	263,291	20%	52,658	52,659
L&O Power Cooperative	441,398	20%	88,280	88,281
Minnesota Power	8,844,509	20%	1,768,902	1,768,902
Minnkota Power Cooperative ¹⁵	1,835,561	20%	367,112	367,113
Minnesota Municipal Power Agency	1,838,215	20%	367,643	367,643
Missouri River Energy Services	1,643,350	20%	328,670	328,670
Moose Lake Water & Light Commission	33,466	20%	6,693	6,695
Northwestern Wisconsin Electric Company ¹⁶		20%		
Otter Tail Power	2,803,454	20%	560,691	560,691
Southern Minnesota Energy Cooperative	721,378	20%	144,276	144,276
Southern Minnesota Municipal Power Agency	2,682,830	20%	536,566	536,566
Xcel Energy	27,715,638	30%	8,314,691	8,314,692
TOTAL	62,613,369		15,294,238	15,369,740
REC Retirements as a percentage of Minnesota retail sales				24.5%

¹⁵ Minnkota also reports on behalf of Northern Municipal Power Agency, which has the following ten Minnesota municipal utilities: Bagley Public Utilities, Baudette Municipal Utilities, Fosston Municipal Utilities, Halstad Municipal Utilities, Hawley Public Utilities, Roseau Municipal Utilities, City of Stephen Utilities, Thief River Falls Municipal Utilities, City of Warren Water and Light, Warroad Municipal Utilities.

¹⁶ Northwestern Wisconsin Electric serves approximately 114 Minnesota customers with 2024 sales of 22,634 MWhs. The Commission permits NWECE to comply with its MN RES requirements with the submission of its Wisconsin RPS compliance report. The Company retired 26,090 RECs or 14.48% of its 3-year average Wisconsin retail sales of 180,183 MWhs. NWECE generated 32,219 MWh of renewable energy in 2024.

Suppliers filed information on behalf of the following municipal electric utilities which were added to the list of required filers per 2023 Legislative changes (H.F. 7):

Table B – Reported Information for Utilities Newly Defined as “Electric Utility” per 2023’s Legislative Changes (H.F.7)

Municipal Utility	2024 MN Retail Sales MWs	Entity Reporting on Utility’s Behalf
Ada	17,218	Xcel
Alvarado	4,175	Minnkota
Caledonia	22,231	Dairyland
Delano	75,271	Self-reported
Dundee ¹⁷	66,637	Southern Minnesota Energy Cooperative
Eitzen	2,174	Dairyland Power Cooperative
Harmony	8,883	Dairyland Power Cooperative
Kasota	3,837	Xcel
Lanesboro	7,220	Dairyland Power Cooperative
Mabel	5,231	Dairyland Power Cooperative
Newfolden	1,924	Otter Tail Power
Nielsenville	65	Otter Tail Power
Peterson	1,633	Dairyland Power Cooperative
Rushford	13,894	Dairyland Power Cooperative
Shelly	524	Otter Tail Power
Spring Grove	9,452	Dairyland Power Cooperative
St. Charles	23,309	Dairyland Power Cooperative
Whalen	408	Dairyland Power Cooperative

B. ENTITIES FAILING TO REPORT

The following utilities failed to report in 2025:

- Alpha
- Brewster
- Ceylon
- Round Lake

¹⁷ Reporting for the City of Dundee was included in SMEC’s reporting for Federated Rural Electric Association, which also noted in the Cover Letter to its Report that “The Village of Dundee is included in Federal Rural Electric Assn sales for 2024 and is footnoted accordingly.” See Doc. Id. [20254-218292-01](#).

No utility filed information stating it would report on behalf of the above municipal utilities.¹⁸ Worthington sells and delivers all Brewster's required energy under a power supply agreement. Brewster is not a member of Missouri River Energy Services (MRES) but Worthington is a member; MRES reports REC retirements on behalf of Worthington. To prevent double counting retired RECs, the Commission adopted MRES's recommendation to exclude sales by Worthington to Brewster in annual compliance reporting.¹⁹ The Department notes that, beyond MRES's reporting, no power supplier filed a report listing Brewster as a utility they intend to file on behalf of as required by Commission orders.

The Department reaffirms the recommendation that each electric utility, including municipal electric utilities, be required to annually file a letter in Docket No. E-999/PR-YR-12 notifying the Department whether they will file on their own behalf the following year or if their power supplier will be doing so on their behalf. Joint filing should be encouraged. That same filing should be sent as a notice to the supplier expected to submit the filing to clear up confusion and ensure compliance reporting.

IV. MINNESOTA SES COMPLIANCE

Two of the three utilities required to report their SREC and small SREC retirements met the mandated requirements. See Table D.

Table D Minnesota SES Compliance – 2024

Utility	2024 MN Retail Sales MWhs	SES Exempt Retail Sales	Sales Subject to SES	Total SES Req.	Total Req.	Total SRECs Retired	Small Solar Carve-out	Total Small SRECs Retired.
Minnesota Power	8,391,264	5,580,433	2,810,831	1.5%	42,162	4,217	4,216	42,164
Otter Tail Power	2,720,096	68,583	2,651,513	1.5%	39,773	37,343	3,977	1,547
Xcel Energy	27,715,638	225,122	27,490,516	1.5%	412,438	427,358	41,236	41,236

In 2024, the Department recommended that in future years, utilities failing to meet their SREC and small SREC retirements be required to provide an explanation for not meeting the requirement(s) in the current reporting year and plans for how they will meet the requirement(s) in subsequent years. The Commission adopted the recommendation. Otter Tail Power, the sole utility noncompliant in the

¹⁸ GRE states that "City of Rushmore and City of Bigelow retail electric sales included in Nobles Cooperative Electric retail electric sales" but they do not separate out Rushmore's data.

¹⁹ See Order Further Clarifying, Order pt. 3. MRES and its members are in compliance, indicating that Brewster is also in compliance.

current reporting year, was also noncompliant in the 2024 reporting year. The Commission chose to defer a decision on Otter Tail Power's situation until 2026.²⁰

V. DEPARTMENT RECOMMENDATIONS

The Department has reviewed the filings in this docket and determines that, apart from those mentioned in Section IV. and V. above, all reporting utilities have complied with the RES requirement.

To ensure future reporting complies with the current reporting requirements adopted in 2023, the Department recommends that all electric utilities, as defined by H.F. 7, be required to file an annual letter by February 1 indicating if they will:

- Report on their own behalf; or
- If a supplier will report on their behalf; or
- If they will be reporting on behalf of another utility or utilities and list which utilities on whose behalf they will report.

The Department recommends that this letter be filed in the YR-12 docket and, in cases where a supplier is expected to file on behalf of a utility, notice be sent to the utility to encourage open communication between the supplier and the utility. Similarly, if a supplier intends to report for a utility, the supplier should send the required letter to the utility. Joint filings between suppliers and the utility on whose behalf the supplier files should be encouraged.

²⁰ Order PT 4, 2024 Order.