



January 28, 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**  
**Reply Comments**

Dear Mr. Wolf:

Minnesota Power hereby electronically files Reply Comments in response to the comments submitted on January 13, 2020, in the above-referenced Docket, related to the Minnesota Public Utilities Commission Notice of Comment Period.

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

Yours truly,

Hillary A. Creurer  
*Regulatory Compliance Administrator*

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Attach.

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

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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  
REPLY COMMENTS**

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**I. INTRODUCTION**

Minnesota Power (or the "Company") respectfully submits these Reply Comments in response to parties' comments filed on January 13, 2020, responding to the Notice of Comment Period ("Notice") issued by the Minnesota Public Utilities Commission ("Commission") on December 13, 2019.

**II. RESPONSE TO PARTIES' COMMENTS**

*Five-year Reporting Period -*

Fresh Energy and the Sierra Club proposed the self-commitment and self-scheduling investigative docket cover a five-year reporting period of January 1, 2015 through December 31, 2019. Minnesota Power does not agree with this five-year period recommendation due to the fact that the Company's generating fleet has significantly changed over the past five plus years. Those changes include the retirement of Taconite Harbor Energy Center ("THEC") Unit 3 in May 2015. The Laskin Energy Center was converted from coal to a peaking natural gas plant in June 2015. Then in the fall of 2016 THEC Units 1 and 2 were economically idled, with coal-fired operation of these units scheduled to cease by the end of this year. Finally, in December 2018 Boswell Units 1 and 2 were retired. Minnesota Power believes the further back we look the less relevant the information will be to the current system and operations.

*Planned and Expected Investments -*

Fresh Energy and the City of Minneapolis, Division of Sustainability requested the record also include an itemized list of planned and expected investments over the lifetime of each unit. Minnesota Power believes the more extensive evaluation of planned and expected investments over the lifetime of each of the units and the

estimated costs is more appropriately addressed in the Integrated Resource Plan. Minnesota Power will be filing its next Integrated Resource Plan on October 1, 2020.

*Fuel Contracts Review -*

The Sierra Club recommended the Commission should require the utilities to provide any long-term fuel contracts identified as a barrier. Minnesota Power includes a summary of all Fuel Contracts, as well as, the Fuel and Energy Source Procurement and Energy Dispatching Policies Annual Report pursuant to Minnesota Rule 7825.2800 in the Annual Automatic Adjustment and the Fuel Clause Adjustment Forecast filings. The Company believes fuel costs are more appropriately addressed in the AAA and FCA Forecast filings.

### III. CONCLUSION

Minnesota Power appreciates the opportunity to submit its Reply Comments in this docket. The Company is committed to evaluating the best practices for optimizing its resource portfolio that will ensure continued cost-effective flexibility for the benefit of its Customers.

Dated: January 28, 2020

Respectfully Submitted,



Hillary A. Creurer

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STATE OF MINNESOTA    )  
                                  ) ss  
COUNTY OF ST. LOUIS    )

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

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Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 28<sup>th</sup> 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 Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.



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Tiana Heger