

**Request for Comments  
September 8, 2025**

**RE: In the matter of Establishing an Updated Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation under Minn. Stat. § 216H.06**  
Docket No. E999/DI-25-345, Docket No. E999/CI-07-1199

The Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Commerce, Division of Energy Resources (Department) (together, the Agencies) invite comments on the range of cost estimates for the future cost of carbon dioxide (CO<sub>2</sub>) regulation on electricity generation. To ensure consideration, written comments must be received by:

**4:30 p.m. on November 7, 2025.**

Please file comments under Docket No. E999/DI-25-345 using the eDockets system at <https://www.edockets.state.mn.us/>.

**Because the Minnesota Public Utilities Commission (Commission) is not required to provide an additional opportunity for interested parties to provide written comments after the final recommendation to the Commission has been submitted, the Agencies encourage those who are interested in commenting to do so in response to this notice.**

**I. BACKGROUND**

Minnesota Statutes § 216H.06 states:

By January 1, 2008, the Public Utilities Commission shall establish an estimate of the likely range of costs of future carbon dioxide regulation on electricity generation. The estimate, which may be made in a commission order, must be used in all electricity generation resource acquisition proceedings. The estimates, and annual updates, must be made following informal proceedings conducted by the commissioners of commerce and pollution control that allow interested parties to submit comments.

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The Commission's December 19, 2023 Order Addressing Environmental and Regulatory Costs determined the following:

1. The Commission hereby quantifies and establishes the range of regulatory costs of carbon dioxide emissions as \$5 to \$75 per short ton effective 2028 and thereafter.
2. In all electricity generation resource acquisition proceedings, utilities shall continue to analyze potential resources under a range of assumptions about environmental values and future regulatory costs, including the five modeling scenarios outlined in In the Matter of Establishing an Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation Under Minnesota Statutes § 216H.06, Docket No. E-999/CI-07-1199, Order Establishing 2020 and 2021 Estimate of Future Carbon Dioxide Regulation Costs (September 30, 2020), Ordering Paragraph 2, as modified herein.
3. In their modeling scenarios, utilities shall consider environmental (that is, externality) costs in every year of the scenario to the extent that those costs exceed the regulatory (that is, internalized) costs for the same year.
4. When modeling environmental externality values and future regulatory costs for purposes of analyzing scenarios in a resource plan, utilities shall do the following:
  - A. Model future regulatory costs in Encompass (or a comparable method using other models) in a manner that influences the selection of resource options.
  - B. Model environmental externality values as post-processing add-ons under Encompass (or a comparable method using other models).
  - C. Identify the future regulatory costs of each scenario as part of its Present Value of Revenue Requirement.
  - D. Identify the externality costs of each scenario separately from the Present Value of Revenue Requirement.

5. The Commission provisionally adopts and applies the draft measurement of costs related to the emission of greenhouse gasses as set forth in the EPA's External Review Draft of Report on the Social Cost of Greenhouse Gases released in September 2022, and its successors<sup>1</sup>. To this end, the Commission hereby revises its Order Updating Environmental Cost Values (January 3, 2018) in Docket No. E-999/CI-14-643, In the Matter of the Further Investigation into Environmental and Socioeconomic Costs Under Minnesota Statutes Section 216B.2422, Subdivision 3 accordingly.
6. Utilities shall demonstrate in their resource plans how they plan to comply with Minnesota's Carbon-Free Standard and, once finalized, the CO<sub>2</sub> regulation promulgated by the federal Environmental Protection Agency under the federal Clean Air Act, 42 U.S.C. § 7411(b) and (d).
7. Executive Secretary shall open comment period(s) as needed in Docket No. E-999/CI-14-643 to consider a process for doing the following:
  - A. Applying the draft cost of greenhouse gas emissions valuations presented in the United States Environmental Protection Agency's EPA External Review Draft of Report on the Social Cost of Greenhouse Gases released in September 2022, and its successors, as required by Minn. Stat. § 216B.2422, subd. 3(b).
  - B. Adopting the working group estimates released by the federal Interagency Working Group on the Social Cost of Greenhouse Gases or its successors, as required by Minn. Stat. § 216B.2422, subd. 3(c).
8. In future dockets initiated to acquire resources for generating electricity, or as otherwise ordered by the Commission, utilities shall apply all regulatory cost assumptions and modeling scenarios ordered in this proceeding.
9. This order shall become effective immediately.

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<sup>1</sup> The EPA's Report on the Social Cost of Greenhouse Gases was finalized in November 2023 (available at [https://www.epa.gov/system/files/documents/2023-12/epa\\_scghg\\_2023\\_report\\_final.pdf](https://www.epa.gov/system/files/documents/2023-12/epa_scghg_2023_report_final.pdf)). Subsequently, the Commission issued on January 26, 2024 a Notice of Final EPA Report on the Social Cost of Greenhouse Gases, docket No. E-999/CI-07-1199, acknowledging that no change in social cost values was required since the values in the final Report were consistent with those in the External Review Draft.

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## II. TOPICS OPEN FOR COMMENT

The Agencies request that stakeholders provide comment on:

- whether the currently established range of regulatory costs of CO<sub>2</sub> emissions of \$5 to \$75 per short ton remains reasonable, and if not, what range should be established and why;
- whether 2028 is the appropriate threshold year for the application of the value range; and
- whether the application scenarios listed in In the Matter of Establishing an Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation Under Minnesota Statutes § 216H.06, Docket No. E-999/CI-07-1199, Order Establishing 2020 and 2021 Estimate of Future Carbon Dioxide Regulation Costs (September 30, 2020), as modified in the Commission's December 19, 2023 Order such that utilities shall consider environmental costs to the extent that those costs exceed the regulatory costs, remain reasonable and appropriate.

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Request for Comments**

**Docket No. E999/CI-07-1199**

Dated this **8<sup>th</sup>** day of **September 2025**

**/s/Sharon Ferguson**

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Jon	Brekke	jbrekke@grenergy.com	Great River Energy		12300 Elm Creek Boulevard Maple Grove MN, 55369-4718 United States	Electronic Service		No	7-1199Official
2	Matthew	Brodin	mbrodin@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	7-1199Official
3	Christina	Brusven	cbrusven@fredlaw.com	Fredrikson Byron		60 S 6th St Ste 1500 Minneapolis MN, 55402-4400 United States	Electronic Service		No	7-1199Official
4	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		Yes	7-1199Official
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7	Curt	Dieren	curt.dieren@dgr.com	L&O Power Cooperative		1302 S Union St Rock Rapids IA, 51246 United States	Electronic Service		No	7-1199Official
8	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		Yes	7-1199Official
9	Barb	Freese	bfreese@mncenter.org	Minnesota Center for Environmental Advocacy		1919 University Ave W Ste 515 Saint Paul MN, 55104-3435 United States	Electronic Service		No	7-1199Official
10	Edward	Garvey	garveyed@aol.com	Residence		32 Lawton St Saint Paul MN, 55102 United States	Electronic Service		No	7-1199Official
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12	Joe	Hoffman	ja.hoffman@smmpa.org	SMMPA		500 First Ave SW Rochester MN, 55902-3303 United States	Electronic Service		No	7-1199Official
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16	Dalene	Monsebroten	dalene.monsebroten@nmpagency.com	Northern Municipal Power Agency		123 2nd St W Thief River Falls MN, 56701 United States	Electronic Service		No	7-1199Official
17	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	7-1199Official
18	Peter	Nelson	peter.nelson@americanexperiment.org	Center of the American Experiment		8441 Wayzata Boulevard Suite 350 Golden Valley MN, 55426 United States	Electronic Service		No	7-1199Official
19	David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency		220 South Sixth Street Suite 1300 Minneapolis MN, 55402 United States	Electronic Service		No	7-1199Official
20	Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company		200 1st Street SE PO Box 351 Cedar Rapids IA, 52406-0351 United States	Electronic Service		No	7-1199Official
21	Russell	Olson	rolson@hcpd.com	Heartland Consumers Power District		PO Box 248 Madison SD, 57042-0248 United States	Electronic Service		No	7-1199Official
22	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential	1400 BRM Tower 445 Minnesota St	Electronic Service		Yes	7-1199Official

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
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25	Kay	Schraeder	kschraeder@minnkota.com	Minnkota Power		5301 32nd Ave S Grand Forks ND, 58201 United States	Electronic Service		No	7-1199Official
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28	Karen	Tyler	ktyler@nd.gov	Industrial Commission of North Dakota		14th Floor 600 E. Boulevard Avenue, Dept. 405 Bismarck ND, 58505 United States	Electronic Service		No	7-1199Official
29	Elizabeth	Wefel	eawefel@flaherty-hood.com	Missouri River Energy Services		525 Park St Ste 470 Saint Paul MN, 55103 United States	Electronic Service		No	7-1199Official
30	Robyn	Woeste	robynwoeste@alliantenergy.com	Interstate Power and Light Company		200 First St SE Cedar Rapids IA, 52401 United States	Electronic Service		No	7-1199Official