

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

In the Matter of the 2021 Minnesota Biennial
Transmission Projects Report

ISSUE DATE: June 29, 2022

DOCKET NO. E-999/M-21-111

ORDER ACCEPTING REPORT

PROCEDURAL HISTORY

On October 29, 2021, the Minnesota Transmission Owners (MTO) filed its biennial transmission projects report. The MTO includes the following entities:

- American Transmission Company, LLC
- Central Minnesota Municipal Power Agency
- Dairyland Power Cooperative
- East River Electric Power Cooperative
- Great River Energy
- ITC Midwest LLC
- L&O Power Cooperative
- Minnesota Power
- Minnkota Power Cooperative
- Missouri River Energy Services
- Northern States Power Company
- Otter Tail Power Company
- Rochester Public Utilities
- Southern Minnesota Municipal Power Agency

On January 4, 2022, the Department of Commerce, Division of Energy Resources (the Department) filed comments recommending that the Commission accept the report and set additional reporting requirements.

On January 10, 2022, Carol Overland filed comments stating that the report filed by MTO did not include electronic links to transmission studies, did not address retired generation facilities, and did not properly analyze reliability data.

On February 25, 2022, the MTO filed reply comments addressing the comments filed.

On May 19, 2022, the report came before the Commission.

FINDINGS AND CONCLUSIONS

I. Reliability Report Filing Requirements

The MTO's 2021 biennial transmission projects report is the eleventh report since the statutory requirement for the filing was established by the Legislature in 2001.¹ The statute requires utilities that own or operate electric transmission facilities to file a report by November 1 of each odd numbered year. The report must:

- list specific present and reasonably foreseeable future inadequacies in the transmission system in Minnesota;
- identify alternative means of addressing each inadequacy listed;
- identify general economic, environmental, and social issues associated with each alternative; and
- provide a summary of public input related to the list of inadequacies and the role of local government officials and other interested persons in assisting to develop the list and analyze alternatives.

The report must also include information on transmission upgrades needed to achieve renewable energy objectives under Minn. Stat. § 216B.1691.² The statute also requires the report to include a distribution study that identifies interconnection points on the distribution system where small-scale distributed generation resources could be added and identifies necessary distribution upgrades to support the continued development of such resources.

II. MTO's Report

The MTO's report identifies existing and foreseeable transmission inadequacies in the state's six transmission planning zones: the Northwest Zone, the Northeast Zone, the West Central Zone, the Twin Cities Zone, the Southwest Zone, and the Southeast Zone.³ The report also incorporates statutorily required information and addresses requirements set by the Commission in prior orders.⁴ The report did not identify any proposed high-voltage transmission lines for Commission certification.

As part of its filing, the MTO also requested that the Commission extend an existing variance previously granted to Minn. R. 7848.0900 to, in effect, exempt the utilities from the requirement to hold public meetings in each transmission zone, a requirement designed to generate public input into the process of identifying potential transmission inadequacies. The MTO stated that

¹ Minn. Stat. § 216B.2425, subd. 2.

² Minn. Stat. § 216B.2425, subd. 7.

³ Minn. R. 7848.0700.

⁴ *In the Matter of the 2019 Minnesota Biennial Transmission Projects Report*, Docket No. E-999/M-19-205, Order Accepting Report, Granting Variance, and Setting Additional Requirements (August 19, 2020); and *In the Matter of the 2017 Biennial Transmission Projects Report*, Docket No. E-999/M-17-377, Order Accepting Report, Granting Variance, and Setting Additional Requirements (June 12, 2018).

over many years almost no members of the public attended or participated, making it unnecessary to require the utilities to hold such meetings.

III. Comments on the Petition

The Department analyzed the report and recommended that the Commission accept it but require three of the utility companies (Otter Tail Power Company, Minnesota Power, and Xcel Energy) to file the following information in future proceedings requesting cost recovery for new energy facilities:

- a summary of all mitigation measures that have been added at any step in the permitting process
- the general reason for the mitigation measure, including whether the measure was requested or required
- the entity requesting or requiring the mitigation
- the cost of the mitigation measure

In response to the Department's recommended reporting requirements, the three utilities agreed that it would be reasonable to provide the requested information in the context of rate recovery proceedings but stated that this docket is not the proper forum for establishing such requirements.

Carol Overland stated that MTO's report did not include electronic website addresses with direct links to transmission studies, did not address retired generation facilities, and failed to properly assess reliability issues. She also claimed that the MTO planned to increase the capacity of Minnesota Power's Arrowhead substation and associated 345 kilovolt high voltage transmission line but had not clearly identified intended upgrades.

In response to Ms. Overland's comments, the MTO stated that its report, contrary to her assertions, shows that approximately 42,000 megawatts of coal across the country will be retired within 10 years, triggering the need for replacement capacity. The MTO also stated that it updated its list of transmission studies to include an additional electronic link the MTO had originally intended to include. Additionally, the MTO reiterated that none of the projects identified in its report would result in an increase in capacity of the Arrowhead transmission line or otherwise impact the line.

IV. Commission Action

The Commission has reviewed the MTO's biennial transmission projects report and will accept the report, which complies with applicable statutory and rule requirements. The Commission also concurs that it is reasonable to extend the variance to Minn. R. 7848.0900, as requested, for the same reasons previously stated – the lack of attendance and participation by members of the public.

Under Minn. R. 7829.3200, the Commission must grant a variance when the conditions for a variance are met; accordingly, the Commission finds that (1) enforcement of the rule would excessively burden the Transmission Owners by requiring them to spend money and divert engineers and other experts to hold meetings that do not appear to provide a corresponding public benefit; (2) varying the requirement for public meetings where there has been a

demonstrated lack of public participation would not adversely affect the public interest; and (3) granting the variance is not contrary to any standard imposed by law. The Commission also concurs with the MTO that it is not necessary to require the utilities to hold a webinar in lieu of in-person public meetings.

The Commission will also establish additional reporting and compliance filing requirements, as set forth in the ordering paragraphs below; the MTO concurred with these requirements.

Finally, in lieu of requiring Xcel Energy, Otter Tail Power Company, and Minnesota Power, to file the information requested by the Department, the Commission will instead encourage the Department to seek that information in future applicable rate recovery proceedings.

ORDER

1. The Commission accepts the 2021 Biennial Transmission Projects Report.
2. The Commission authorizes the MTO to publicize future Biennial Transmission Projects Reports by posting a link to the report on the MTO website (www.minnelectrans.com) and posting directions for finding the Commission's website via e-Dockets, in lieu of mailing compact discs or jump drives with electronic copies.
3. The Commission encourages the Department to collect information on mitigation costs in future proceedings requesting rate recovery of the costs of new energy facilities.
4. The Commission extends the variance to the public participation requirements of Minnesota Rules, part 7848.0900 and will also not require the utilities to convene a webinar on the 2021 report.
5. The MTO must file a 2023 Report that meets the requirements of Minn. Stat. § 216B.2425, subd. 2, and includes the information that was required to be filed in the 2021 Report.
6. MTO must file, within 90 days, additional information as set forth in ordering paragraph 5(d) of the Commission's August 19, 2020, order, in Docket E-999/M-19-205, which required a filing within 90 days that included "an assessment of whether MISO has been responsive to Minnesota's identified and likely transmission needs."
7. MTO must file, within 90 days, a compliance filing that includes its schedule for implementing Ambient Adjusted Rating (AAR) and an analysis of viability of Dynamic Line Rating (DLR), transmission system optimization and reconfigurations and replacement of line rating limiter, including substation equipment. Require MTO to discuss other available solutions considered, but not deployed.
8. The MTO must file, within 90 days, a compliance filing that includes information on: 1) expected sustained HVTL or generation planned outages; 2) whether those outages are anticipated to have new or incremental congestion; and 3) whether those outages are

anticipated to contribute to sustained incremental congestion. The MTOs shall also include this information in future Biennial Transmission Projects Reports.

9. Commission staff may issue a notice of comment requesting comments from stakeholders on how to best update or repeal the biennial report's filing requirements.
10. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Will Seuffert
Executive Secretary



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CERTIFICATE OF SERVICE

I, Chrishna Beard, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

**Minnesota Public Utilities Commission
ORDER ACCEPTING REPORT**

Docket Number **E-999/M-21-111**

Dated this 29th day of June, 2022

/s/ Chrishna Beard

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