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October 27, 2025

VIA E-FILING

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: Matter of Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard
Docket No. E999/M-23-151

Dear Ms. Bergman:

On September 12, 2025, the Minnesota Public Utilities Commission (“MPUC” or “Commission”) filed a Notice of Comment Period for the fourth phase of the Matter of Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691. This phase of the docket pertains to clarification of the process by which a modification or delay of relevant standards may be requested and evaluated.

Please contact me at (218) 355-3297 or jkuklenski@mnpower.com with any questions regarding this filing.

Respectfully,

A handwritten signature in black ink that reads 'Jennifer Kuklenski'.

Jennifer Kuklenski
Manager – Regulatory Strategy and Policy
Minnesota Power
30 W Superior Street
Duluth, MN 55802

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I AM
ZERO INJURY.

*Together we choose to work safely for our families, each other, and the public.
We commit to be injury-free through continuous learning and improvement.*

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

In the Matter of Investigation into
Implementing Changes to the
Renewable Energy Standard and the
Newly Created Carbon Free Standard

Docket No. E999/M-23-151
INITIAL COMMENTS

I. INTRODUCTION

On September 12, 2025 the Minnesota Public Utilities Commission (“MPUC” or “Commission”) issued a notice of comment in the fourth phase of the Investigation into Implementing Changes to the Renewable Energy Standard (“RES”) and the Newly Created Carbon Free Standard (“CFS”). At issue in this fourth phase is the matter of determining if the process for modifying or delaying the RES as established in the Commission’s Order of March 19, 2010¹ (“2010 Order”) requires clarification in the context of the CFS. Minnesota Power (or, “Company”) appreciates the opportunity to participate in this critical discussion. It is the position of the Company that most of the process requirements listed in the 2010 Order are currently addressed in regular resource planning processes, and that requests for modification of any applicable standard may be appropriately made in those proceedings. The Company’s reasoning is presented in the following section.

II. TOPICS OPEN FOR COMMENT

A. In light of the statutory changes made by H.F. No. 7, are any additional clarifications necessary regarding the off-ramp process outlined in the Commission’s March 19, 2010 Order?

The Company notes that Order Points 1 and 2 of the 2010 Order have never been applicable to Minnesota Power and require no comment. The Company also notes that

¹ Docket No. E-999/CI-03-869

Order Point 3, which establishes early percentages for the RES have been superseded by more recent criteria as established in statute.²

Upon review of the 2010 Order, the Company believes that Order Points 4, 7, 8, 9 and 10 may be effectively consolidated and clarified by being incorporated into the regular cadence of resource planning.

Resource Planning

Order Point 4: “The Commission clarifies that a petition to modify or delay a Renewable Energy Standard may be filed at any time”

Order Point 4 allows petitions to modify or delay RES compliance to be filed at any time. However, the Integrated Resource Planning (“IRP”) process already serves as a venue for utilities to assess and plan for compliance requirements. By addressing such petitions within the IRP, utilities can provide a more comprehensive analysis of the factors leading to the need for modification or delay, such as resource availability, technical challenges, and cost impacts. This integration would ensure that decisions are made in the context of long-term resource planning, rather than through isolated filings. Statute explicitly allows the Commission to exercise its authority to modify or delay implementation of a standard obligation as part of an IRP proceeding in Minn. Stat. § 216B.1691, subd. 2c. While Subd. 2c does not limit the Commission’s authority to hear modification or delay requests in other proceedings, the Company recommends that requests made outside of the regular planning process should be reserved for those caused by the reasons established in Minn. Stat. § 216B.1691, subd. 2a. (5-8, as these considerations may be less predictable and more likely to occur outside of IRP evaluation periods.³ (See also the Company’s response to Order Point 10 below.)

Order Point 7: “The Commission clarifies that it will use the proceedings and methods discussed in section V of this order to track the rate and reliability effects of the Renewable Energy Objectives and Standards. The Commission will accept voluntary filings on the rate impact of the

² Minn. Stat. §216B.1691, subd. 2a

³ The Company notes that Minn. Stat. § 216B.1691, subd. 2b states that the commission may modify or delay implementation of a standard obligation under paragraph (a), clauses (5) to (7), only if it finds that the circumstances described in those clauses were due to circumstances beyond an electric utility's control and make compliance not feasible.

Renewable Energy Objectives and Standards in the biennial compliance reports filed by utilities not required to file resource plans."

Section V of the Commission's 2010 Order states that modifications or delays are permitted only if compliance causes significant rate impacts, requires significant reliability measures, or raises significant technical issues. Section V also states that rate impacts are to be assessed in resource planning proceedings, wherein utilities must respond to reasonable requests for rate impact information and bear the burden of proof. The section further specifies that reliability impacts are to be addressed through an annual filing under Minnesota Rule 7827 with statewide reliability being measured through biennial transmission filings, and regional reliability by Midcontinent Independent System Operators ("MISO") and North American Electric Reliability Corporation ("NERC").

As these processes have been refined since the time of the 2010 Order, the Company recommends that the Commission clarify Order Point 7 by removing references to the 2010 Order, and instead clearly define the IRP as the preferred proceeding in which a utility shall report rate impacts, reliability, and technical challenges caused by standards compliance. Since the IRP already includes detailed analysis of rate impacts and technical challenges, consolidating Order Point 7 into the IRP would streamline reporting, avoid duplication, and eliminate any confusion stemming from the processes established in the 2010 Order.

Order Point 8: "The Commission clarifies that it favors forward-looking, long-term cost information when analyzing the rate impacts of the Renewable Energy Objectives and Standards but will not preclude other types of cost information from being presented by the parties."

Forward-looking, long-term cost information for the analysis of potential rate impacts caused by compliance with applicable standards are established requirements of the resource planning process. It is the Company's position that Order Point 8 is redundant because this is an IRP requirement today and is not needed as a separate order in this docket.

Order Point 9: "The Commission clarifies that intervenors in a resource plan proceeding who request information related to the rate impact of future

compliance with the Renewable Energy Standards are making a reasonable request for information under Minn. Rules, part 7843.0300, subp. 8, and that utilities must promptly respond."

Like Order Point 8, the Company notes that it already provides a rate impact outlook in its IRP. This also provides stakeholders with a centralized source of information for evaluating the financial implications of compliance and a clear process for requesting rate impact information. Accordingly, Minnesota Power suggests that Order Point 9 is not needed as a separate order in this docket.

Order Point 10: "The Commission clarifies that it will evaluate compliance with the Renewable Energy Standards on a case-by-case basis, but will also consider the factors set forth below:

- a. The factors articulated in its June 4, 2004⁴ Order ("2004 Order") for evaluating compliance with the Renewable Energy Objectives.
- b. Whether the utility brought the noncompliance to the attention of the Commission in a timely manner.
- c. Whether Renewable Energy Credits are available for purchase, and at what price."

Section a. Section a. of Order Point 10 appears to refer to the "good faith efforts" toward meeting Renewable Energy Objectives as laid out in Order Point 11 of the Commission's 2004 Order. These "good faith efforts" have since been superseded by the compliance mechanisms determined in the third phase of this docket by the Commission's September 16, 2025 Order. The Company recommends striking section a. from Order Point 10.

Section b. Considering the regularity of the IRP process and existing reporting on progress in meeting the CFS through the Renewable Energy Certificate ("REC") Retirement Process for RES and Green Pricing Program,⁵ requests for modification or delay of the standards, if necessary, could be presented at a regular cadence, eliminating much uncertainty for the Commission and stakeholders. As stated in the

⁴ The Company notes that this order was filed in Docket No. E-999/CI-03-869 on June 1, 2004 and not June 4, 2004 as stated in the Commission's 2010 Order.

⁵ See Minnesota Power's most recent report in Docket Nos. E-999/PR-02-1240, E-999/M-22-85, E-015/CI-23-403, and E-999/PR-25-12.

Company's response to Order Point 4 above, requests made outside of the IRP process should be reserved for requests caused by unforeseen circumstances that may occur outside of IRP evaluation periods, such as but not limited to delays in necessary permitting processes, nondelivery or delayed delivery of equipment or services necessary for construction or operation of an eligible energy technology facility, or other statutory obligations imposed on the Commission or a utility.

Section c. The Company's only proposed clarification to section c. is the addition of Alternative Energy Credits ("AECs") and Environmental Attribute Credits ("EACs") to remain consistent with the Commission's September 16, 2025 Order, as stated below:

c. Whether Renewable Energy Credits, Alternative Energy Credits, or equivalent carbon free attributes allowed by statute or Commission order are available for purchase, and at what price.

Addressing these compliance factors within the IRP process would allow for a more integrated evaluation of compliance alongside rate impacts, reliability, and technical challenges. The IRP's comprehensive nature ensures that compliance is assessed in the context of broader resource planning considerations, providing a more complete picture of a utility's efforts and challenges.

Minor Clarifications

Order Point 5: "Any petition to modify or delay a Renewable Energy Standard shall include the following information: (a) a discussion of the reasons for concluding that compliance cannot be achieved by buying Renewable Energy Credits; (b) a plan for future compliance, as required under Minn. Stat. § 216B.1691, subd. 2b (c); and (c) the time frame within which the petitioner requests Commission action."

To ensure consistency with Order Points 1 and 3 of the Commission's September 16, 2025 Order⁶, the Company recommends that the Commission clarify that AEC and EAC and language related to net market purchases be added to section (a) as follows:

⁶ E-999/CI-23-151, September 16, 2025: "1. Utilities may demonstrate compliance with the Carbon-Free Standard, Minn. Stat. §216B.1691, subd.2g, by retiring Renewable Energy Credits, Alternative Energy Credits, or equivalent Environmental Attribute Credits registered with the Midwest Renewable Energy Tracking System."

*“a) a discussion of the reasons for concluding that compliance cannot be achieved by buying Renewable Energy Credits, **Alternative Energy Credits, equivalent carbon free attributes allowed by statute or Commission order (i.e. the carbon free percentage of the utility’s annual net market purchases)**;*”

Order Point 6: "Petitions to modify or delay any Renewable Energy Standard shall comply with the service and filing requirements of Minnesota Rules 7829.1300 and, at least initially, follow the procedural track set forth in Minnesota Rules 7829.1400."

It is the Company’s position that Order Point 6 requires no clarification.

B. Are there other concerns related to this matter?

The Company has no further concerns related to this matter at this time.

III. CONCLUSION

Minnesota Power appreciates the opportunity to provide comments on the clarification of the modification/delay process for the RES and CFS as outlined in the Commission’s March 19, 2010 Order. While statute preserves the Commission’s authority to hear requests for delay or modification of the standard at any time as stated in Order Point 4, the Company believes that many of the process requirements established in the 2010 Order are now effectively addressed within the IRP process. Consolidating and streamlining these requirements into the IRP process as much as practicable would enhance efficiency and reduce redundancy and uncertainty. The Company also recommends minor clarifications to ensure consistency with recent statutory and regulatory updates, including the inclusion of AECs, EACs, and carbon free energy portion of Net Market Purchases where applicable. By integrating these updates into the IRP process, the Commission can ensure a more cohesive and consistent approach to addressing requests for modification or delay of these standards. Minnesota Power looks forward to continued collaboration with the Commission and stakeholders to achieve compliance with the CFS.

Dated: October 27, 2025

Respectfully submitted,

A handwritten signature in black ink that reads "Jennifer Kuklenski". The signature is written in a cursive style with a horizontal line underneath it.

Jennifer Kuklenski
*Manager – Regulatory Strategy and
Policy*
Minnesota Power
30 W Superior Street
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STATE OF MINNESOTA)
)ss
COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

I, Amy M. Honkala of the City of Duluth, County of St. Louis, State of Minnesota, hereby certify that on the 27th day of October, 2025, I electronically filed a true and correct copy of Minnesota Power's **Initial Comments in Docket No. E999/M-23-151** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on eDocket's Official Service List for this Docket were served as requested.



Amy M. Honkala