

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION
121 7th Place East, Suite 350
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In the Matter of a Commission Investigation
into a Fuel Life-Cycle Analysis Framework
for Utility Compliance with Minnesota's
Carbon-Free Standard

PUC Docket No. E-002/CI-24-352

SUPPLEMENTAL COMMENT

I. INTRODUCTION AND BACKGROUND

The Ramsey/Washington Recycling & Energy Board (R&E) submits this supplemental comment in response to the Minnesota Public Utilities Commission Notice of Comment Period seeking comments on actions the Commission should take to establish criteria necessary for utilities to comply with the Carbon-Free Standard (CFS).¹

R&E is a joint powers board overseeing solid waste management for Ramsey and Washington counties, including operation of the R&E Center in Newport, Minnesota. Given R&E's critical role in producing Refuse-Derived Fuel (RDF) used to generate renewable electricity and reduce landfill reliance, it is essential that the Commission recognize RDF as a fully or partially carbon-free resource for compliance under the CFS. R&E submits these supplemental comments to ensure the continued viability of this resource recovery system and its environmental and renewable energy benefits.

II. ARGUMENT

Minn. Stat. § 216B.1691 clearly defines RDF as an Eligible Energy Technology (EET), qualifying it to generate RECs that may be retired for compliance with the CFS.² This interpretation is grounded in statutory text and is consistent with the intent of the legislature. The statute also permits one REC to satisfy multiple standards and grants the Commission flexibility to use life-cycle analysis to determine full or partial compliance, without affecting RDF's REC eligibility.

¹ In the Matter of a Commission Investigation into a Fuel Life-Cycle Analysis Framework for Utility Compliance with Minnesota's Carbon-Free Standard. Docket No. E-999/CI-24-352 ("LCA Docket") (Jan. 22, 2024).

² 216B.1691. Renewable energy objectives, MN ST § 216B.1691.

A. All Eligible Energy Technologies, including RDF and Biomass, are Carbon Free Under Minn. Stat. § 216B.1691.

a. RDF-Generated RECs Qualify for CFS Compliance

There is a clear statutory basis for RDF as an Eligible Energy Technology (EET or EETs). As we discussed in our initial comment,³ Minn. Stat. § 216B.1691, subd. 1(c)(5) explicitly includes RDF as an EET under its definition of biomass: “... an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.”⁴

This definition places RDF squarely within the category of “biomass”, which is listed alongside solar, wind, hydroelectric, and hydrogen as EETs. Therefore, electricity generated from use of RDF qualifies under the statute as energy produced by an EET.

In the first bullet point of its September 16, 2025 order in Docket No. 23-151, the predecessor to the instant docket, the Commission ruled that: “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.”⁵ Because RDF is an EET and generates RECs, those RECs can be retired to demonstrate compliance with the CFS. This interpretation aligns with both the statutory framework and the Commission’s determination in the Order.

b. Commenters Summary of Positions Matrices

Additionally, during the reply comment period on the instant docket, in their attached ‘Summary of Positions’ matrices, numerous commenters placed indicated that all EETs should be automatically eligible for CFS compliance without the need for an LCA study. R&E agrees with

³ In the Matter of a Commission Investigation into a Fuel Life-Cycle Analysis Framework for Utility Compliance with Minnesota’s Carbon-Free Standard. Docket No. E-999/CI-24-352, Ramsey/Washington Recycling and Energy Initial Comments, (June 5, 2025) (eDocket No. 20256-219617-01) (“R&E Initial Comments”).

⁴ 216B.1691. Renewable energy objectives, MN ST § 216B.1691 subd. 1.

⁵ In the Matter of an Investigation into Implementing Changes to the Renewable Energy Objectives and the Newly Created Carbon-Free Standard under Minn. Stat. § 216B.1691, Docket No. E-999/CI-23-151, Order on Carbon-Free Standard- Clarifying Use of Credits, Net Market Purchases, and Reporting (Sept. 16, 2025) (eDocket No. 20259-223083-01) (the “Order”).

these commenters. This interpretation is consistent with the plain language, statutory scheme, and legislative history.

B. Minn. Stat. § 216B.1691, subd. 4 Is Clear That One REC May Be Used to Satisfy Multiple Standards.

To the extent that this point is not addressed in the Commission's recent Order, we continue to agree with prior comments submitted in Docket No. 23-151 that a single REC generated from an EET may be used to satisfy multiple standards. As noted in previous comments, Minn. Stat. § 216B.1691, subd. 4 clearly allows one credit to be applied toward compliance with both the CFS and either the EET or solar energy standards.

C. Alternatively, the Statute Provides the Commission Sufficient Flexibility to Determine Fully and Partially Carbon-Free Resources Through Life Cycle Analysis.

Many commenters have argued that the statute does not grant the Commission the authority to use an LCA to determine if specific generation technologies comply with the CFS. We disagree. Minn. Stat. § 216B.1691 grants the Commission broad discretion in administering compliance with the CFS. Subdivision 2d explicitly instructs the Commission to issue necessary orders detailing the criteria and standards used to measure an electric utility's efforts to meet the standards under subdivisions 2a, 2f, and 2g, and to determine whether the utility is achieving these standards.⁶

Subdivision 2d(b)(2) explicitly requires the Commission to allow partial compliance with subdivision 2g for the carbon-free portion of electricity from mixed-source facilities, and the carbon-free portion of net purchases from regional transmission organizations, calculated based on fuel mix.⁷ This language affirms the Commission's authority to evaluate the greenhouse gas emissions intensity of generation sources and allocate partial credit accordingly. It also provides a clear statutory basis for the use of an LCA to determine the carbon-free portion of energy generation. The Commission's decision to open this instant Docket No. 24-352 to develop a life-cycle framework is a direct and appropriate response to this statutory mandate.

⁶ 216B.1691. Renewable energy objectives, MN ST § 216B.1691 subd. 2d.

⁷ *Id.*

Further, Subdivision 2b provides the Commission with additional flexibility to modify or delay the implementation of standard obligations under subdivisions 2a, 2f, or 2g, in whole or in part, if doing so is in the public interest. In making such determinations, the Commission must consider a wide range of factors, including:⁸

1. Customer utility costs and economic pressures,
2. Environmental costs under § 216B.2422, subd. 3,
3. Electric system reliability,
4. Technical advances or concerns,
5. Permitting delays,
6. Equipment delivery issues,
7. Transmission constraints,
8. Other statutory obligations,
9. Impacts on environmental justice areas, and
10. Additional electric load from beneficial electrification and associated greenhouse gas savings.

These factors underscore the Commission's broad authority to tailor CFS compliance mechanisms to reflect real-world conditions and evolving technologies. The use of an LCA is consistent with this statutory flexibility, allowing the Commission to account for the full impact of energy sources and ensure that compliance with the CFS reflects both greenhouse gas emissions intensity and public interest considerations.

In the event that the Commission determines an LCA is necessary to clarify the carbon-free status of RDF, RDF would still retain its status as an EET under Minn. Stat. § 216B.1691, subd. 1(c)(5). As an EET, RDF-generated electricity would continue to qualify for RECs, which may be retired for compliance with applicable standards. If an LCA results in RDF being classified as partially carbon-free for purposes of the CFS, RDF would remain eligible to generate RECs due to its statutory designation as an EET. This outcome would be consistent with both the statute and the Commission's recent Order.

⁸ 216B.1691. Renewable energy objectives, MN ST § 216B.1691 subd. 2b.

III. CONCLUSION

R&E appreciates the opportunity to submit these comments for consideration to the Commission. RDF qualifies as an EET under Minn. Stat. § 216B.1691 and generates RECs that may be retired for CFS compliance per the Commission's Order. The statute also grants the Commission sufficient flexibility to implement life-cycle analysis as a tool for determining both full and partial compliance, without affecting RDF's REC generating eligibility.

Dated: September 17, 2025

Respectfully submitted,



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