



October 15, 2025

**Via Electronic Filing**

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

Re: Response to Order Point 1C

*In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon-Free Standard under Minn. Stat § 216B.1691*  
Docket No: E999/CI-23-151

Dear Ms. Bergman:

Central Minnesota Municipal Power Agency, doing business as Central Municipal Power Agency/Services (CMPAS) provides these comments in response to Order Point 1C of the Commission's August 7, 2025 Order in this docket.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the service list for this docket. Please contact me at (763) 710-3932 or [jaya@CMPAS.org](mailto:jaya@CMPAS.org) with any questions regarding this filing.

Sincerely,

Jay D Anderson  
Chief Executive Officer  
Central Minnesota Municipal Power Agency/Services

cc: Service List

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

Katie J. Sieben  
Joseph Sullivan  
Hwikwon Ham  
John A. Tuma  
Audrey Partridge

Chair  
Vice Chair  
Commissioner  
Commissioner  
Commissioner

IN THE MATTER OF AN INVESTIGATION  
INTO IMPLEMENTING CHANGES TO THE  
RENEWABLE ENERGY STANDARD AND THE  
UTILITY COMPLIANCE  
WITH MINNESOTA’S CARBON-FREE STANDARD

DOCKET NO. E002/CI-23-151  
October 15 Response to  
Order Point 1C

**I. INTRODUCTION**

Central Minnesota Municipal Power Agency, doing business as Central Municipal Power Agency/Services (CMPAS), submits these comments in response to the Minnesota Public Utilities Commission (Commission) Order Extending Credit Duration for Expedited Projects and Requiring Filings, dated August 7, 2025 (Order). CMPAS filed a Petition for Reconsideration to amend Order Point 2 on August 27, 2025. In response to CMPAS’s petition, Staff Briefing Papers, filed September 24, 2025, raised the option to file its request on October 15, 2025, in accordance with Order Point 1. CMPAS subsequently withdrew its petition on October 2, 2025, stating its intent to file comments in response to Order Point 1C.

**II. BACKGROUND**

Order Point 1 of the Commission’s Order states:

Each electric utility that is required to file a resource plan under Minn. Stat. § 216B.2422, subdivision 2, shall file a plan in this docket by October 15, 2025, detailing the following:

- A. If and how the utility intends to accelerate the construction and in-service dates of carbon-free energy projects to maximize the amount of federal tax credits or other federal incentives to the benefit of its Minnesota customers.
- B. Additional efforts the utility will take to avoid other aspects of Public Law No. 119-21 that would otherwise increase costs to its Minnesota customers.

- C. What supportive actions the Commission or other state regulatory bodies could take to mitigate negative impacts of recent federal energy policy changes.

Order Point 1 applies to utilities that are required to file resource plans under section 216B.2422. CMPAS is *not* required to file a resource plan under section 216B.2422 because it does not meet the definition of “utility” under subdivision 1(b). Hence, CMPAS filed its Petition for Reconsideration to (i) include extended credit duration for additional types of expedited projects that increase the amount of clean energy and (ii) provide new information describing these additional types of expedited projects.

CMPAS appreciates the concerns raised in Staff Briefing Papers and agrees that responding to Order Point 1C is a practical approach to develop the record on the issue raised in its Petition for Reconsideration. Because CMPAS is not required to file a resource plan, CMPAS is not required to file a plan describing the steps it intends to take, or could take with the cooperation of state agencies, to respond to recent changes in federal law in compliance with the Order. CMPAS voluntarily submits these comments as a means to build the record to extend the expiration dates of environmental attribute credits (EACs) associated with older, smaller wind facilities and to include additional ideas.

### III. ANALYSIS

The topics of the cost and access to capital needed to comply with the Carbon Free Standard (CFS) have been recent topics of discussion regarding Minnesota’s energy landscape. Very small municipal utilities, many of which have peak loads under 20 MW, will also be impacted by these same pressures, and may have different ways of reaching these solutions than Minnesota’s larger electric utilities.

CMPAS has the following four specific ideas of supportive actions for the Commission or other state agencies to consider at this time.

#### 1) Reduce The Number of Significant Near-Term Changes to the Rules for CFS Compliance

Specifically, CMPAS requests that the Commission and other state agencies forego making additional changes for the next three years, or, if making changes, do not make such changes effective until at least 2034. At a minimum, CMPAS requests to forego sudden changes to the four-year bank life of EACs, to requirements on resources outside the state of Minnesota, or to the use of unbundled Renewable Energy Credits (RECs).

Minnesota’s smallest utilities are small enough that it may only take only one to five small

projects beyond today’s resources to hit targets over the next ten to fifteen years. This means, proverbially, that these utilities are essentially putting “all of their eggs in one basket” when choosing to procure a new generation resource that meets the CFS. Unlike larger utilities that may simply change their eligibility rules or types of resources sought in future acquisition rounds (that they have already planned to undertake), if there are significant compliance changes, a small utility could face a difficult choice between coming significantly short of the CFS with a now ineligible resource or procuring another resource at additional expense (and having generation well in excess of their needs). If the Commission drastically changes rules over several years, it may also have an unintended chilling impact for small utilities. These small utilities are trying to procure resources to comply with the CFS but typically only have a couple of resources to procure, which may hinder their ability to make decisions if their path to compliance is not reliable.

2) Provide an Incentive for Keeping Minnesota’s Small, Older Wind Farms Online as a Possible Path for Minnesota’s Small Utilities to Use for CFS Compliance

Many small, older, wind projects, which were initially built prior to 2010, are due to retire in the next few years unless action is taken to extend their lifetimes. Order Point 2 incentivizes utilities to bring new solar and wind projects onto the energy system soon by ensuring the time until expiration for their RECs – currently four years after generation – remains constant until January 2034, which will likely be longer than the time until expiration for other resources used for CFS compliance in coming years. CMPAS recommends reserving the same time until expiration for RECs from every small, older wind farm that is kept from retirement during the same general timeframe identified in Order Point 2. For these systems to be truly long-term net additions to Minnesota’s energy system, it is not enough to simply keep these facilities from retiring, but to also take action(s) that substantially extend their lifetime.

In support of long-term net additions to Minnesota’s energy system, CMPAS believes it would be supportive for the Commission to provide the same extension of EAC retirement times in Order Point 2 to smaller, older wind facilities meeting the following criteria:

- A. smaller than 20 MW; and
- B. was originally placed in service prior to 2008; and
- C. Has had at least one of the substantial actions extending its lifetime completed by December 31, 2027:
  - a. is repowered, or
  - b. has a battery energy storage system installed, or
  - c. is acquired by a utility specifically for the purpose of serving end-use customers, or
  - d. enters into a new power purchase agreement with a term exceeding 10 years.

There are several reasons for this proposed supportive action, including but not limited to:

*Recent Events Have Increased the Value of Existing Projects and Interconnections*

Given the extended wait facing new projects entering MISO’s interconnection queue, recent supply chain constraints and changes to the rules around federal tax credits, new wind

projects are facing many hurdles. The potential additional cost and scarcity of new wind projects make it more critical to keep each existing project site in operation, even those that are older and smaller than the newest wind projects.

*Many of the Affected Wind Farms Are Owned by Citizens Located in Greater Minnesota*

Many of the owners of these smaller, older wind farms are long-time Minnesotans located in Greater Minnesota, as are many of the individuals and small companies that service and insure them. They are not from large, publicly traded development companies and do not own substantial additional wind farms or plan to build additional wind farms. Keeping these projects in operation provides benefits to these local Minnesotans and the counties these turbines are located in. CMPAS member utilities, which are also in Greater Minnesota, also place a premium on using locally owned resources, including wind where possible and practical, to serve their customers.

*Smaller Minnesota Wind Projects are Well Suited for Smaller Minnesota Utilities*

CMPAS appreciates and supports the many utilities that are prioritizing and possibly expediting substantial greenfield wind projects at this time. CMPAS assumes that these options are the best suited for those utilities given their requirements and load and resource portfolios. Smaller utilities also seek to find the best options given their size and needs; indeed, CMPAS believes access to Minnesota-based wind power is necessary to meet and sustain the amount of carbon free energy that will be required for CFS compliance.

Existing older wind farms, many of which are less than 20 MW, are perfectly suited for small utilities, some of whom have peak demands smaller than 5 MW. In contrast, nearly every greenfield, newly constructed wind project in Minnesota, especially those owned by independent power producers, are larger than 100 MW. Smaller utilities may not have the rate base to absorb contracts for substantially larger resources than their load and their business model revolves around serving their communities, not serving as large net exporters into the MISO market.

This reality in essence means that small utilities have more limited ability to access the newest greenfield Minnesota-based wind resources that qualify for Order Point 2. For this reason, the proposed supportive action would facilitate or incentivize the ability of small, rural-based utilities to acquire or enter into PPAs with existing small wind farms and thereby access wind resources for the benefit of end use customers over the long-term. For example, a utility that acquires or contracts with a small wind farm can continue to operate and maintain or refurbish the wind farm for the remaining term of the PPA or the facility's anticipated useful life while at the same time exploring the possibility of budgeting for the potential repowering of the facility to extend its use for the long-term in future years. The utility together with its wind farm partner can also explore the feasibility of developing and incorporating the use of battery energy storage systems in order to further enhance the use of the facility as a long-term renewable energy resource.

CMPAS believes that extending Order Point 2 to include older wind facilities provides an incentive and opportunity for these utilities to act now, instead of waiting several years and only using unbundled renewable energy credits purchased at that time to cover any gaps, or failing to

comply because they cannot find small Minnesota-based wind projects at that time (as many of Minnesota’s smallest, oldest wind farms will have otherwise retired by 2035).

*CMPAS Encourages Repowered Projects that Qualify for Tax Credits To Be Included in Any Supportive Action.*

The way Order Point 2 is written, it refers to new, yet-to-be constructed projects that may qualify for these tax credits. Yet during the July 17, 2025 Agenda meeting, when explaining the intent of Partridge NEW 1, Commissioner Partridge noted an intent to incent utilities to “move any projects forward they can” and to provide “a two-year bonus window for those projects that would receive the tax credits under the current legislation that will be terminated based on the 2025 budget reconciliation bill”<sup>1</sup>. Repowered projects appear to meet this intent; utilities and independent power producers have agency to expedite repowering projects that may meet tax credit qualifications. As such, repowered facilities should be included in any supportive action regarding small older wind facilities.

*Older Wind Projects are Not Always Able to Repower to the Standards Required for Tax Credits. Supportive Action Should Include Long-Term PPAs or Acquisition in Addition to Immediate Repowering.*

CMPAS interprets repowering as the process of replacing existing wind turbine components or the entire wind turbine with advanced models that increase original output of the turbine by more than 10% of the existing model. In order to qualify for tax credits via repowering, CMPAS is aware that repowers must meet the 80/20 rule at minimum:<sup>2</sup> meaning that 80% of the total fair market value comes from new equipment.

Extensions of existing PPAs for a few years or months are often not long enough to provide sufficient financial incentive or meet permit requirements<sup>3</sup> necessary for this level of repowering. Rather, only long-term ownership or entry into longer term PPAs – 10 years or more in duration – make this possible.

Even if ownership or longer contract periods are in place, in some cases technical issues will still prevent repowering. For example, the original manufacturer of these older facilities may no longer be in business or no longer operate in the United States,<sup>4</sup> or their construction makes it difficult to repower, as they were designed and built before MISO required these resources to register as Dispatchable Intermittent Resources (i.e. some are only designed to operate at a fixed number of speeds, making it hard to increase output by simply installing larger blades, some have foundations that are incompatible with new turbines, etc). In other cases, if output is

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<sup>1</sup> *In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691*, Docket No. E-999/CI-23-151. July 17, 2025 Agenda Meeting. During eighth and ninth minutes of the meeting.

<sup>2</sup> Facilities may alternatively undergo an even more comprehensive, full repower, involving significant items such as new foundations and new underground electrical systems.

<sup>3</sup> For example, a PPA must be obtained as a condition for some Large Wind Energy Conversion System (“LWECS”) site permits, even for the repowering of a small existing project (Example: DOCKET NO. IP-7065/WS-21-643 Rose Creek, 17 MW). This is further proof that it often requires a PPA, not a short-term PPA extension, to repower.

<sup>4</sup> One example of this is Suzlon, who provided many turbines of this vintage but is not currently operating in the United States.

increased substantially, new transmission upgrades, at additional expense and taking additional time, must be made to allow deliverability or accommodate increased power. Finally, even if these repowerings are technically feasible, some of these older and smaller existing wind farms are located in highly congested areas and may not be prioritized if the developer owns multiple facilities; these facilities may not be as financially attractive for repowering as compared to wind facilities located in less congested areas or significantly larger in size.

Given that many of the technical issues above are unique to each older wind farm; given that in some cases there is limited opportunity for repowers at some older wind farms; and given that a long term PPA or an acquisition may be necessary to help complete and provide funding for such repowers, CMPAS believes it is critical that any supportive action includes long term PPAs and acquisitions in any supportive action for small older wind facilities.

*Older Wind Farms that Cannot Be Repowered Can Be Excellent Candidates for Storage, Which May Also Qualify for Tax Credits and Which Can Increase Wind Farm Output.*

For older wind facilities, even those that cannot be repowered, adding storage can increase the financial standing of these facilities, making them more worthwhile to keep operational for an extended lifetime. By charging on wind power that would have been curtailed otherwise, they can increase output of the wind energy farm if a substantial amount of its power is currently being curtailed and ultimately provide a net increase of renewable energy credits that can be used for CFS compliance. Even in projects that do not currently experience a high level of curtailment, installing energy storage can still offer benefits to the grid by shifting wind energy use to peak periods, when the power is needed and more likely to displace fossil energy electric production.

Since Order Point 2 is focused on wind and solar projects themselves, it does not currently encourage utilities to make this type of project a priority, even if the storage projects do indeed qualify for tax credits and may still need to be expedited to minimize impacts of Foreign Entities Objects of Concern (FEOC) restrictions<sup>5</sup>. Furthermore, the terms of older, original PPAs for the existing wind facilities or their short-term extensions may not allow storage to be added. As such, CMPAS encourages including any facilities that add storage in any supportive action for small older wind facilities.

3) Examine Mechanisms for Periodically Refreshing or Providing Publicly Available, Data for New Solar, Wind, and Battery Resources in Coming Years

Since federally available sources of generic cost data, such as the NREL Annual Technology Baseline,<sup>6</sup> are no longer being updated, it will become more difficult to get a broad sense of appropriate cost assumptions and changes in technology or performance. Additionally, it is not practical for small utilities to constantly issue requests for proposals (RFPs) or hire consultants to access proprietary assumptions for generic resource types. We recommend

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<sup>5</sup> Energy storage project costs located at smaller wind projects are higher on a \$/kW basis, because of economies of scale. The federal tax credits may be more critical driver for some of these smaller projects.

<sup>6</sup> [Data | Electricity | 2024 | ATB | NREL](https://atb.nrel.gov/electricity/2024/data) (https://atb.nrel.gov/electricity/2024/data)

developing a record to explore the feasibility of accessing appropriate cost assumptions further.

#### 4) Develop the Record Further for Unbundled EACs

CMPAS does not believe there is a great deal of record development on unbundled EACs and how they can help support the objectives of Minn. Stat. § 216B.1691. Given that the prices of new renewable resources are expected to increase because of recent federal policy changes, CMPAS believes that the Commission should consider how all options, including unbundled EACs, can be a useful resource option, particularly for small utilities. Here are two examples:

- Some small utilities use forward contracts for EACs, and in some cases bundle these EACs with energy or capacity from other sources. These types of forward contracts not only provide cost stability for small utilities and their customers but a stable long-term revenue stream for developers and existing renewable resources, who may in turn develop additional generation projects for larger utilities.
- Some small utilities take several years to complete locally sited generation projects. For example, small utilities are looking at solar projects under 1.5 MW, which still can qualify for federal tax credits through a capital expenditure of at least 5% of the project value prior to December 31, 2025. However, due to high visibility of locally sited projects, price uncertainty and the magnitude of this cash outlay for utilities of this size, utilities may wait until a later date – even after the expiration of any remaining tax credits – to fully complete a project as they monitor economics, grant opportunities and/or the ability to conduct any work using local employees. Using unbundled EACs for compliance purposes during this transitional period allows them to take the time to finish their local renewable energy projects optimally while still mitigating rate impacts and CFS compliance requirements. The same can be said for battery energy storage systems (BESS) and wind projects; small utilities may need several years to budget for wind repower projects or may slowly add more BESS (due to their modular nature) instead of a single major outlay of capital.

CMPAS believes others may have additional information and that allowing record development regarding these would help provide more understanding about how unbundled EACs are being used and any associated benefits. Order Point 4 of the September 16, 2025 Order<sup>7</sup> in this docket details a compliance report to be filed starting in 2026 regarding efforts to comply with the CFS. At minimum, a question could be added to the report that asks for more information about how unbundled credits are being used by the electric utility and what benefits they offer.

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<sup>7</sup> *In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691*, Docket No. E-999/CI-23-151. September 16, 2025. ORDER ON CARBON-FREE STANDARD – CLARIFYING USE OF CREDITS, NET MARKET PURCHASES, and REPORTING.

#### **IV. CONCLUSION**

CMPAS appreciates the opportunity to respond to Order Point 1C to further develop the record on supportive actions for CFS implementation.